

facture in the country? What are the steps taken by the Government to stop such manufacture?

Shri Kanungo: The entire system of Indian Standards is a voluntary one. Those manufacturers who commit themselves to the voluntary scheme subject themselves to periodical inspection. Their processes and supply of raw materials are also subject to inspection. Naturally, the tendency for the customers has been to prefer in many respects manufacturers who adopt the Indian Standards Institution standards.

Shri Subodh Hansda: Has any punishment been given to any of the firms for manufacturing sub-standard goods or were any of them blacklisted for that?

Shri Kanungo: As I have said, the entire method is a voluntary system and there is no question of any penalty. If there has been cheating in the matter of drugs or something else which is governed by specific laws, there have been prosecutions and convictions.

श्री तुलसीदास जाधव : क्या सरकार का यह अनुभव है कि इंडियन स्टैंडर्ड्स इन्स्टिट्यूशन का सर्टिफिकेट पाने के बाद स्टैंडर्ड भी देश में इस कानून का उल्लंघन होता है और लोग गलत काम करते हैं ?

श्री कानूनगो : जितने मैनुफैक्चरर्स ने स्टैंडर्ड को लिया है वे स्टैंडर्ड को मैनटेन करते हैं एंड दे आर प्रउड आफ देअर स्टैंडर्ड ।

Shri D. C. Sharma: The hon. Minister has said that quality control is observed so far as aluminium and plywood industries are concerned. Has he received any complaint to the effect that quality control has been found to be defective in these industries?

Shri Kanungo: No, Sir. My answer was just the contrary, namely, that it is not voluntary control. It is statutory control as far as aluminium utensils intended for export and plywood tea-chests required for export of tea

are concerned. That is not voluntary; the rest of the standards are voluntary.

Shri S. C. Samanta: What active steps are going to be taken by Government to see that goods which are to be exported are being inspected?

Shri Kanungo: Recently my hon. colleague introduced a Bill in the House which has been passed. That provides for compulsory quality control.

Cost of Steel Production

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*551. { **Shri Surendra Pal Singh:**
Shri P. C. Borooah:
Shri Maheswar Naik:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether Government have a scheme for bringing down the cost of production of steel in the country;

(b) if so, the broad outlines of the scheme; and

(c) the action taken in pursuance of the scheme?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) to (c). Various steps have been taken to bring down the cost of production of steel in the public sector such as laying down of physical standards in advance for consumption of raw materials like coal, iron ore, etc. Standards are also set for yields that should be achieved. Performance is analysed against these standards with a view to assess the extent of improvement. Special cost reduction studies are carried out at the plant level. Specific areas where cost reduction is feasible are then outlined and methods devised to achieve it. Progress made in achieving cost reduction is reviewed quarterly in the General Managers' meetings.

Shri Surendra Pal Singh: How do the prices of Indian steel compare with the prices in the international market?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): Our costs are higher than the international market prices.

Shri Surendra Pal Singh: Is it a fact that some foreign experts have opined that the cost of production of steel in this country cannot be brought down by merely increasing the production but by cutting down the top heavy managerial and other overhead expenditure? Does the Government agree with this view or not?

Shri C. Subramaniam: Generally our labour is cheap but the contribution which labour makes for the cost of production is comparatively small. Therefore it is only by brining about efficiency in the use of raw materials that we would be able to bring down the cost and we are at it now.

Shrimati Savitri Nigam: How far is this correct that the cost of steel is comparatively higher, in spite of the fact that labour is cheap, because the higher officers are paid very high salaries?

Shri C. Subramaniam: That is not correct.

Shri Basappa: May I know how the cost of production differs in different steel plants in the public sector, how the cost of production in the public sector differs from the cost of production in the private sector and also how the cost of production of Bhadravati Iron and Steel Works stand in competition with the cost of production in these gigantic steel plants?

Mr. Speakta: That will require a long answer.

Shri C. Subramaniam: Bhadravati is a small-sized plant and the process there is also a costly one. Therefore, the cost there is much higher. As far as the public sector projects are concerned, we have made an assessment of the cost of production in the month of July, 1963. In Rourkela, open hearth steel, it works out to Rs. 260.75; LD steel works out to 1100 (A) LSD—2.

Rs. 228.98; in Bhilai it is Rs. 210 and in Durgapur it is Rs. 218.

Dr. L. M. Singhvi: May I know whether a study has been made of the factors which lead to the difference in the cost of production in the private and public sectors and, if so, what is being done to see that the cost of production in the public sector is as low as it is in the private sector?

