

[Shri C. Janga Reddy]

the market for the chillies is very uncertain at the beginning of harvesting. For instance, in the month of October last year, the price was Rs. 1600 per quintal. Fifteen days afterwards, the price came down to Rs. 700. But after two or three months, again it will shoot upto Rs. 2,000/- per quintal, when the entire production will be in the hands of middlemen. The consumer will have to purchase at the increased price, while the price paid by the consumer will not reach the actual producers.

Hence I request the Government of India to include the chillies and turmeric in the list of the Agricultural Prices Commission, and declare a support price of not less than Rs. 1600/- per quintal. I also request the Government to advise the Spices Board to purchase chillies at support price immediately.

[*Translation*]

(x) Demand for reconsideration of decision regarding exemption limit for small-scale industries

SHRI RAM PYARE PANIKA (Robertsganj) : Mr. Chairman, Sir, I would first like to thank the hon. Finance Minister for meeting the demand yesterday itself which I am going to raise now. He has gone even beyond that.

Sir, the new Excise policy for the year 1986-87 has created unsurmountable difficulties for the small-scale industries. Last year the production limit was upto 20 lakhs of rupees, which has now been reduced to 7.5 lakhs, while the cost of the raw material has increased. Consequently, the small-scale industries would not develop and unemployment rate would obviously increase.

Therefore, I appeal to the Government to review the situation and adopt such a policy as would prevent crises of any sort in the small-scale industry.

13.20 hrs.

DEMANDS FOR GRANTS (GENERAL)
1986-87—CONTD.

Ministry of Steel and Mines—
Contd.

[*English*]

MR. CHAIRMAN : The House will now take up further discussion and voting on the Demands for Grants under the control of the Ministry of Steel and Mines. Now the Minister will reply to the debate.

SHRI V.S. KRISHNA IYER (Bangalore south) : Kindly give five minutes to a member of my party. After that I will take three minutes, because I have moved my cut motion.

MR. CHAIRMAN : The list was over on that day.

SHRI S. JAIPAL REDDY (Mahbubnagar) : We have both time and members to speak. There are members to speak and there is also time available to speak.

SHRI V.S. KRISHNA IYER : You give five minutes to each member.

SHRI SARAT DEB (Kendrapara) : From what I had heard during the discussion on Commerce Ministry day before yesterday as well as the discussion on Steel and Mines Ministry that is going on today, I feel that both the Departments are interconnected and dependable on each other. If you look at their performance and scrutinise it you will find that both are performing equally. In Commerce, though we are dealing mainly with four or five items, their performance has gradually come down to 0.4 percent. Same also is the case with the steel. Though we are speaking of modern infrastructure of the country, we know the value of the steel. But, in this aspect, I want to bring to your notice that

under public sector, there are only four steel plants ; and it is most surprising that they are not doing well when we are always talking of inviting modern technology from outside, I cannot see what is the reason for which the government wants to invite foreign technology in order to improve the production of steel when there is no result.

Now, I will only confine myself to my State, particularly about Rourkela. My hon. friend from the Congress I yesterday was speaking and he said that there has been a proposal of expansion into two phases. Before expansion, one phase has already been cancelled, and the other one has also been divided into two ; and that is also changing in uncertainly because that is under the consideration of the Government of India. Secondly; the profit that is derived from steel production in most of the steel plants, is much less than the value of the waste product that has been thrown out of steel plants where big mafia group is working and earning lakhs and lakhs of rupees. So I cannot understand that while the finished product is not earning a good amount, the waste material is earning a good amount. I would like the Minister to look into this matter and stop this waste material from going into the hands of the mafia groups, take it into your hands and thereby add something to the revenue of the State.

I would like to bring to the notice of the Minister the condition of Rourkela Steel Plant. It is now working upto 40 to 50 per cent capacity because of power shortage. The power generation in the captive power plant which was meant to provide 70 M.V of power, has gone down. Similarly, the State share of the power generation has gone down. Because of this the entire steel plant is suffering.

Now, we are talking of modernisation. If you go to the Rourkela Steel Plant—which I have gone myself and verified—you will find that though all the sophisticated machineries have been purchased to increase the production, most of them are lying idle and the work is going on with the same old German machinery. The reason is

that we are bringing in sophisticated machinery but without proper technicians and training the worker.

I would like to bring to the notice of the Minister to the fact that a big aluminium factory, NALCO, is coming up in Orissa. But there is no such subject as aluminium technology. I would request the Minister to introduce this subject in the Rourkela Regional Engineering College.

Yesterday, the Prime Minister was saying that we were going to invite all Indian entrepreneur and scientists who had gone out. But what is happening here ? There used to be a practice of a interviewing good students who were coming out of the Regional Engineering College of Rourkela, in the campus itself by the authorities of the Steel Plant. Now, they have discarded that practice. And they are going to bring technicians and engineers from outside. Naturally the talented people who could have been utilised in Rourkela Steel Plant or nation building, are tempted to go out. I request the Minister to look into this also.

I will now come to the point of second steel plant which was promised to Orissa. I cannot understand whether whatever we speak here has got any meaning or not and particularly whether the Minister who replies in this House, has got any value. The second steel plant was sanctioned during the Janata period but only was awaiting Cabinet approval which ultimately the late Prime Minister, Shrimati Indira Gandhi, did give in 1980-81. It was announced in Delhi that Orissa was going to have a second steel plant. On the floor of the Orissa Assembly, the Chief Minister had announced this puja gift from Mrs. Gandhi to Orissa that is the second steel plant. It was to be based at Paradip Port. But suddenly we heard that plant had been shifted to Daitari. The reason given was that Paradip was a cyclone affected area. Now, they have put up a big fertiliser plant. Not only that, Government of India is building up defence installations at Balasore which is also in the cyclone belt. Because of this cyclone, why should Orissa be deprived of this steel plant ? All the

[Shri Sarat Deb]

questions that were answered till last year about this plant, all the Ministers had answered affirmatively that Orissa was going to get a second steel plant. Last year, the Steel Minister while visiting Orissa, did promise that the second steel plant would come to Orissa. Pertaining to that, when a question was put in Rajya Sabha, the Minister replied categorically, "Yes, I have said, we are committed that there is going to be a second steel plant in Orissa. But now what I find from the Annual Report of the Ministry of Steel and Mines is that the second steel plant has gone to dogs. Now they are going to put up some sponge iron factory in Orissa by the name of Neelanchal Ispat Nigam. My hon. friend was saying yesterday that only a tracker is roaming about in Bhubaneswar, but you will be surprised to know that that tracker is also no more moving. Probably either it is in some garage or somewhere else. Not only that, now we come to hear that there has been a conspiracy to remove that Ispat Nigam from Orissa and get those officers absorbed in NELCO. Therefore, I am only reminded of yesterday's discussion which was going on here about Punjab when we were talking very highly about the natural integration, national unity. But I want to bring to your notice that if such type of regionalism is done, if such type of step-motherly attitude is continued, then why other States also will not go the way Punjab is going. I want to warn this government that if the second steel plant does not come up in Orissa in the Seventh Five Year Plan, then whatever are the consequences in Orissa, the Government of India will be responsible for that because thousands and thousands of educated people are there. Just I want to bring to your notice that if this news goes there that Orissa is going to be deprived of the second steel plant and if there is any agitation, then nobody will be able to stop it. You know fully well what type of agitations today are. Ultimately you will find some innocent students being put in the jail because of that agitation. I say that these Ministers who have been promising to the country, who are ** . You will be surprised to know that where-

as this project will cost Rs. 5,000 crores, they have provided only Rs. 6 crores in the Seventh Five Year Plan. I want to know from the Government that if they are not definite about putting up the plant, why have they already spent Rs. 7 crores in the name of this project? I want to know what authority they have got to waste the national money like this. Had this money been spent in some tribal areas, at least the people would have been benefited by that. But instead of doing that, what is happening is that they are ** the people every time. Whenever there is a question in the Parliament, the Minister is answering in affirmative that, "Yes, we stand by it and Orissa is going to get the steel plant". Therefore, before I conclude, again I want to warn to Central Government that if the second steel plant in Orissa is not going to come up, the Central Government is going to face dire consequences and the people of Orissa are not going to take it lying down. This you can take from me. They may go in the Punjab way.

MR. CHAIRMAN : The word he used with reference to the Ministers may be expunged. It is unparliamentary.

SHRI SARAT DEB : They are ** Sir. I have got ample of evidence with me. Here are the replies of the Ministers where they have said in affirmative that there is going to be a second steel plant. So, if it is not ** then what is it? Is it not ** the people of Orissa?

MR. CHAIRMAN : That word is unparliamentary, therefore, it is expunged.

(Interruptions)

SHRI SARAT DEB : You can say it is a **. The Government of India are ** the people of Orissa in the name of the second steel plant.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Chairman, Sir, I am really in a dilemma now because after the participation of our new Member from Orissa, Mr. Sarat Deb, my good friend, I

**Expunged as ordered by the Chair.

** Expunged as ordered by the Chair.

do not know what should be my reply to that speech. I have a lot to speak but I am constrained because I have given you a commitment that I will only deal with some points keeping the time factor in view. Since I am committed to you that I will not make a speech, that is my dilemma. If you permit me and give me some time, I can make a speech. Some words have been expunged from the hon. Member's speech. But I can tell you one thing, Sir...

PROF. MADHU DANDAVATE : ** is not expunged.

MR. CHAIRMAN : That is not there. If it is used, it is also expunged.

SHRI SRIBALLAV PANIGRAHI : Sir, not only in Orissa but in the whole of the country there is nobody who can match the present opposition leader of Orissa, ** in that art of **, befooling people. I think not only in Orissa but in the whole of the country there are very few people like him. I think none can match him in this art. On several occasions, —at the time of election and during electioneering—he has given so many false promises and painted a rosy picture Mr. Chariman, that Orissa will be transformed into the level of your State, Maharashtra. You know the present economic position of Orissa State. He was Chief Minister of Orissa. Then he was the Central Minister. He said he will bring so many projects to Orissa. But nothing happened.

SHRI SARAT DEB : It was promise made by the Prime Minister not by him.

SHRI SRIBALLAV PANIGRAHI : Sir, I earnestly appeal to our Minister. He is a reasonable man. He is an able administrator. He has combined in his personality both the capacity to administer and also the possession of technical knowledge, he being an engineer himself. We expect a lot from him. The people of Orissa have a right to demand a second steel plant in Orissa. Orissa deserves it. It is quite just and legitimate for them to

demand this. It has got a good location for the setting up of a second steel plant. While making this demand forcefully with all the emphasis at my disposal I can confess that I am well aware of the hardships which the Government is passing through particularly in the matter of finance. But there should be some way out to help Orissa which is already a neglected State and a poor State. You know the percentage of people below the poverty line there. I don't want to deal with this at length. Orissa's poverty is there due to historical reasons; this has been the situation during all regimes in Orissa in the past so many years. The people cherish a dream and all out efforts should be made to realise that dream into a reality, that is, setting up of a second steel plant in Orissa. There should not be any delay in proceeding with this project. But at the same time, when we are thinking of more and more steel production it should also be ensured that the production cost does not go up; and it becomes competitive in the international market. It should be made available to people at cheaper rates. There is no meaning in just going in for optimising the production and also increasing the prices and production costs. These two things should not go together. We have made lot of progress in the field of steel production. At the beginning of the First five-year Plan our figure of production of steel was as low as 1.4 million tonnes. Now it is raised to about 8 million tonnes. But it is not sufficient. It is far below our expectations. In 1955-56, when the new steel plants were located here and there, Rourkela was the oldest and the first public sector steel plant. Its foundation stone was laid by Pandit Jawaharlal Nehru, the father of Planning in India and also the architect of modern India. You know Sir, what amount of emphasis he was laying on the public sector, and the concept of democratic socialism. These projects are instrumental in bringing about Democratic Socialism step by step.

