

Rest House at Rourkela

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*1050 { Shri Osman Ali Khan:
 Shri Ram Krishan Gupta:
 Shri Anrobindo Ghosal:
 Shri Vidya Charan Shukla:
 Shri J. B. S. Bist:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether it is a fact that a luxury rest house at a heavy cost has been built at Rourkela for the use of the Directors of the Hindustan Steel (Private) Ltd, during their periodical meetings at the plant site,

(b) if so, the reasons for the same, and

(c) the total amount spent on it?

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): (a) to (c) A Bungalow at a cost of about Rs 7.15 lacs has been constructed at Rourkela. It is intended to be used by visitors, guests and the Directors of the Hindustan Steel Private Limited when they visit Rourkela. In the absence of any suitable guest house, the construction of the building was necessary.

Shri Osman Ali Khan. May I know whether the Government has taken any measures to prevent such lavish expenditure in future and, if so, what are the measures?

Mr. Speaker They do not agree with that view. Hon Members are making suggestions or observations that it is lavish expenditure.

Shri Vidya Charan Shukla. May I know whether it is a fact that this building was originally sanctioned to be constructed at a cost of Rs 6.42 lakhs but the estimate was later on raised by about Rs 2 lakhs to provide for more superior sanitary and electric fittings and, later on, it was completed at a cost of Rs 7.15 lakhs? May I know whether it is a fact that though savings were made in the construction

cost, because of the superior sanitary and electric fittings the cost went up? If so, I want to know the precise reason why it was necessary to have these superior sanitary and electric fittings and not the ordinary ones which we generally have in the other rest houses.

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): It is true that the estimate was revised. But some of those items were later on cut down and that is how a saving was made of about Rs 13 lakhs roughly. Because, it was considered that we should not install any costly fittings there.

Shri Jaipal Singh: Is the hon Minister in a position to inform this House whether in contradistinction to rest houses, say, in China or Russia in the steel plant areas, this rest house is austere or extravagant?

Shri Gajendra Prasad Sinha. As far as our knowledge goes, practically most of the big industrial centres have got better arrangements than what we have here.

Mr. Speaker Hon Members who have gone there would certainly be impressed by the beautiful buildings they have there.

Pig Iron

*1051 Shri Osman Ali Khan: Will the Minister of Steel, Mines and Fuel be pleased to state the likely production of pig iron in the country during 1959-60 and the internal demand for the same period?

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): The production of pig iron during 1959-60 is estimated to be about 970,000 tons and the internal demand for the same period about 700,000 tons.

Shri Osman Ali Khan: May I know whether the Government propose to export the surplus and, if so, what arrangements are being made in that direction?

Shri Gajendra Prasad Sinha: Efforts are being made to see that the surplus may be exported. For that we are trying to contact the foreign countries.

Shri Damani: May I know by what percentage the consumption in the country and exports have increased in the last two years?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): It is estimated that during the current year the consumption will be of the order of 7 lakhs. The hon. Member can work out the percentage. There is an increase over the allocation made during last year.

Shri Morarka: Out of the total production may I know how much would be produced by the three steel plants in the public sector?

Sardar Swaran Singh: It is estimated that out of the total of 970,000 tons, the steel plants at Rourkela, Bhilai and Durgapur will produce 570,000 tons, Indian Iron and Steel 250,000 tons, Tatas 100,000 tons and Mysore Iron 50,000 tons.

Shri Panigrahi: May I know the countries to which this pig iron will be exported? May I also know whether the price of pig iron from the public sector compares favourably with the price of Tatas?

Sardar Swaran Singh: It is difficult to indicate the countries that are likely to purchase. Obviously, the countries that offer the best terms will buy the pig iron from us. So far as the cost of production in the public sector steel plants is concerned, it will take some time before the final figures could be worked out. But I do not anticipate that the cost of production there will be higher than in the private sector steel plants.

Shri Ramanathan Chettiar: In view of the likely increase of production of pig iron, especially in our steel plants in the public sector, what steps are the Government taking to find new markets where our pig iron could be exported?