Shri C. Subramaniam: As a matter of fact, at present, my impression is that the cost of production is almost the same between the public sector and the private sector projects. But our capital investment is high. Therefore, when we allow for depreciation and for the returns on the capital investment, the higher figure is shown.

Shri Sinhasan Singh: May I know whether the Government has got any comparative figures about the costs of production of steel factories in Russia, Germany and Britain?

Shri C. Subramaniam: I am sorry I cannot hear you properly.

Mr. Speaker: There is too much of talking in the House.

Shri Sinhasan Singh: May I know whether the Government has got comparative figures about the costs of production of these factories in their respective home countries—Russia, Germany and Britain?

Shri C. Subramaniam: We have got the international selling prices, and I do not think I have the costs of production in these various factories.

श्री रामसेवक यादव : मैं जानना चाहता हूँ कि सरकारी उद्योगों में और निजी उद्योगों के खर्च में बराबरी है, जैसा कि मंत्री जी ने कहा तो क्या यह खर्चा बराबर सरकारी उद्योगों में इस लिये है कि बड़े सरकारी अफसरों और कर्मचारियों पर; उनकी सुख सुविधा और बेटन आदि पर अधिक खर्च होता है ।

अध्यक्ष महोदय : यह तो जवाब उन्होंने दे दिया !

Shri Ranga: It is rather strange the hon. Minister said that the depreciation costs are supposed to be excluded from the calculation of the cost of production. Is that correct?

Shri C. Subramaniam: Costs of what?

Shri Ranga: These Durgapur, Bhilai and Rourkela steel plants. In calculating the cost of production, do we not include depreciation in that? We have to make provision for depreciation costs.

Shri C. Subramaniam: I have given only the actual cost of production. The other things are separately provided for.

Shri Ranga. It could certainly include depreciation also.

Shri S. M. Banerjee: The general theory is that the more the production, the less the cost of production. As the production of these plants has increased may I know the reasons why the cost of production has not come down?

Shri C. Subramaniam: The cost of production has considerably gone down. For example, in 1961-62, in Rourkela, the cost was Rs. 508 as against Rs. 260 now; in LD process, as against Rs. 308 it has come down to Rs. 228; in Bhilai it is Rs. 210 as against Rs. 222; in Durgapur, it has come down from Rs. 237 to Rs. 218.

रूरकेला इस्पात कारखाना

*५५२. { श्री अशोक लाल बेरवा
श्री बसुमती

क्या इस्पात और भारी उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रूरकेला की चौथी धमन भट्टी का उद्घाटन कर दिया गया है ;

(ख) यदि हां, तो इसके विस्तार पर कितना धन व्यय किया जायेगा ;

(ग) इसके परिणामस्वरूप उत्पादन क्षमता में कितनी वृद्धि हो जायेगी तथा उक्त काम कब तक खतम हो जायेगा ; और

(घ) इसमें कितने मजदूर काम करेंगे ?

इस्पात और भारी उद्योग मंत्रालय में उपमंत्री (श्री प्र० चं० सेठी) (क) से (ग). जी, हां। चौथी धमन भट्टी के सिविल इंजीनियरी के काम का उद्घाटन हो चुका है। १९६६ के प्रथम चतुर्थांश में भट्टी के तैयार हो जाने की संभावना है। भट्टी पर लगभग ५ करोड़ २० लाख रुपये खर्च होने का अनुमान है। इसकी दैनिक क्षमता १५०० टन होगी।

(घ) भट्टी के प्रचालन के लिये लगभग २५० मजदूर रखे जायेंगे।

[(a) to (c). Yes, Sir. The Civil Engineering work for the 4th blast furnace has been inaugurated. The erection of the furnace is expected to be completed in the first quarter of 1966. The furnace is estimated to cost about Rs. 52 million and will have a capacity of 1500 tons per day.

(d) About 250 workers are likely to be employed for the operation of the furnace.]

श्री अशोक लाल बेरवा : यह जो रुपया लिया गया है वह क्या विदेशों से लिया गया है और अगर लिया गया है तो किस शर्त पर लिया गया है ?

इस्पात और भारी उद्योग मंत्रालय में उपमंत्री (श्री प्र० चं० सेठी) : जहाँ तक यह रुपये का सम्बन्ध है यह जर्मनी से प्राप्त हुआ है और उस का जो एग्जिमेंट है वह हाउस के सामने पहले आ चुका है।

श्री अशोक लाल बेरवा : जो उसका विस्तार किया जा रहा है तो उस विस्तार से ही क्या हमारी जरूरतें पूरी हो जायेंगी या उसका और भी विस्तार किया जायेगा ?