I would humbly put forward here that due attention has not been paid to the Rourkela Steel Plant whereas in respect of other projects like Bokaro, Bhilai etc. modernisation schemes have been cleared and put to practice. But what about this

** Expunged as ordered by the Chair.

[Shri Sriballav Panigrahi]

Rourkela plant? Modernisation of Rourkela plant is yet to materialise. Orissa has got a huge iron ore reserve and other facilities. So Orissa deserves not only one plant, but two more steel plants. But at the same time I am well aware of the difficulty as to how to arrange for the funds. Some foreign collaborations can be arranged. In this field another problem is technology. Our technology is outdated and therefore, we should go in for modern technology. But that should not be the plea. In South Korea, in Pohang project the same blast furnace technology has been adopted and it is doing wonders. But here in India how is it that our plants are running at a loss? Therefore, there should be public participation, and managerial responsibility and so many things. I would only request our hon. Minister to kindly pay a visit to all the Steel Plants' headquarters of Rourkela, Bokaro and Bhilai. I do not say that he has not gone. But instead of a short trip going in the morning and coming back in the afternoon, he should stay there in each Steel Plant for two or three days. I have good faith in his capacity. He should personally study various aspects of these steel plants. Then I can say how things can improve, and I can show him how lots of pilferages and thefts are going on with the full knowledge of some people in authority. A new work culture has to be adopted in the working of our public sector steel plants.

I do not like to take more time of the House. I said about the new technology. About 2 to 3 million tonnes of coking coal is being imported from Australia and elsewhere although we have enough coal in our country. Therefore, what is required is change in technology so that our coal can be used.

I would like to make a mention about BALCO and NALCO. NALCO is working in two places in Orissa, Anugol and Damajodi in the Koraput district. BALCO is at Paikmal in Sambalpur district. The BALCO project at Paikmal should not only be limited to extraction of graphite ore, but also it should be component project.

In respect of all these projects I would again submit with all respect that the local interests including employment of people etc. have been ignored. The local interests are ignored, the State Government's representatives are not pleased anywhere in authority. What is the crime that Orissa has committed? Orissa has brilliant officers, technocrats, bureaucrats and so many other people. It is that none of them has acquired the qualification of heading a Steel Plant in India? So, I request that local interests should be properly safeguarded and employment should be given to local people. I also request that all these grievances of the people should be studied in the right perspective and a sincere effort should be made to mitigate their grievances.

And also about steel plants and other things, new technology has come in. At the same time, by the turn of the century, we are going to the production figure of only 22 million tonnes. It has been stipulated that by the turn of the century, we should have to reach a figure of 100 million tonnes. Japan which has started this work in this field simultaneously with us, has gone far ahead of us. China has reached 50 million tonnes. So, this is a challenging task for us: We have to grow more, to produce more and also to introduce an element of economy and so many other things. We have all the requisites. We have the iron ore. We have coal. We have manpower. How to start a new culture and how to manage it properly, efficiently is the main thing.

With these words, I support the Demands for Grants relating to the Ministry of Steel and Mines and request the hon. Minister once again that he should sympathetically consider all the points that I have raised.

DR. A. KALANIDHI (Madras Central): Mr. Chairman, at the outset, I thank you for having given me an opportunity to participate in the Demands for Grants pertaining to the Ministry of Steel and Mines.

Steel is in the core sector of economy. Industrial development of a nation is

primarily dependent on the production and supply of steel. In the year of grace 1985, we had imported steel and if we go by the statistics of demand pattern of steel in 1989-90 and the target of production of steel as furnished by the Ministry, our import bill on steel alone would be about Rs. 6,000 crores. The other day, our Commerce Minister, in reply to the debate on the Demands for Grants of his Ministry, stated that in 1985-86 the adverse trade gap would be Rs. 7,000 crores. In 1989-90, the trade gap would reach about Rs. 20,000 crores, if the present trend of imports continues. Where will we go for money to import steel worth Rs. 6,000 crores in 1989-90?

In this background, we have to plan for augmenting steel production. This cannot be achieved in large scale sector. The Vizag Steel Plant which is likely to be completed in 1989-90 will meet the fringe of the problem. We have to encourage the setting up of mini steel plants. It is unfortunate that the existing 160 mini steel plants are on the verge of extermination because of the increase in the auxiliary import duty on iron scrap from 15% to 25%. The Government is also keen to cut down the import of iron scrap. Now, the Government wants to encourage the production of sponge iron through electric arc furnace. If this is to succeed, then the Centre should give adequate financial assistance to mini steel plants.

Then, there is the perennial increase in steel price. From 1980-85, the steel price was increased 14 times. With the increase in the price of coal by about 17.5% on 9.1.1986, the cost of production of steel is likely to go up by Rs. 191 per tonne. This means, there is inevitable increase in the price of steel. Consequently there will be price spiral in the case of all engineering goods. The Minister of Steel immediately after assuming office, pontificated that the steel plant should endeavour to cut down the cost of production of steel, as it is the heaviest in India. I want to know how far this attempt has met with success. I wish that the Ministers realise the limitations in actual working and restrain themselves from waxing eloquent.

Tamil Nadu has the largest number of Foundries. In Coimbatore alone, there are 600 and odd foundries. They are all handicapped in their working because of acute shortage of pig iron. The SAIL should open stock-yard in Coimbatore and ensure adequate supply of pig iron to foundries. Representation to foundry industry should be given on the Steel Consumer Council being chaired by our Minister.

Sir, the former Minister of Steel, Shri Vasanth Sathe had declared on the floor of the House that the expansion of Salem Steel Plant had been approved with an outlay of Rs. 45 crores. But in the 7th Plan, the total provision for Salem Steel Plant is just Rs. 16 crores. In other words, the expansion of Salem Steel Plant will not become a reality even by the end of the 7th Plan. Tamil Nadu has not been given any major public sector industry in the 7th Plan. I demand that at least the expansion of Salem Steel Plant should be completed in the 7th Plan. Some Members have mentioned about Orissa I am only concerned about my own State, because no major industries are there. The Salem Steel Plant also has been converted into a re-rolling plant. I request the hon. Minister to fund enough, so that the Steel Plant can become a reality.

I am unable to understand the moves of the Government. Suddenly, the Government woke up to the plight of workers in Indian Iron and Steel Company and took over this major unit with just Rs. 9 crores as the payment of compensation. But now, the Government has become cool to the needs of IISCO and to the survival of workers. I want to know what the Government proposes to do with IISCO and how they are going to help the workers from becoming victims of employment.

Coming to mines, I would like to apprise the hon. Minister about the chaotic state of affairs in regard to mines outside the purview of the Centre. To give an example, the Government of Tamil Nadu has licensed certain mines. When the entrepreneurs invest funds and start mining,

[Dr. A. Kalanidhi]

the State Government gives them shock treatment by declaring those areas as areas needed for public purpose. What happens to the workers and to the investment made in such mines does not seem to concern the State Government.

I want the hon. Minister to pay some attention to the wayward action of the State Government and to ensure that the workers do not become the scapegoats of the whims and caprices of the State Government.

SHRI V. S. KRISHNA IYER
(Bangalore South) : Sir, I straightaway come to the points which I want to make. Karnataka has one hope now. That is because, it is during the stewardship of Mr. Pant that decision to set up the Vizianagaram Steel Plant was taken in the early 1970s. It is his brain child and I am sure he is not going to kill that child.

The whole House is aware because that subject has been discussed on the floor of this House several times in the past. I myself have referred to it about four times here. Now it is the appropriate time that I should reiterate and I should demand and press that the Government of India should take a decision soon.

It was announced on the floor of this House on the 17th April, 1970 that the Visakhapatnam Steel Plant, Vizianagaram Steel Plant and the Salem Steel Plant, all these steel plants, will be set up very soon.

We are happy that Visakhapatnam and Salem Steel plants have already been set up.

DR. A. KALANIDHI : A correction. The Salem Steel Plant is not a steel plant now. It is only a re-rolling plant.

DR. V.S. KRISHNA IYER : Whatever it is. They have invested about Rs. 200 crores there and about Rs. 1,200 crores in Visakhapatnam and another Rs. 800 crores is provided this year also for Visakhapatnam.

Imagine a place like Vizianagaram that is, Hospet, where it is high grade iron-ore and the Government of Karnataka has acquired 9,000 acres of land. They have gone all the way to acquire that land was agricultural land. The land acquired which is idle now and about rupees eight to nine crores have been spent but Government of India has not taken even the investment decision so far as Vizianagaram is concerned.

I know the emotional speech made by my Orissa friend. But I do not use strong language because I am confident that Mr. Pant will understand reason. That is why I do not want to use strong language. I will be failing in my duty if I do not mention here the feelings of the people of Karnataka. They are very much disgusted. They have become restless. They are cultured and sober people. But there is a limit even for soberness and patience. I do not know what will happen because it has really become very difficult. You must have read in the local dailies. They are accusing M.Ps of Karnataka State. They have given massive support and mandate to the ruling party. Out of 28, 24 seats have been bagged by that party. Ask the Congress-I M.Ps as to what the feelings of the people of Karnataka are in the matter. 15 years have elapsed. But so far no decision has been taken.

I demand a categorical assurance from the hon. Minister about the setting up of the project. Or else, are you going to shelve this project? I want a categorical reply.

The other day, during Question Hour, the hon. Minister said that he wants to concentrate on on-going projects to increase the capacity. I am not interested in all that. I want one word—Yes or No so that I can go and tell the people of Karnataka that this is the Government of India's stand. I am sure Mr. Pant will not disappoint the 4 crores of Kannadigas.

Only one more point. Recently I read in the papers that the steel prices are going to be enhanced. Only yesterday hon. Member, Mr. Bhattam has said that in

the past 3 years ten times the price of steel was increased. Particularly whenever it is increased, it is not marginal, it is increased by 40 or 50 per cent. People are already facing difficulties on account of the increased steel prices. Steel is very essential and for everything we require steel. So please don't increase the price for some period now. Otherwise, every activity will come to a standstill.

Lastly, a word about the mini steel plants. I read in the papers that the Government of India is not going to give any more licence for mini steel plants. We need steel. We are already short of steel. As small country like Japan which imports everything—iron ore, limestone and everything for steel making—produces 100 million tonnes of steel whereas we produce only 10 million tonnes. When such is the position, we do require steel and unless we have steel we cannot prosper economically. So let them give more licences for mini steel plants.

With these words, I thank you.

THE MINISTER OF STEEL AND MINES (SHRI K C PANT) : I am grateful to all the hon. Members who have participated in the debate and I have taken a very careful note of their suggestions and the points they have made and I can assure them that we will do our best to profit from their observations.

It will not be possible for me to reply to all the points that have been raised. But I shall do my best to cover as many of them as I can. My task has been made easier by the intervention of my colleague, Smt Ram Dulari Sinha who has already dealt with many aspects in the mining sector.

Some hon. friends like Mr. P.C. Sethi spoke with a wealth of experience and knowledge behind them. Many of you may be knowing that he has been a Steel Minister for a number of years and, therefore, he brings that experience to bear on the speech that he made in the House and on the suggestions. I am particularly grateful to those members who either

explicitly or indirectly¹ advocated an increase in the allocation of the Steel Ministry. That goes to the heart of the matter and the fact that they realise that in spite of the best efforts, every Ministry has to function within a larger whole with all its limitations is in itself a gain for this debate. I am grateful to them for having recognised this limitation to what any single Ministry can do.

Many hon. friends have made very kind personal references. I will not mention all of them. But Shri Jaipal Reddy is sitting here, so also Mr. Zainul Basher and other friends. Many of them made very kind references. Mr. Sidnalji just now said. Some of them reminded the House that I was in this Ministry way back in 1969-70 when we took the first decision to locate three steel plants in the South. Therefore, from that very fact you can well understand that I fully appreciate the strength of the feelings behind the sentiments expressed by the Members from Karnataka or Orissa in this matter. . . .

SHRI V.S. KRISHNA IYER : Will you please repeat it because the electricity has failed ?

SHRI K.C. PANT : You should never lose the light above.

I was saying that I appreciate your sentiments. I understand your feelings and I shall later on come to the particular projects which have been raised here. But I just wanted to mention it in passing at this stage that whether it is Vijayanagar or Vizag or Salem, I was involved right at the beginning with the conception of these units and I am very happy to see that they come up. The limitations I have already explained but we shall come to that later.