Sardar Swaran Singh: Obviously, we will have to search for markets if there is surplus. But I do not accept the suggestion that there is likely to be a surplus in an unplanned manner. During the present year there is larger surplus because the open cast furnaces, steel melting shops and the rolling mills are not there to convert it into steel. Thereafter the production has been planned in such a manner that it will meet our entire requirements. There may be a little surplus also.

Shri C. R. Pattabhi Raman: Is it not a fact that in the Middle East and Far East a lot of markets are available? What efforts have the Government made to explore those markets?

Sardar Swaran Singh: It is true that there is a growing market for export of pig iron and we will not hesitate to take advantage of it provided the terms that we get are appropriate and suitable.

Shri Daljit Singh: What will be the total production of pig iron when the steel plants in Durgapur, Bhilai and Rourkela come into full operation?

Sardar Swaran Singh: I have given an indication for the current year. Regarding figures for subsequent years I would request the hon. Member to wait, because we will have to see as to how the steel melting and the steel rolling programme progresses.

Shri Dasappa: I want to know whether they have a plan as to the ratio they will maintain between the production of steel and the production of pig iron.

Sardar Swaran Singh: That is true. There is a definite plan that so much of pig iron will remain as surplus. The rest will be converted into steel.

शेठ गोविन्द दास : श्री मंत्री जी ने यह कहा कि हम को इस लोहे को बाहर भी भेजना पड़ेगा, तो क्या कुछ देशों से इस सम्बन्ध में श्री से लिखा पढ़ी हो रही है या श्री यह शुरू नहीं हुई है, और अगर हो रही है तो हमारे कुछ पड़ोसी दोस्त भी उसमें हैं या नहीं ?

Sardar Swaran Singh: We have already sold about 20,000 tons of pig iron. Enquiries have been received with regard to another 60,000 tons or so. We are in constant touch with the possible purchasers. I would like to make it clear that we need not show unnecessary anxiety about this thing because that itself will not be in our interests. If we say that there is so much of surplus, the prices may sag.

Shri C. D. Pande: Because we have supplied pig iron to possible customers at a cheaper rate than pig iron would cost them, we have ourselves marred our case. What is the remedy for this?

Sardar Swaran Singh: So far as the export of iron ore is concerned, it is true that we have entered into certain long term arrangements for the export of iron ore. But, it will be wrong to say that we hold the monopoly so far as iron ore is concerned. Iron ore is available from other countries also. Therefore, if we do not sell iron ore to those countries, there are other countries which would sell iron ore to those countries. This formula that any country that is using iron ore will necessarily switch over to pig iron is not universally correct. Just as we desire that iron ore may be converted into pig iron when it is exported, other countries can also desire that they would import iron ore and they would like to convert the iron ore into pig iron in their own countries. Therefore, we have to strike a balance between our supply position and also the requirements of other countries.

Shri Daman: The hon. Minister said just now that the cost of production from Bhilai, Rourkela and Durgapur will be more than the Tatas and Indian Iron.

Sardar Swaran Singh: I have not said so.

Mr. Speaker: Not in this question. Next question.

Imported Locomotives for Steel Plants

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*1952. { **Shri Nagi Reddy:**
Pandit D. N. Tiwary:
Shri Vasudevan Nair:

Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No 475 on the 2nd December, 1958 and state:

(a) whether Government has received the report of the Committee appointed to examine the cause of missing and damaged parts of the imported locomotives;

(b) whether the report has been considered, and

(c) if so, the nature of the decision taken?

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (**Shri Gajendra Prasad Sinha**): (a) to (c) The Committee appointed by the Hindustan Steel (Private) Limited has submitted its report.

The findings of the Committee are.—

(a) certain parts of the locomotives were either lost or damaged during the course of unloading at the docks or during transit from Calcutta to Rourkela,

(b) a few parts were received in a defective condition, and

(c) certain parts were not shipped at all.

Action has been taken on the following lines—

(a) Claim has been preferred on the Indian Insurance Companies Association Pool for the loss or damage during unloading and transit. The cost of replacements will be made good by the Insurance Association Pool.

(b) The contractors have been asked to replace defective