References were made to the manner in which Indian steel industry has grown over the years. I don't want to go into the whole perspective, it will take too long a time. But most certainly these steel plants which began in Panditji's time were bold ventures, bold in the sense that three of them began simultaneously in

[Shri K.C. Pant]

the public sector. Today when we look back, we can see that but for these three steel plants, the country would have paid hundreds of crores of rupees in terms of foreign exchange over the years.

14.00 hrs.

When they were established, they were established with the latest technology of that time. For instance, L.D. Converters in the Rourkela steel plant were then very new. Today they are common place ; but at that time they were just coming into the steel industry.

Today when we look back we find that our plants are going plants with technology which partly has become outdated. So, I accept the point made by some Hon. Members that we must make sure that we keep on ploughing back the capital regularly into these plants at a certain level.

I am told that the Japan's steel plants plough back 10% of their sales into their steel plants every year. I am not sure about the exact figure ; but the point is that a continuous renewal of these plants is there in order to keep them at their most productive level.

When we look back to the Sixth Plan, we see that during the Sixth Plan the growth of the steel industry definitely slowed down. When we see the figures of production. . . .

[Light went off]

Can you hear me without mike ? The trouble is that most of you should be on this side !

SHRI S. JAIPAL REDDY : Their boat is sinking because of over loading Sir !

SHRI K.C. PANT : The total production from the six integrated steel plants grew from 6.3 million tonnes in 1980-81 to 7 million tonnes in 1984-85 in terms of saleable steel. In the case of mini steel plants also the production grew

very slightly, from about 1.6 million tonnes in 1980-81 to 1.9 million tonnes in 1984-85. That means 0.3 million tonnes in the course of five years. If you look at the corresponding figures for the steel plants in the public sector, the growth in five years was 0.5 million tonnes.

Financially also the position was not good. While I don't want to go into the figures, it is only in 1984-85 that SAIL moved from a position of fairly heavy loss towards a position of marginal unprofit. There are technological points of view also.

14.05 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

From the technological point of view whether in the blast furnace or energy conservation etc. the Sixth Plan did not see any great improvement and our plants were functioning far below the international level of efficiency. Productivity in our steel plants remained low where as manpower in SAIL plants went up from 2.39 lakhs in 1983-84 to 2.49 lakhs in 1984-85.

The year 1985-86 marked a significant change for the better in the steel situation in the country. The production of saleable steel in the six integrated steel plants is likely to rise from 7 million tonnes in 1984-85 to 7.8 million tonnes in 1985-86. In 1986-87 this is likely to go up to 9 million tonnes. You have view this against the previous five years record.

Mr. Jagathrakshakan mentioned that the mini steel plants have been suffering a great deal in the last two years. I do not know if he is aware that mini steel plants have also witnessed a sizeable increase in production from 1.9 million tonnes in 1984-85 to 2.4 million tonnes in 1985-86. There is an increase of 0.5 million tonnes in one year as against .3 million tonnes increase in the last five years. This has been possible partly because the power situation has improved in many parts of the country and partly because of improved

scrap availability and larger import of scrap. Because of these reasons the market price of steel has also fallen. Availability of steel has improved and the extent of drop in open market prices between May 1985 and March 1986 is Rs. 500/- to Rs. 1000/- per tonne on different items. I am surprised to find that not a single member took note of this very significant fact in the debate. The measure of this availability is known by the frequency of the distress calls that we get in the Ministry and also the meetings that we have with the Consumers Council. My net impression of all these meetings is that the availability is far better.

AN HON. MEMBER : Because of imports also.

SHRI K.C. PANT : Yes. That is part of the policy. Production has risen. Imports have also gone up marginally. I will come to the import figure but the net result is that more or less customers are able to get what they want according to their requirements.

In the non-ferrous sector also my friends will be glad to know that the position of availability of non-ferrous metals is also good one and that this has helped the down-stream industries in the non-ferrous sector also to avail of the metals that are available and develop their industries.

Now I come to SAIL and the improvement in SAIL. During 1985-86 the performance of SAIL is also marked both in terms of physical and financial terms. Production of saleable steel in 1985-86 is likely to be about 6 million tonnes as against 5.28 million tonnes in 1984-85. That means about .7 million tonnes in one year as against .5 million tonnes in five years. This is the measure of the jump this year. It is a quantum jump. In 1986-87, it has been planned to increase it further to 7.2 million tonnes which will be again a 20% increase over the 6 million tonnes level achieved this year and I am talking of saleable steel, not ingot steel. Please note that. Now, the capacity utilisation is likely to raise from about 73 percent last year to 79 percent

this year. I do not know the hon. Member who said "Yes, good", you have increased the capacity. But why did you not do it earlier?". I thought that it is a very grudging kind of acceptance of improvement that has been accepted. So, there has been naturally also improvement in the technological performance. I do not want to go into the details of energy consumption and blast furnace productivity and so on. But naturally along with the increase in production there has also been improvement in all these factors of technological performance. I am sure the House will be interested in the financial position of SAIL and the profits this year.

Last year, the profit was Rs. 4 crores. By February this year, SAIL's profit had already reached the figure of Rs. 113 crores. The hon. Members will be glad to know that according to the first quick estimation made for 1985-86, for the 4 steel plants of SAIL, it was Rs. 150 crores. This has enabled SAIL to pay off the arrears of loans and interest.

SHRI BIPIN PAL DAS (Tezpur) : Do you mean to say that we have gone from Rs. 4 crores to Rs. 150 crores ?

SHRI S. JAIPAL REDDY : That is because of the rise in prices.

SHRI K.C. PANT : Not only that. I will tell you later in answer to the question raised by one of the speakers just now. One hon. young friend was pleased to advise me to be careful of what I say. The words he used are stronger. But I wish to explain how much SAIL has absorbed in terms of raising input cost over the last year.

SHRI BIPIN PAL DAS : How do you account for it ?

SHRI K.C. PANT : It is because the production has risen. I would not repeat it. You must congratulate the workers, you must congratulate the management, you must congratulate all those who have contributed to this. I think the SAIL Management, the Corporate office, all the units have to be congratulated for this

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performance. Sir, SAIL has now paid off all the arrears of loan and interest to Government and to the Steel Development Fund. During the next year, the SAIL is expected to be able to generate its own resources for its capital investment programme without any budgetary support from the Government.

Sir, one hon. Member, I think, Shri Malick, referred to the strike in the Alloy Steel Plant. I do not want to go into that particular strike except to say two things. One is that in spite of the strike, the targets for A.S.P. production had been achieved and I would particularly like to thank the workers of the Alloy Steel Plant for this achievement. This is an achievement in spite of the plant being closed down for some time and go slow, etc. and they have managed to achieve the target.

Now, the other point—that we will have to see at this stage is that in the Alloy Steel Plant, there has been re-deployment of the labour forces rather than fresh recruitment.

And to that extent, I would like to thank the workers there for achieving this breakthrough and for seeing to it that production did not suffer thereafter. This has been a very good experience and I am glad that they have cooperated to this extent with the management.

The important thing is that we evolve a strategy for the future for the steel sector keeping in mind the international trends. Many hon. Members referred to the level of steel production in the world at about seven hundred million tonnes. I am sure, they are aware that this tonnage has almost remained static for the last ten years; it has not gone up and this is a very significant factor. What is really happening is that in the industrialised countries of the West, there has been a kind of stagnation in the growth of the steel industry and the adjustments are taking place in the kind of products that they are making and the growth in production is taking place in some of the developing countries. China has been mentioned; Korea has been mentioned there. In both these countries

there is growth in production of steel. There is a shift, but I think, I should inform hon. friends that in 1985 in China, production grew by ten per cent over 1984, the corresponding figure for Korea is 8 per cent, and as against this, in India, the corresponding figure is fourteen per cent. We have not done so badly in terms of growth of production in 1985 over 1984. But the significant point that was made just now was that lighter steels are now being preferred, coated steels are now being preferred, and there is a certain shift in the pattern of production of steel and in fact, the quantity may not be more, but the quality may be better. The type and quality being produced are gradually undergoing a change and we have to take this into account.

I agree with those friends who said that demand will grow of consumer durables as well as of producer goods and with that the demand of steel will go up, but we will have to keep in mind the fact that demand for what kind of steel and what quality of steel. This is an aspect which will have to be taken into account in evolving a strategy.

The other significant development that has taken place is that after the two oil price rises in the 70s, the steel industry which as I said, has been stagnating in the west has had to make adjustment and improve their productivity and cut down their costs and close down inefficient and old steel plants and slowly they have emerged again as competitive steel producing countries. This is the response of these countries to the challenge posed by the increased oil prices. We have to see that our response is similar. There may be change in market demand, increase in oil prices and corresponding increase in the prices of all inputs. How does one do it? Either one goes on increasing the prices interminably, or one contains the costs. These are the only two ways of meeting the situation. If you want to contain the cost, then we have got to, all of us have got to arrive at a consensus in this country. If we have to contain costs, we have to remain competitive and we have to keep the international trends in view. Otherwise, we shall be left behind. We shall

have a sick industry, compared to the industries in other countries. This country cannot afford it. I suppose that we all are one in this respect.

The problem in India is that we have a protected industry and we are insulated from the forces of competition. Therefore, we have got to arrive at a consensus in this House that our strategy will be to see that we remain competitive. Unless we agree on this, unless we arrive at this consensus, the pressure on the public sector steel industry is not going to be strong. There is no other pressure. We, in this House, representing this country and meaning to give all the strength to the public sector, must see to it that the public sector remains efficient, that it produces good quality goods, that it can compete in the world and that it generates sufficient internal resources without raising the prices too high. After all, this is our common objective. This can only happen if there is discipline. We should ensure that there is this discipline and we, in fact, should direct that there should be such discipline so that this objective can be achieved. That is where the consensus is necessary at the moment.

After all, the objectives have been spelt out in this country. What are the objectives of our strategy? Almost every member who spoke in this House said that there should be self-sufficiency in the matter of steel. We have the raw material, we have the technologies, we have a pool of skilled manpower and there is no reason why we should not be self-sufficient. I share that view. We should be self-sufficient and we should move towards self-sufficiency and for that purpose, we have got to have a plan of action. I will spell out the plan of action which we have at the moment.

The second thing is we keep our consumer price of steel and we keep the consumer needs, both at a reasonable and stable level. 'Stable' is the word that I would like to use. Then we should be keeping in mind the international trends, both in respect of quality and in respect of prices. And this is the crux of what the Steel Sector is seeking to achieve.

Now Sir, the demand figures were discussed, and Sethiji who is not here now, was asking me whether in the year 1989-90, the gap would be 0.9 million tonnes or whether it would be a different figure. According to the Seventh Plan Working Group on Steel, 0.9 million tonnes will be the gap. Many hon. members have referred to the gap which will be 5.3 million tonnes by 1999-2000. These projections were made two years ago. After the Seventh Plan formulations, once again there has been an examination of the demand projection, taking into account the pattern of investment, and the growth of the industrial sector particularly the capital goods sector. Taking all these into account, the preliminary studies indicate that the gap between demand and availability will, in fact, be considerably more than the figures indicated above, especially during the Eighth and Ninth Plans. This is what by instinct, all the hon. members have felt. Shri Patil mentioned about this and some other members also mentioned. This is what this study also indicates.

About imports, I would only like to say one thing. That is, our imports are about 1.5 million tonnes and they will come down. They will come down, as the Plans go along. The gap comes down from 0.9 to 0.5 in 1994-95, and then goes up to 5.3. Many hon. friends spoke as though 5.3 million tonnes would be the level of imports. That will not be so. 5.3 million tonnes is the gap we will have to fill. That is how one should view it. For our planning purposes, 5.3 million tonnes is the gap that we will have to fill; we have to take steps to see that steel production goes up, to fill that gap. I would say that even if this gap grows, and the future studies show that this gap is larger than 5.3 million tonnes, even then we have to see that our production also grows to fill a larger gap. I am not defeatist in this matter.

At this point of time, 5.3 million tonnes is indicative of the efforts that have to be made in field of production. How do we fill this gap; and what are the projects that we have taken up at present? The first is that maximum production has to be obtained from the capacities of plants that have already been established.

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Many hon. friends have referred to the modernization of Durgapur, Rourkela and Burnpur. These have to be achieved within five years of the starting date. This is the first important consideration. (*Interruptions*) Modernization and expansion. Funds have been provided for starting the work of modernization of Durgapur and Rourkela. (*Interruptions*). It has not started yet, Mr. Panigrahi.

Efforts are being made to obtain technical and financial assistance for the modernization of Burnpur. You know that Bhilai and Bokaro are being expanded to 4 million tonnes. One hon. Member mentioned Bhilai. Bhilai and Bokaro, both are being expanded to a level of 4 million tonnes.

AN HON. MEMBER : What about expansion of Rourkela Steel Plant ?

SHRI K.C. PANT : One important point which has been mentioned by Mr. Bhattam Sriram Murthy and also some other friends was the one about slippages. I agree that we have got to see that slippages are reduced, because slippages cause overruns both in terms of time and money. Ultimately, they lead to increase of costs, and the projects become very high cost ones. So, we have to pay very special attention to project implementation, and the monitoring of project implementation. That is exactly what we are now doing. We have got to see that all the projects come up within the scheduled time.

But you will appreciate that steel plants are giant complex undertakings; and to complete them in time requires that the supply of equipments is made in time. It requires that the contractors work in time, whether in the private or public sector. So, what it ultimately means is an improvement and a higher level of discipline and efficient working, which corresponds to what it ought to be in an industrialized society. What is the meaning of an industrialized society? It means that everybody works according to a schedule, and delivers on time. But we tend to be slack, down the line; and if you are slack down the line, you cannot expect to complete the projects in time. So, there has to be a total acceptance of this kind of discipline.

SHRI H.A. DORA (Srikakulam) : Amend the Contracts Act.

SHRI K.C. PANT : I wish amendment of Acts were the answer. I do not know whether my friend is a lawyer. I suspect he is. But these things are a little more than simple change in the laws. A change in attitudes is required; and I am sure these attitudes are changing.

Some reference was made to further expansion of plants like Rourkela and Bokaro. We shall have to further expand these plants, wherever scope exists. But that means additional investments and we will have to see if marginal additional investment can achieve further expansion, and we have to see the position of resources.

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar) : Are you going to review it, i.e. about expansion of the Rourkela steel plant ?

SHRI K.C. PANT : Not modernization; I am differentiating between modernization and expansion. I am accepting modernisation; I am accepting means that the plan has accepted it. I would gladly accept more. There is a provision for it; it will be done.

SHRI SRIBALLAV PANIGRAHI : Suppose there is no fund !

SHRI K.C. PANT : It has been provided. That is the trouble that Prof. Dandavate comes late. He has not heard me earlier. He draws his own conclusion and he immediately makes a statement. That has been one of our tragedies.

PROF. MADHU DANDAVATE : So, I am a subject matter of tragedy.

SHRI SRIBALLAV PANIGRAHI : With modernisation, only capacity utilization can be increased. What about expansion Rourkela has no scope for expansion, according to many experts' reports.

SHRI K.C. PANT : I am not saying there is no scope for expansion; I am

only saying we will have to see how much investment is required; whether marginal investment can lead to substantial expansion, and whether one can somehow persuade the Planning Commission and the Finance Ministry to accept this extra burden in this plan; if not, then I will need your help; and if your help fails, then there is nothing one can do. Depending on the availability of resources, we can make further addition to capacities in the existing plants, in the Vizag Plant, even we may start new plants; and even in Vizag Plant, all that I would like to say is that we are intending to complete it on schedule by 1990 because my friends have referred to that point and I shall come later to the question of correlating of date of the completion to the financial allocation which is a point made by two or three members.

Now, the mini steel sector and secondary sector were also referred to; and just now, one hon. member said, we should encourage them; we are encouraging them and we are trying to maximise production; and this year, as I said, they have done better than the previous year. Then we have to see that all three sectors, whether it is integrated steel plants, whether it is mini steel plants or re-rolling mills, they function in a balanced way and integrated manner. I know that there are some difficulties in this re-rolling capacity, which has been built up, which is in excess of the kind of demand that exists for the end-product that they re-roll and so on. We will have to tackle these problems as we go along, but we are doing our best to see that we exploit the strength of each of these three sectors and develop them in a balanced manner, and I think the House will agree with me.

A reference was made now to the Durgapur Steel Plant modernisation; a reference was also made to a particular sum, Rs. 1,200 crores. I think it was Mr. Malik who made it. I think, actually, the estimated cost of modernisation project is Rs. 1000 crores; and in addition to this, Rs. 200 crores will be required for the replacement and renewal; so, it makes Rs. 1000 crores only and Rs. 1200 crores is not going to be spent in this plan; that is where possibly the confusion arose in his mind. I hope I have cleared it.

So far as Rourkela goes, many friends spoke about it, friends from Orissa spoke about it. I cannot say that any friends from outside the State spoke about it; I don't think they did it. But all the friends from Orissa did and some friends from outside Andhra Pradesh spoke about Vizag, which is a good thing. Preliminary study of the modernisation scheme in this plan has been carried out; discussion has been held with the World Bank authority who have expressed interest in this in providing assistance for modernisation of this plant.

SHRI CHINTAMANI PANIGRAHI :
By what time it will be done ?

SHRI K.C. PANT : We are trying to push it and.....(Interruptions) Durgapura and Rourkela, both of them, we are pushing and I hope that we can arrive at an early decision. I do not like to fix up a date here because that weakens us in negotiations that we have with some other parties. Why should we do that ? Let us leave the date open. You can trust me that I shall push it as fast as possible.

One problem area mentioned by members from Orissa was with respect to the iron-ore mines and Paradip Port. It is the difficulty which I appreciate. But the problem is that so far as SAIL plants are concerned, they want to get best out of their captive mines in which they have invested. Some hon. Members mentioned about the South Korean scheme for Paradip Port. That is being examined. The other day a question came up and I explained that. I do not think I can say anything beyond that. But the problem is a real one because SAIL plants naturally draw from their captive mines and as they are developed, they will draw more from their captive mines and it makes no difference to other mines. And export is inhibited by the Paradip Port's capacity to take large vessels. I appreciate the difficulty. But I am afraid, here you will have to push the other ministry.

Dr. Kalanidhi and Mr. Rangarajan talked about IISCO, Burnpur. There is no allocation of funds for the modernisation

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of IISCO plant. It is really more than modernisation. It is rehabilitation of that plant. And we are trying to explore the availability of financial and technical assistance to take up this rehabilitation. Some discussions have been held with the Japanese steel industry by the Chairman of SAIL. One Japanese team has visited Burnpur. They have gone back after a preliminary survey. We can only take a decision later when we have more or less taken a final decision on the funding and we have identified the source of funding. Before that I do not want to say anything prematurely. But I am aware of the interest of many friends, who spoke. I share their anxiety, because the plant is required to be rehabilitated soon as it is already in a pretty bad shape and it has to be done pretty quickly.

Shri Sriballav Panigrahi wanted me to go to the steel plants. I have been to Rourkela and I have been to other steel plants. I am glad to report to the House that the industrial relations' atmosphere which I have found in these plants is very positive and constructive. I have found both management and trade unions and labour in general are fully aware of the need to see that they measure upto the expectations of the country, that production is increased, productivity is increased, that costs are brought down. I think, there is today a realisation all round that in a poor country like ourselves investing thousands of crores in steel plants, all of us in the steel sector are responsible for giving an adequate return on the capital invested, to the country. It cannot afford to lose money and that can only be achieved by higher production and higher productivity, and this also is possible only with the full cooperation of the trade unions. Today that cooperation is forthcoming, I am glad to say this, and I think that with this kind of cooperation it is possible to evolve the desired work culture in these steel plants. After my visit, Chairman SAIL has held two meetings involving a very large cross-section of officers and he has had intensive discussions with them. As a result of this also I think, there will be a change in the attitude. So, this is the basic question.

It is not just a question of investing money in modernisation, it is a question of changing the attitude of the man behind the machine because it is he who ultimately counts and unless he decides to dedicate himself to getting the maximum out of the plant and machinery and the investment made by the country, no one else can do it and, therefore, we look to him. I am very glad therefore, that when I went round, I found an attitude which corresponded to my expectations and I would appeal to all the members of this House, particularly those of them who are connected with trade unions, to keep up this spirit in the steel plants so that we achieve the result that all of us share in our desires. All of us are one in this matter. There are no differences. So, we must cooperate to achieve these objectives.

The question of Vijaynagar Steel Plant and Doltari Steel Plant were raised. So was the question of the second Sandznir mill at Salem. The question of the Cold Formed Sections Project at Gazipur was also raised. All these are projects which have a certain history, a certain background. I can understand the aspirations of the people in those areas to see these projects come up soon. I can understand their representatives here sometimes saying a few harsh words also in these matters. I quite understand that. But when I say there is a constraint in respect of funds, I am stating an obvious fact. There is no cheating in this, there is no bluffing in this. It is a statement of facts. The fact of the matter is that all these projects were put up by the Ministry in their proposals initially submitted to the Planning Commission in the Seventh Plan and we sought funds for all of them.

DR. A. KALANIDHI : When Mr. Vasant Sathe was there, he had allotted more funds for the Salem Project but now only Rs. 16 crores have been allotted. Why that disparity is there ?

SHRI K.C. PANT : He is very much there, but whether it is he or I, we are all jointly responsible. But the question

is, given a certain quantum of money—you take up Bhilai or Bokaro's expansion to four million tonnes, you take up modernisation of Rourkela, you take up modernisation of Durgapur, you try to rehabilitate IISCO, you take up Vizag—I think you will agree that it is better to invest the funds in such a manner that the projects which have been taken up are completed in time and do not starve for funds or resources. It is far better to take up three projects and complete them in time rather than take up ten projects and then not complete them in time. Suppose there is delay—and this kind of delay is very often there; we have experience in States also regarding the irrigation projects, power projects and other projects—then all of you are aware of the escalation of cost that results from that and the delay that is there in completion. So, a certain amount of pruning has got to be done. It is not as though Daitari has been given up or Vijayangar has been given up, but the allocation is so little that nothing can be done with that in such a big steel plant.

DR. A. KALANIDHI : Can you complete it within the stipulated period of time? Can you complete it in the Seventh Plan by allotting Rs. 16 crores alone?

SHRI K.C. PLANT : That is not the time schedule. But for Vizag the schedule is 1990. I would like to say that Vizag is to be completed by 1990.

SHRI S. JAIPAL REDDY : where are the funds?

SHRI K.C. PANT : There you are! Even for Vizag the question of funds comes up. Already there is a gap. So, if there is something more, should it go to fill that gap or should one start 3 more steel plants? You have to consider this aspect.

SHRI SARAT DEB : Why do you promise? Resource constraint is with you. If it is not possible don't make promise. That is our point.

SHRI K.C. PLANT : Everybody is limited by finance.

MR. DEPUTY SPEAKER : You do not ask questions like these. Let him finish.

SHRI SRIBALLAV PANIGRAHI : You are not able to push Daitari, Vijayanagaram. Have you taken decision on the technology to be adopted? What type of technology is to be adopted for this purpose?

MR. DEPUTY-SPEAKER : He has already told, modern technology; everything he has explained.

SHRI K.C. PANT : At this point of time I can not be accused of bluffing. I have stated the exact position. What is the use of my talking about the technology? The honest thing is that Rs. 10 crores have been allocated for both Daitari and vijayanagaram in which nothing very substantial can be done in respect of these two projects. Therefore that is the position today. If tomorrow the position is easier on the resource front, if we can do something more, it is to be seen. But today this is the position. And I cannot change it unilaterally. (*Interruptions*).

SHRI V.S. KRISHNA IYER : What hope is there that you will take it up tomorrow? You have postponed Vijayanagaram for 15 years. For 8 years you have postponed Orissa. What hope is there?

MR. DEPUTY-SPEAKER : Mr. Krishna Iyer, don't interrupt the Minister's speech. Let him finish. You may ask anything for clarification in the end.

SHRI K.C. PANT : I have said about this today in order to see that the hope is kept alive. (*Interruptions*) Sir, I am standing; I am not yielding; I am replying of course. It is now over 20 years since I have been in this Parliament and the least that I can do is to be courteous to

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my fellow members. Now, about Hindustan Steel Construction Ltd. Mr Choubeyji made the point that some proposals had been made by the Joint Committee of employees. We are examining that proposal. Beyond that I cannot say anything. The problems are well known to the House. There is surplus labour. There are accumulated losses. So, we will have to try to see what can be done. But there is no point in wishing away the basic problems that the company faces. Regarding the Vizag estimates, I don't want to go into all the estimates. There have been different estimates at different times. But there appears to be some confusion. Because, many members mentioned Rs. 7500 crores. The estimate now which we are considering in the revised project is Rs. 6,000 crores. I just wanted to mention this, because, there should not be any confusion in this respect.

There was a reference to universal beam by Mr. Bhattam Srirama Murthy as being an essential part of the project and being the most profitable and so on. We don't make universal beam in this country. The demand for it is not high. After it gets produced the demand may go up. But today also it is manufactured otherwise. Fabrication is done whenever required. But it would have been a good thing, but given the constraints on resources and the need to bring down the capital cost and all that, this was the way chosen to bring down the capital cost and reduce capital cost. That is why the universal beam was given up. It does not take away anything from the Central scheme of that plan if I may say so.

Coming to the other question of the requirement of funds, this is what Mr. Jaipal Reddy has raised—he is quite right in his arithmetic, I mean, it requires Rs. 6000 crores, Rs. 2000 and odd crores have been spent, Rs. 2500 crores are provided for and where does the remaining come from? As Mr. Bhattam Srirama Murthy so generously acknowledged, the Prime Minister has taken personal interest in seeing that this project gets more money, and last year he took some interest, it got Rs. 800 crores;

this year he took interest and from Rs. 200 crores and odd the allocation has risen to Rs. 700 crores. It is Rs. 1500 crores in these two years. In the previous five years I think it was Rs. 1500 crores—the entire expenditure up to the end of the Sixth Plan. So you can see the pace at which the expenditure has grown and the allocations have grown. You and I together, and Mr. Bhattam Srirama Murthy in particular, have to see to it that we keep up the pace of construction, that the climate is good, that we complete the project in time and if we create that kind of an impression in Delhi, then my hands will be strengthened on asking for more money. There is a gap, the arithmetic gap, is there, and one proceeds with hope and optimism and a certain amount of faith which I hope is not misplaced. So, if we and the State Government, all of us, cooperate and particularly if those who have some influence on the local people there cooperate fully, then I think a case can be made out; considering the importance of this project at least one can go to the Finance Ministry and the Planning Commission and say, 'Look here, this is a project which we are constructing so fast. For instance, the speed of erection of structurals has improved considerably'. And we are trying our best to see that we achieve Phase I by 1988 and Phase II by 1990. But we must, all of us see to it that labour unrest is reduced to the minimum, that work is not held up, that there are no bandhs etc. etc. and for this, I seek your cooperation and I think this is the only way by which I will be able to get more money for this project and complete it in time.

Some reference was made to the power project. . . .

SHRI BHATTAM SRIRAMA MURTY: If the gap can be filled with cooperation, in that case we will definitely extend our cooperation.

SHRI K.C. PANT : If you extend your cooperation, then only can there be hope of persuading those who hold the purse strings.

SHRI K.S. RAO (Machilipatnam): Is it that cooperation means only from Bhattam or from the State Government also?

SHRI K.C. PANT : I mentioned, 'the State Government'.

AN HON. MEMBER : Including K.S. Rao.

SHRI K.C. PANT : Don't drag Mr. K.S. Rao in this matter at least.

On the power plant, a fire took place and the point was raised whether this would delay the commissioning. According to my information BHEL has promised that it will not delay the commissioning.

Then the question of employment was raised. Now, this matter has been raised in the House and I don't think that I need waste your time on this question. But the only thing I say is that if Vizag is to be a viable unit, then we must see that productivity is high. After all, the capital expenditure is high in Vizag, all of us know it. The only way to compensate for that is to see that productivity is high so that we can produce steel at a certain price and the price that is comparable to the price of other steel plants coming up in other parts of the world and that is our common objective and therefore, we will have to take that into account when fixing certain norms for employment also.

Mr. Bhattam Srirama Murty has referred with great appreciation to the Pohang steel plant. He said, they produce 9 million tonnes of steel. Do you know the total employment for 9 million tonnes of steel? It is 20,000 including those who are taken by the contractors. The total of contractor's labour plus the labour in the plant is 20,000 for 9 million tonnes of production and if we take that as the level of productivity, even in the Vizag steel plant the figure would come to 7000 persons' employment. But we cannot achieve that figure and therefore, our figure is something like 15,000. In the plant itself it is something like 13,000. That is the figure

we have today. In this respect, when it comes to displaced persons, whose problem all of us have sympathy with, naturally there again considering, their training considering their education, we have to do our best. We have to make such relaxation in that case, both in respect of training and in respect of Education. But after all, it is expected that employment of all kinds of displaced persons will reach a level of 5,000 persons. This is the estimate which I want to give.

SHRI K.S. RAO (Machilipatnam) : Can you think of giving training to them?

SHRI K.C. PANT : They are being given training and the conditions are being relaxed wherever they can, in order to see that they are given training.

SHRI S. JAIPAL REDDY : He is not heeding your warning. He is getting dragged!

SHRI K.C. PANT : Mr. V.N. Patil referred to a mistake in printing. I am grateful to him for that. There has been a mistake in printing and I congratulate him also for the closeness with which he has read that text. The number of licensed mini steel plants has been printed wrongly as 1196 instead of 196 in the annual report of the Ministry. I would like to acknowledge his studiousness.

Now, some reference has been made about electric arc furnace, mini steel plant and the need to give some incentives to the growth of this industry. Today the production of sponge iron in the country has been delicensed and sponge iron can substitute scrap up to a point. Otherwise, scrap has to be imported, as we do not generate enough scrap to support our mini steel industry. Today, after delicensing, as against the capacity of 1.2 million tonnes covered by industrial licences and letters of intent, by March, 1985 we have now reached a level of 6 million tonne capacity covered by registration. Now, the Sponge Iron India Ltd., which is a public sector undertaking, which is manufacturing sponge iron of 60,000 tonnes—two units of 30,000 tonnes each—is making a profit,

[Shri K.C. Pant]

you will be glad to know. I would like to mention only one thing, here. That is, that the sponge iron and electric arc furnace route provides an alternative route to steel making. Till now, it is only glass furnace and convertor. Now there is also sponge iron and electric arc furnace. So, there is alternative route. What is important is, in this route, you can make use of your non-coking coal. So, you can also put up manufacturing units in such areas of the country which have good iron ore but are far away from the coking coal reserves. So, the chance of dispersal, chance of decentralisation is there and we have to examine how best we can make use of this. But this opens up certain possibilities which I thought, I would place before the House.

Very briefly, I would like to refer to the importance which the Ministry has accorded to the mini steel plant, and as a result of which we have set up development councils for electric arc furnace and sponge iron industry, in which all interested people have been involved. Similarly, we have constituted a Steel Advisory Council which represents all the major sectors of economy concerned with steel and the Steel Consumer Council.

Now, two hon. Members from Tamil Nadu raise the point that the Coimbatore Foundry industry has not found a representation. In actual fact, the Foundry Association has found representation in it. The All India Foundry Association is represented on the Consumer Council. We are not giving representation to every State. But if the Coimbatore Foundry has any particular difficulty, certainly we will look into those difficulties.

Sir, the question of price has been raised by Shri Jaipal Reddy, Shri Krishna Iyer and Dr. Kalanidhi. There has been no price increase in 1985-86 and I had thought that because of that, no one would like to refer to prices. But I find that even failure to increase price has not succeeded in driving away from the minds of my hon. friends.

15.00 hrs.

I want to tell my friend that actually since the last steel price increases in February, 1985, SAIL has absorbed an increase in costs of inputs to the extent of Rs. 170 crores on account of increase in cesses, levies on coal and power and increase in railway freight.

There was a direct question put to me, "Do you have any proposal to increase the prices of steel?" At present 'No'. We do not have any such proposal at present.

DR. DATTA SAMANT (Bombay South Central) 'At present' means up to what time?

SHRI K.C. PANT : What does one know about the future? I have been to Bombay once to canvass for Dr. Datta Samant as a Congress candidate! (*Interruptions*). That is what I say : from the past now into the future; in this case the present.

We have set up a Science Advisory committee under the Chairmanship of Dr. V.S. Arunachalam, Scientific Adviser to the Defence Minister and recently they had a to-day meeting. I mention this because there are many problems of raw materials etc. in the Indian steel industry which cannot be solved by foreign experts. We have to solve these problems ourselves and one of the problems that arose is coking coal with high ash content. Shri Damodar Pandey and some other friends seem to suggest that we should not import coking coal. The fact of the matter is that where supplies are inadequate, there we are importing coking coal. It is also a fact that when coking coal is used, production and productivity of the blast furnace improves but that is not the main reason for importing coking coal. The main reason is that supplies are inadequate and, therefore we will consider this matter keeping in mind the domestic availability of coking coal and I hope the House will agree with me that we should examine the possibility of increasing the productivity of the blast furnaces with import of coking coal, keeping in mind the higher price of imported coking coal. Balancing all these

factors, I think we should come to a conclusion in this matter.

I do not want to take much time of the House but just say a few things on the Mining Department. We want to have a perspective plan for 15 years from 1985 to 2000 AD and for this, we want to have a unit, a kind of think tank in the Department of Mines so that it can do this forward planning, taking into account the reserves in the country, the rate of depletion, the reserves in the world, price levels, the trends in the world and in the country and so on. Taking all these factors and the technological improvements into account, they have to prepare a 15 year plan.

SHRI K.S. RAO : Think tank consists of whom?

SHRI K.C. PANT : We will set it up and then we will let you know.

Another point which the House would like to know is that in search of inexpensive power centres, we have had a discussion with Zambia. The President of Zambia had a discussion with the Prime Minister and he suggested that India and Zambia should cooperate in the field of aluminium production as an example of South—South cooperation. We welcomed this idea and we sent a team to Zambia led by the Joint Secretary of the Ministry in January, 1966 and they visited the possible sites for this smelter to be set up and techno-economic feasibility studies would now have to be undertaken so that specific proposals can emerge. But the initial reaction of their visit is that *prima facie* this is an idea which is worth following. All of you know both the quality and the cost of power in the country. Non-ferrous sector like aluminium, for instance, is a heavy consumer of power and, therefore, there is a need to look round for cheap power in other parts of the world also. If the idea concretises; at that stage I will take the House into confidence.

There were some references to mineral investigation in Jammu & Kashmir. I find

Mr. Kabull has gone. Actually J & K has been covered by the GSI fairly well and already certain minerals are being exploited.

Mr Modi referred to the exploitation of tungsten deposits in Rajasthan. That is already being done and the Rajasthan Mineral Exploration Corporation has taken up the assessment of the reserves in this area whereas the Rajasthan Tungsten Mining Corporation has taken up the exploration of the deposits in Nagore district of Rajasthan. Similarly the limestone deposits in Rajasthan which can be used in the steel industry. This is another point by him—'Why do you import limestone? Why don't you use these limestones?' Certainly good limestone has been found and in LD converters you need good limestone. Again Nagore district and Jaisalmer have been taken up for a detailed examination of these deposits with a view to formulate a programme for exploration.

Dr. Kalanidhi wanted the Centre to save the mine-owners from the States. Whatever else be the outcome of this debate that Dr. Kalanidhi should have seen the virtue of the Centre disciplining the States is itself a great thing.

About Khetri Copper project, certain irregularities came in for particular mention here. I would like to inform the House that cases of alleged malpractices on the part of senior officers of HCL are under investigation and I can assure the members that every officer found guilty will be duly punished.

Finally Mr Sodi referred to tin deposits in Bastar district. Now this areas of 2000 sq km has been reserved for extraction to MP State Mining Corporation. They will be mining the tin and they have also set up in collaboration with the Bhabha Atomic Research Centre a tin smelting demonstration plant in Raipur district. The tin ore is fed to this plant from Bastar.

...

SHRI GIRDHARI LAL VYAS (Bhilwara) : What about Rampura—Agucha project?

[Shri Girdhari Lal Vyas]

SHRI K.C. PANT : Mrs. Sinha has already spoken about it.

[Translation]

SHRI GIRDHARI LAL VYAS : It is being set up far away in Chanderia which will involve huge expenditure and the Government will be put to loss. Had there been any bania he would have set up at the place I have suggested

[English]

MR. DEPUTY-SPEAKER : Rajasthan is having many projects. Don't worry. He has already told you.

SHRI K.C. PANT : I do not want to answer this question because it would weaken his case. But if he still wants me to answer it, I will answer it.

MR. DEPUTY-SPEAKER : Dagaji will strengthen it.

[Translation]

SHRI GIRDHARI LAL VYAS : I had requested you to reconsider it.

[English]

SHRI K.C. PANT : The fact is that the foreign consultants who examined the Rampura-Agucha project went into the two sites and found chanderia a better site because of the cheaper water available and because the cost of production will be lower.

SHRI GIRDHARI LAL VYAS : Rampura-Agucha will be cheaper.

SHRI K.C. PANT : I have the figures and facts with me. Therefore, sometimes

I have heard certain questions if some friends have raised them. Then I do not want to weaken their case in the House. But again if I am pressed beyond a point and in the insistence I have to give the answer, then I have to give. Therefore, such friends should please always desist from asking questions when I choose not to answer them.

I am very grateful to the House for the patient hearing they have given me and for the very good-humoured interjections in the course of the debate. I would once again like to assure them that all their suggestions will be carefully examined and be given effect to wherever possible.

MR. DEPUTY SPEAKER : I shall now put all the cut motions moved to the Demands for Grants relating to the Ministry of Steel and Mines to vote together; unless any hon. Member desires that any of his cut motions may be put separately.....I will now put the cut motions to vote.

All the cut motions were put and negatived.

MR. DEPUTY SPEAKER : I shall now put the Demands for Grants relating to the Ministry of Steel and Mines to vote.

The question is :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending 31st day of March, 1987 in respect of the heads of Demands entered in the second column thereof against Demands Nos. 84 and 85 relating to the 'Ministry of Steel and Mines'".

The motion was adopted.

Demands for Grants (General) 1986-87 in respect of the Ministry of Steel and Mines voted by the Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 13th March, 1986		Amount of Demand for grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
84.	Department of Steel	4,72,50,000	1,24,80,50,000	23,62,50,000	6,25,02.50,000
85.	Department of Mines	19,16,52,000	1,12,48,83,000	95,82,61,000	5,08,45,17,000

(ii) Ministry of Energy

MR. DEPUTY-SPEAKER : The House will now take up discussion and voting on Demand Nos. 23 to 25 relating to the Ministry of Energy for which six hours have been allotted.

Hon. Members present in the House whose cut motions to the Demands for Grants have been circulated may, if they desire to move their cut motions, send slips to the Table within 15 minutes indicating the serial number of the cut motions they would like to move. Those cut motions only will be treated as moved.

A list showing the serial numbers of cut motions treated as moved will be put up on the Notice Board shortly. In case any member finds any discrepancy in the

list he may kindly bring it to the notice of the officer at the Table without delay.

MR. DEPUTY-SPEAKER : Motion moved :

“That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the Fourth column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending 31st day of March, 1987 in respect of the heads of Demands entered in the second column thereof against Demands Nos. 23, 24 and 25 relating to the Ministry of Energy”

Demands for Grants (General), 1986-87 in respect of the Ministry of Energy submitted to the vote of the Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 13th March, 1986		Amount of Demand for Grant submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
23.	Department of Coal	24,76,37,000	2,36,63,84,000	1,23,81,87,000	10,33,24,18,000
24.	Department of Power	36,69,55,000	2,45,81,00,000	1,83,82.74,000	12,22,25,00,000
25.	Department of Non-Conventional Energy Sources	15,95,89,000	58,33,000	79,79,46,000	3,91,67,000

MR. DEPUTY SPEAKER : Shri H.A. Dora to speak.

SHRI H.A. DORA (Srikakulam) : Mr. Deputy Speaker Sir, the Ministry of Energy consists of three Departments viz., the Department of Coal, the Department of Power and the Department of Power Generation by Non-Conventional Methods.

14.12 hrs.

[SHRI VAKKOM PURUSHOTHAMAN in the Chair]

At the very outset I may be permitted to submit that the 7th Five Year Plan allocated an outlay of about Rs. 2100 crores for the rural electrification programme. Out of this, an amount of 2091.95 crores is in the State sector and the rest of the amount of Rs. 16.05 crores is in the Union Territories.

The power that is generated by the Non-conventional methods are manifold and the time that is allotted to me may not be sufficient to deal with all these aspects. Therefore, I myself confine to the rural electrification that is going on in this country.

Sir, you are aware, there are six lakhs, thirty thousand villages in this country. As per 1981 census, 1300 towns are there in this country. All the towns have already been electrified. But Sir, you are also aware that the major population in this country live in the villages. As per 1981 census the total population is 68 crores, 30 lakhs in this country, out of which 50 crores, one lakh people, according to the figures furnished by the Ministry concerned are living in the villages. The major portion of income is also from the villages. Sir, under these circumstances what exactly are the benefits that are derived by the persons who are dwelling in rural areas.

You are aware that according to the statistics given by the Ministry of Energy out of these 6.30 lakhs only 3,45,507 villages have been electrified by 31.3.1984. During the year 1984-85 the villages that are to be electrified are 21,916 with a total outlay of Rs. 297.76 crores. During Sixth Plan period the proposed target for electrification of villages was 1,22,151 but only 1,19,541 villages were stated to be electrified by the Ministry of Energy.

As I have submitted earlier that by 31.12.1985 there are about 3,77,783 villages which were electrified and still 1,78,343 villages are to be electrified. These are the statistics furnished by the hon. Minister on 3.3.1986 on the floor of this House. The villages still to be electrified are 1,78,343. This figure is not correct because the villages that have already been electrified are 3,45,517. The total villages that are there in this country are 6.30 lakhs. Therefore, there are more than 2.54 lakh villages yet to be electrified in this country.

Therefore, what I would like to submit is that the figures furnished on 3.3.1986 are not correct. These figures were given in response to a Starred Question asked on the Floor of the House. Therefore, this has to be corrected and much more allocation must be made than the present allocation made in the Seventh Plan.

The number of villages proposed to be electrified during this Plan is 1,17,509. Therefore, there will remain still about 30,000 villages to be electrified during the Eighth Plan period. This being the case the villages are totally deprived. They have hitherto been deprived of the benefits of energy which is paramount for the development of the rural areas. They are also being deprived by virtue of less allocation to these villages. A total 1,18,101 villages are proposed to be electrified during the Seventh Five Year Plan. You are also aware that out of the total village of 6.30 lakhs, the villages that are to be electrified are 22,916 with a total outlay of Rs. 297.6 crores and even in the Sixth Five Year Plan period also, the target that was fixed, has not been achieved. The reason,

are not stated. There is a conspicuous silence and serious omission on the part of the Ministry of Energy as to why the target has not been achieved. There are no reasons whatsoever stated therein. Under these circumstances the less attention that is being paid by the Ministry of Energy is taken into consideration, even in the Ninth Plan the villages are not going to be electrified in this country. Not only that. Even if we take the present allocation into consideration, we cannot achieve the target in the Ninth Plan. Therefore, my submission is that the villages have been neglected. We are all speaking very high of villages. 80% of the population of this country today live in the villages. This is according to the 1981 census. In 1901; 90.1% of the total population of the country used to reside in the villages and in 1981, the village population has been reduced by 10% and 80% of the people still live in the villages. But, the allocation that is made is not at all sufficient. I am not discriminating between the urban development so far as the energy is concerned and that of the rural development. But this is a factor which has to be taken into consideration in the development of rural areas. Thus the rural areas have been neglected by the Ministry of Energy in this country. Most of the hon. Members of this august House are representing the rural constituencies. Yet they are not taking interest in the development of the rural areas and these figures clearly show that there is an amount of 'criminal negligence' on the part of the Government in developing the rural areas. I may be pardoned for saying so, because I have used the words 'criminal negligence'. The negligence that has been made in developing the villages is really criminal in nature, but it is not a civil negligence or a casual negligence. It is a wanton negligence made by the Government of India. This attitude of the Government should be rectified. With these words, I thank you, Sir.

[Translation]

SHRI BRAHMA DUTT : (Tehri Garhwal) : Mr. Chairman Sir, to measure the progress of any country we have to consider primarily the development

[Shri Brahma Dutt]

of power in that country. Our nation-builders have paid full attention towards this. When our planning process began in 1950, there was an installed capacity of only 1,500 megawatts of electricity. In 1980 the capacity for power generation had gone up to almost 28,000 megawatts. During the Sixth Five Year Plan an additional capacity of 14,500 megawatts was generated. However, our aim was to generate additional capacity of 19,600 megawatts. I would like to emphasize, that when we make our plans, we tend to neglect the cost escalation during the course of the plan period, and consequently there is a shortage of funds. Our Planning Commission must consider the cost escalations and keep provisions for it.

A year has passed since the Seventh Five Year Plan began and we have only developed an additional capacity of 4,200 megawatts when the target of the Seventh Plan is 22,200 megawatts. The same problem will crop up again if we do not take into consideration the cost escalation in future. So we must consider this aspect to achieve our target and keep provisions for it. It is my humble request to the Government that it should reallocate an additional Rs. 34,000 after considering the possible escalation of costs in future. This is being emphasized, because power is important in all sectors. Except a few scientific departments, all sectors, whether the agricultural or the industrial need power. So unless we can counter the shortage of power in these sectors, we cannot maintain them properly.

I would like to congratulate the Government for achieving the target of 1985-86. 170 billion units of power was generated, which was the target, in spite of unsurmountable difficulties like acute shortage of water. However, we must change the ratio of our thermal, hydel and atomic power generation capacities. In the developed nations, we observe that atomic power has been developed enormously, and in our country sufficient capacity for hydel power generation is available. So we must develop this source with modern technology. Hydel and atomic power generation must receive our main attention.

The Government deserves praise for this thing also that by improving the quality of the coal, by bringing about qualitative change in it, by arranging its proper loading by railways and by renovation and repair of the machines, the plant load factor has been increased from 50 per cent to 52 per cent, that is, it has been increased by two per cent. But there is still large scope to increase it and it can be easily raised up to 58 per cent. As it is considered more proper, I am submitting this. All these things are necessary. The equipment manufacturing institution, BHEL, should arrange for 'after sale service', because we get many renovation schemes. When I was looking after the electricity department in Uttar Pradesh, a renovation scheme for Rs. 120 crore was received and I asked the Chairman of BHEL that he can have the contract for Rs. 120 crore but an organisation with infra-structure should be set up which may look after 'after sale service'. Along with it, it is also necessary that the spare parts should also be available with us. Even more important is to improve the quality of coal and it is a good thing that both coal and electricity departments are under one Ministry. Coal cannot be produced more because mines get less electricity and electricity is not generated more because the quality of coal is inferior. Therefore, by improving the quality of coal the capacity of mines will also be increased and efficiency too will increase. We will have to pay attention to the railways also so that they may make proper arrangements to handle proper quantities of coal and furnace oil. But merely talking of plant load factor is not sufficient. We will have to improve our transmission system also. At present our transmission loss is about 21 per cent whereas it should not be more than 12 per cent. If we are able to improve it, our internal resources will increase so much that we will not require outside resources. During the Sixth Five Year Plan we observed that we spent half of what we should have spent on transmission and which was necessary to spend. You will have to strengthen your concept of National Grid. Unless this concept is strengthened you will not be able to distribute power in proper manner because somewhere it is surplus and somewhere it is less than the requirement. Unless

transmission lines are laid under this National Grid, you will not be able to distribute power to the required places. Shri Daga is in our neighbour. In his area usually there is shortage of power. If transmission lines are laid, we can supply power to his area and at the time of need, we can have it from them. Therefore, you should strengthen your National Grid concept.

We will have to improve the working of the managements of the State Electricity Boards. We will have to see that there is no stagnation in the services of the employees and engineers of these Boards and they remain satisfied. Simultaneously, relations with them will have also to be kept cordial. In addition to this it is most important that the persons who are appointed there should come for a definite period. It is not proper to transfer them after very two years or one and half year because unless our SEBs are properly managed, we cannot generate our internal resources.

Sir, during the Sixth Five Year Plan though Uttar Pradesh was asked to mobilise extra resources worth Rs. 1000 crores, we mobilised Rs. 1400 crores but we saw that Rs. 600 crores were eroded because of SEB. Therefore, we should pay attention towards its management and its capacity should be improved. Only then we will succeed.

A mention was made of rural electrification here. About 57 lakh pumpsets have been installed which are consuming lot of power. But if more power is made available to them, their capacity can further be increased.

Sir, I want to make an humble request. Though it is not directly connected with it but recently this has come to our knowledge that there is a big reservoir of water in half of the area of the foot hills of the Himalayas which is at the depth of 2,400 to 2,500 feet. It runs from Jammu and Kashmir to North East region, Assam, Sikkim and even further. In Uttar Pradesh and Bihar it is very extensive. If we are able to do boring upto 2500 feet, then artisan wells can be sunk which will not

require power even. Rather we can do one thing more. After sinking the artisan wells we can throw the water from the slopes and we can construct several mini and micro hydel project. It is, therefore necessary that we should go in for these mini and micro hydel projects whether these are possible at high altitudes of the Himalayas. We must pay attention towards this because we cannot lay transmission lines there.

In our State, about seventy per cent villages, *i.e.*, three lakhs and seventy thousand villages have been electrified. The complete electrification of the remaining villages is proposed to be completed within five years. The criteria of declaring the villages electrified adopted by the C.E.A. is a strange one. Many villages declared as electrified by the C.E.A. are actually not electrified. Mere installation of the electric poles or transmission lines passing through those villages should not be treated as electrification of those villages. Until or unless the electricity is provided in each mohalla, particularly in the schedule caste and schedule tribes localities, the village should not be treated as electrified. Street light should be provided in the villages and the expenditure should be borne by the Government instead of State Electricity Board.

A point has been raised here that the electricity boards have to incur heavy loss in connection with rural electrification, particularly in supplying electricity for agriculture purposes. My submission is that this loss should also be borne by the State Government.

Sir, one thing, which is also related to my constituency, I would like to say is that in 1960 the ratio of hydel power electricity stations was 67 per cent which has now reduced to about 34 per cent and the ratio of thermal power has now gone up 64 per cent. We have to change it because hydel electricity is non-polluting and cheaper. However, in the first instance we have to incur heavy expenditure on it, but even this can be reduced. The general impression is that such projects are time-consuming. It is right because

[Shri Brahma Dutt]

we have latest equipments for the construction of dams but we do not have good instruments for constructing tunnels. Therefore, the equipments used in the construction of tunnels should be improved.

Sir, I would like to say one thing which relates to my constituency. A big Yamuna scheme was drawn but its approval was too late. I draw your attention towards the Tehri Dam which is a big project. After the completion of the first phase, 1,000 mw electricity will be produced and after the completion of second phase we will get 2,000 mw. electricity. It will also irrigate about two lakh seventh thousand hectares of land of Saharanpur, Muzaffarnagar, Meerut, Bijnor, Bulandshahar, Aligarh, Agra, Mathura, Etah, Etawah and Farrukhabad in Uttar Pradesh for which sanction was accorded in 1972. But the department of Environment has not yet given its clearance, because the chairman of the Committee formed by you, could not form his opinion about it. About fifty thousand people are being displaced from there. You had promised to give Rs. 35 crores in the current financial year and Rs. 15 crores were to be given by the State Government. The State Government has given its share and you should also give your share so that the displaced persons may be rehabilitated.

[English]

SHRI BIPIN PAL DAS (Tezpur) : The most important infrastructures required for economic development are energy and transport; and of the two transport has made some development. Again, transport also depends upon the supply of energy. Therefore, I consider energy to be the most important infrastructural factor for our economic development. So, utmost attention should be paid to the development of energy. I am not going into details, because there is no time. But the question is, how to develop energy requirements, and what are the sources.

There are various sources of energy available to us in this country. The only question is how to develop them, how to tap those sources, what are the practical problems, and what are our priorities, and what form of energy is to be utilized for what purpose. These are questions to be answered and examined by the Ministry. We must be careful about the exploitation of reserves, because so far as coal is concerned, it is an exhaustible reserve.

We have a vast reserve of coal. There is no doubt about it, and we depend today mostly on coal, because most of our thermal plants work on it; but coal is an exhaustible reserve and, therefore, we must be very careful about the exploitation of this reserve.

Then, of course, there is also the problem of transportation of coal to the power plants. It is also a problem. That also creates a bottleneck, and the Ministry knows very well what kinds of problems it creates.

I have gone through this Report. But I am not discussing it in detail, because there is no time. I have seen the sketch in page 3. They have given only a sketch about thermal power generation or capacity, and hydro and nuclear power. What about others? I do not know. I will come to that. But of these, so far as growth of energy, i.e. electricity generation is concerned, I find that in the case of nuclear energy, it is almost static all through. Very little improvement is there. But what has surprised me most is the hydel power. The hydel power generation in 1978-79 is almost the same as the hydel power generation in 1985-86; and that surprises me very much.

Of course, in thermal power we were going very fast upto 1978-79; but thereafter, the growth slowed down. Similar is the case in respect of generation capacity. I do not want to go into details of that.

Now about the Units expected to be commissioned/rolled during 1985-86: I have gone through all regions—northern, western, southern and eastern. I now

come to the north-eastern region to which I belong. Compared to all other regions, the total installed capacity of the north-eastern region is 72.5 MWs. Out of a grand total of 4,349 MWs., the total installed capacity in the north-eastern region is 72.5 MWs. It needs no comments. How much has the Government neglected this region, so far as energy generation is concerned, is evident from the Report itself.

Now about the other part of the Report. My friend there had referred to village electrification. I have some practical experience of village electrification, because I was in charge of the 20-point programme for four years in my State and rural electrification is one of the items of 20-point programme. Most of the works done by the Department is a bluff. They just put up a post in a village and will report to the government that village has been electrified. It has been the norm that 1.5 kms they should go in. But that itself is insufficient. I suggested 3 kms. All right, 1.5 km. is inadequate but that also has not been fulfilled. Therefore, I do not believe in this sketch in this Report that there are so many villages which have been electrified. Anyway, I congratulate some States like Maharashtra, Tamilnadu, Gujarat, Punjab and Haryana for their grand success in rural electrification; others have not done very well. Excuse me, my dear Satheji, my saying of bluff which is going on as given by your department officials; you are not to be blamed, but, you should certainly look into it.

Regarding pump sets, the less said the better. You look at the map. Again a sketch is given here. Nothing has been done regarding pump sets energisation in States like West Bengal, Orissa, Assam, Himachal Pradesh, Jammu & Kashmir, Tripura, Meghalaya, Manipur, Nagaland and Sikkim. Something has been done in other States.

In the Seventh Five Year Plan, they have mentioned about hydro programme, thermal programme, nuclear programme.

What about other programmes? Don't they think of other sources of energy? I will come to that later on. They have mentioned about geo thermal energy, tidal power and so on. I shall come to that later, but nothing has been programmed regarding this in the Seventh Plan; that is what I see from this Report.

Now the geological survey indicates large oil and gas potential, but the reserves are limited. In 1977-78, the recoverable reserve of oil was 303 million tonnes and gas reserve was 230 billion cubic metres. But the total production in 1977-78 was 10.19 million tonnes of oil and 2726 million cubic metres of gas. I do not know the latest figures. I have not seen them at least in this Report. I do not know why this particular source of energy has not been utilized for production of power, I mean oil and natural gas.

I come from a State which produces oil, the first oil refinery in the whole country, perhaps to the world, it is very old, as old as this century. After many years of complete silence, new oil field was discovered. Oil and Natural Gas Commission was silent. I was in the other House. We made them conscious about it and then they became active. Then oil and gas was found. Now gas is burning in Assam oil fields by millions and millions of cubic metres every day. I invite you to come and see with your own eyes. But nothing has been done to utilize this gas for the production of power and energy.

Hydro power 1960 survey potential was 40,000 million MWs, but nothing has been developed. These surveys confine only to northern, southern and western regions. No surveys report is available about the north-eastern region. May I inform the Minister and the government that the expert opinion is that hydro potential in the north-eastern region alone can go upto 20,000 MWs? I am giving the expert opinion and not my own opinion. But nothing has been done to tap this source of energy and to develop hydel power there.

[Shri Bipin Pal Das]

There was a quick assessment by the Central Electricity Authority. They said that the hydro-potential was 76200 MW at 60 per cent load factor. But the potential developed was 7613 MW and under-development was 5190 MW.

About nuclear energy I need not say anything because we have not developed it much.

There is the solar energy. But no importance has been given by this Government to the production of solar energy. We heard something about solar pumpsets and solar basket. In the West, sun basket can cook rice in ten minutes and chicken in 20 minutes and costs only Rs. 45/-. Are you doing anything about it?

MR. CHAIRMAN : There are about 34 persons who want to speak from the Congress Party and the instructions given by your party are that nobody should be allowed more than five minutes.

SHRI BIPIN PAL DAS : If you do not allow me then I will sit down.

MR. CHAIRMAN : You can take one or two more minutes and finish your speech.

SHRI BIPIN PAL DAS : Some prototypes of solar pumpsets have been manufactured in USA by the principle of conversion of energy through photo-voltaic cells. This can be used in lift irrigation purposes. It can generate energy upto 250 watts. This is the report. But nothing of this sort has been done by R&D section of your Ministry or Government.

Solar energy can also be used for solar water heaters. It is popular in the West. One 10 KW system can be used for electrification of one whole village. But nothing has been done. We have abundance of sun shine here but you are not utilising it.

Regarding bio-gas, gobar gas is becoming popular at least in my State. But the

progress is very very slow. We can make use of bio-gas for the use of rural population, for all their use including electrification. I have seen small tea gardens being electrified by bio-gas plants. But no importance is given to this item in this report. That is my regret. That is my complaint against my dear friend, Mr. Sathe.

Geo-thermal energy can be derived from hot springs. But nothing has been done in our country. There are sources of hot springs in our country.

About tidal power nothing has been done so far.

MR. CHAIRMAN : You have taken enough time ; please wind up.

SHRI BIPIN PAL DAS : I will just finish and then sit down.

According to my knowledge some investigation was made about the possible development of tidal power in Gulf of Kutch and Gulf of Cambay and Sunderbans. But it has not been explored further.

About wind power, nothing has been done.

About OTEC—Ocean thermal energy conversion—nothing has been done.

MR. CHAIRMAN : Please conclude Mr. Das.

SHRI BIPIN PAL DAS : I will conclude now. I had to say lot of things but you are not allowing me, I know. I will conclude by making some suggestions to the so-called policy statement they have made in their Report. In order to take the country to 21st century, I mean, in order to meet the needs and requirements of the country in the 21st century, as far as energy is concerned, I am making these concrete suggestions.

The total requirements of energy for the whole country by 2000 A.D. should be correctly and properly assessed.

A correct assessment should be made of various sources of energy available and possible for development in the country.

The correct assessment of the potential of each such source has to be made.

The geographical distribution of these resources has to be assessed.

Technological feasibility of development of each such source of energy has to be worked out.

The cost of production in each such case should be worked out.

Which energy can be used for what purpose should also be correctly assessed so that there is no wastage of Energy, and allotment be made accordingly.

Targets must be fixed, annual targets, five-yearly targets in the context of the overall 15 years plan.

Transport arrangements must be perfected, particularly for movement of coal.

The transmission lines must be lasting.

The R & D activities must be geared up.

There should be a national power grid.

One more word and that is about the Electricity Boards. You do not give me time, I would have quoted from the Reports. There are Experts' Reports which say that the Electricity Boards must be manned and managed by professionals, by power engineers, but nothing has been done. It has all been politicalised completely. There are so many reasons for power failure. One of the reasons why power failure is there in various parts of the country is that these Electricity Boards are not being managed by professionals, by power engineers, which has been recommended by several Expert Committees right from 1948. I hope, my friend Mr. Vasant Sathe will take note of this suggestion and do whatever he. Thank you.

THE MINISTER OF ENERGY (SHRI VASANT SATHE) : May I make one humble request to hon. Members. There are three Departments under the Ministry of Energy and three Reports have been placed in the House. One is on Non-Conventional Resources of Energy, another is on Power and the third is on Coal, and all these have been given.

SHRI BIPIN PAL DAS : Honestly speaking, this is the only thing we have got.

SOME HON. MEMBERS : No, we have got them.

SHRI VASANT SATHE : If my good friend Bipin Pal Das had seen these, he would have got much more material on the non-conventional sources of energy.

SHRI K. RAMACHANDRA REDDY (Hindupur) : I beg to move—

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to give adequate compensation to the people whose lands have been acquired for mining of coal.] (1)

“That the demand under the head ‘Department of Coal’ be reduced by Rs. 100.”

[Need to take effective steps to check theft and pilferage in coal mines.] (2)

SHRI V.S. KRISHNA IYER (Bangalore South) : I beg to move—

“That the demand under the head Department of Power be reduced by Rs. 100.”

[Need to give enhanced grants to State Electricity Boards to enable them to improve their working.] (3)

[Shri V.S. Krishna Iyer]

“That the demand under the head Department of Power be reduced by Rs. 100.”

[Need to give encouragement to non-conventional power sources.] (4)

“That the demand under the head ‘Department of Power’ be reduced by Rs. 100.”

[Need to give more power to Karnataka from Ramagundam Thermal Plant.] (5)

“That the demand under the head Department of Power be reduced by Rs. 100.”

[Need to set up 2 × 210 MW multi-fuel Boiler Thermal Plant at Mangalore, Karnataka.] (6)

“That the demand under the head ‘Department of Power’ be reduced by Rs. 100.”

[Need to 120 MV Gas Turbine plant at Bangalore.] (7)

“That the demand under the head ‘Department of Power’ be reduced by Rs. 100.”

[Need to set up 4 mini-generating stations based on Diesel at Kolar, Bidar, Jamakhandi and Gadag in Karnataka.] (8)

SHRI K. RAMACHANDRA REDDY :
I beg to move—

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to reduce the cost of production of coal.] (13)

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to improve the productivity of coal by increasing the per head output of coal in coal mines.] (14)

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to increase the despatches of coal from coal mines to meet the requirements in core sectors like power, cement and steel.] (15)

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to improve the safety of workers working in coal mines.] (16)

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to grant adequate compensation for families of workers who die in coal mines.] (17)

“That the demand under the head Department of Coal be reduced by Rs. 100.”

[Need to improve industrial relations between workers and management of Coal India Limited.] (18)

“That the demand under the head ‘Department of Power’ be reduced by Rs. 100.”

[Need to give more funds for hydro-power generation in Andhra Pradesh.] (19)

“That the demand under the head ‘Department of Power’ be reduced by Rs. 100.”

[Need to supply power at cheap rates for agriculture and small scale industries.] (20)

"That the demand under the head 'Department of Power' be reduced by Rs. 100."

[Need for supply of power at cheap rates for industries in drought prone areas.] (21)

"That the demand under the head 'Department of Power' be reduced by Rs. 100."

[Need to set up Power Engineers Training Society in Andhra Pradesh.] (22)

"That the demand under the head Department of Power be reduced by Rs. 100."

[Need for liberal assistance by Centre for setting up more power distribution stations to combat low voltage problem in drought prone Rayalseema region.] (23)

"That the demand under the head 'Department of Power' be reduced by Rs. 100."

[Need for liberal central assistance for giving power to agriculture in chronic drought prone areas in the country.] (24)

"That the demand under the head 'Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to undertake new surveys for rural renewable energy projects in Andhra Pradesh.] (25)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to allot more funds for research and development of power generation on the principle of Magneto Hydro-dynamics (MHD).] (26)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to set up Magneto Hydro dynamic plants to generate power.] (27)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to grant sufficient funds to Andhra Pradesh for popularising new and renewable sources of energy.] (28)

"That the demand under the head Department of non-conventional Energy Sources be reduced by Rs. 100."

[Need to give incentives in the form of cash prizes for setting up family size bio-gas plants in Andhra Pradesh.] (29)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to set up a branch of Renewable Energy Development Corporation at Hyderabad in Andhra Pradesh.] (30)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to set up solar energy research centre in Anantapur in Andhra Pradesh where the temperature is fairly high.] (31)

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to allot more funds for Rayalseema in Andhra Pradesh to popularise the use of smokeless chulhas for cooking.] (32)

[Shri K. Ramachandra Reddy]

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to set up wide demonstration centres for use of solar energy for agriculture in Rayalseema.] (33)

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to educate the farmers about the use of wind energy for agriculture in Andhra Pradesh.] (34)

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to give 75 per cent subsidy on purchase of solar pump-sets and photovoltaic systems in Andhra Pradesh.] (35)

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to give incentives for States constructing more number of biogas plants.] (36)

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to set up a biomass demonstration project in Anantapur district in Andhra Pradesh.] (37)

"That the demand under the head 'Department of Non-conventional Energy Sources' be reduced by Rs. 100."

[Need to set up Biomass Research Centre at Anantapur in Andhra Pradesh.] (38)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to set up a Refuse Incineration-cum-Power Generation plant at Hyderabad to produce energy from urban waste.] (39)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to expedite completion of rural renewable energy projects in Andhra Pradesh.] (40)

"That the demand under the head Department of Non-conventional Energy Sources be reduced by Rs. 100."

[Need to take up construction of rural renewable energy projects where survey has been completed.] (41)

[Translation]

SHRI RAM PYARE PANIKA (Robertsganj): Mr. Chairman, Sir, in the first instance, I would like to congratulate the hon. Energy Minister and the staff members of concerned departments for remarkable progress in the key-sector Industry of Coal and Electricity. 19,000 mw. target of Sixth Five Year Plan was achieved upto 14,500 mw. despite various difficulties. The production of electricity has gone up by 50 per cent. Thus our achievements are remarkable, and it is due to the improvement in the supply of the coal, spare parts and improvement in some other fields brought about the Ministry.

I do not want to go in statistics. I would like to say only that if we have to increase the production of electricity which

is a very important for development and progress and if we have to electrify the villages we have to take some steps in this regard.

I am thankful to the hon. Energy Minister who recently visited our State, *i.e.*, Uttar Pradesh. After your visit to the State, people are getting electric supply for 16 to 17 hours instead of 10 hours. I am thankful to you also that overall production is increasing. Sir, he reprimanded the staff there which had good affect and has resulted in the improvement in the management.

Today I would like to tell the House that it is not appropriate to call the Electricity Boards white elephant. You take some steps—finance them, regularise the supply of spare parts, remove the indiscipline and the political interference.

Sir, I congratulate you and the Ministry for evolving N.T.P.C.'s new system. This system should be adopted by all the Electricity Boards, this system is very useful. Now Singarauli Project works on 100 per cent capacity. This is due to load factor. It is a good step. If it is possible in NTPC and Andhra Pradesh why can't it be adopted by other electricity boards.

Sir, I remember that you had called a conference of the Energy Ministers and the concerned officers. I would like to request you to issue clear directions to all of them to the effect that the system evolved by Central Electricity Authority and NTPC should be implemented by all the states.

Due to your efforts, now no power house has coal stock of less than its twenty days consumption. Its quality should be improved in washeries and BHEL should be asked to regularise the supply of spare parts. In on-going-projects, if supplies are regularised and indiscipline is removed, then there is no reason that we can not achieve our goal of electricity production.

I also would like to say that favouritism should not be there, whether it is NTPC or HPC. If it is not eradicated it

will come in the way of efficient working of these bodies.

I demand that when land is acquired for the project, due compensation should be paid and displaced persons should be rehabilitated. One member of each such family should be given suitable employment in the project.

Uttar Pradesh is lagging behind in electricity as mentioned by Shri Brahma Dutt: You have ensured an agreement between ANAPARA-B and Japan, I would request you to ensure a similar agreement with ANAPARA-C also.

One more thing I would like to say is that there are many rivers in the foot-hill areas of Himalaya where hydro-electric projects can be started. You should, therefore sanction such projects.

16.00 hrs.

Sir, so far as the statistics regarding electrification of villages are concerned, it is clear that not all will agree to these statistics. No electricity has been supplied to Harijans and Adivasis in the villages, and the pumping sets there have not been energised. You can get it verified. The most painful aspect is that the funds allocated by your Corporation to the Electricity Boards is diversified elsewhere. Today, we are showing 65 per cent electrification of villages but in fact you will find much difference. As you know that Mirzapur has so many power houses but even 25 per cent of the villages do not have electricity with the result that there is discontentment among the local people. The hon. Minister should issue directives that such a situation should not obtain at the places where electricity is produced. Besides, line losses are 21 per cent which is a matter of concern; you should bring it down to 10 per cent. You should make amendments in electricity supply laws, as contemplated by you. U.P. has done it, but it is not effective. The hon. Minister should bring such amendment, and if the need be other amendments also, in the electricity laws. Whenever there is a question regarding electricity, the Opposition blames the

[Shri Ram Pyare Panika]

Centre and when there is a question of management then the question of Centre and States arises. You should amend the electricity laws to ensure efficient working of the Electricity Boards which are not working efficiently such as that of West Bengal.

16.02 hrs.

[SHRI N. VENKATA RATNAM *in the Chair*]

I would like to request you that you should amend the electricity laws in such a way that you may empower yourself to supervise the working of the Electricity Boards. If need be you should refer this question to the Sirkaria Commission as our development, whether it is industrial development or agricultural, depends on electricity. You should arm yourself with the supervisory power. Sir, Apart from this, there is a question of coal about which I want to say that during Janta Government's time there was bungling in coal production. Even the functioning of trains was affected and many Electricity Boards were facing coal shortage but you have achieved the target and are going to produce more than 157 million tonnes this year. I know that coal problem is a serious one but we will have to bring about an improvement in the situation. We should improve the administration. The production of coal has increased but you have to see why the people are not getting coal. A stockyard was provided. When Shri Ghani Khan Choudhary was the Minister, it was functioning well, but as soon as the Minister changed, the Coal India closed it. There was a coalyard in my constituency, Robertsganj. Some people used to get coal from it but now it has been closed. The people of Mirzapur are allotted coal from Raniganj and Jharia whereas Mirzapur has also got coal mines. This practice is not proper. You should make such a policy that the areas which have coal mines, should not be allotted coal from outside but supplied from these mines only. You will have to make such arrangements and the coalyard at Robertsganj which has been wound up should be revived.

I am glad that due to your policy, the coal mine workers have been peaceful for the last about 4 years. The Union has settled a lot of issues but people are agitating there on a few issues. First of all, you will have to implement the recommendations of Wage Board. One of its recommendations was to provide employment to the retired persons and if it was not in accordance with law then why this recommendation was made. Once it has been made, then he should be given some priority. You have such people who have the knowledge of law, then why such recommendation was made which was against the Constitution and discriminatory which I also feel. But now when recommendation has been made, they should be given priority. I also want to speak about coal fields. I thank you for making Singrauli a company. A.C.M.D. might have been appointed from 1st of this month. But there is a need to pay compensation for land. C.P.(M) gets a chance to instigate people on this pretext. The agreement has so far not been implemented. It may be difficult to acquire land in some other parts of India but as I am always at the service of my constituents, I could make it possible but so far the compensation for land has not been paid although the production has started. Those people have not even been rehabilitated. The agreement which was made between farmers and local management, should be implemented. You should give such directives which may prevent the violation of this agreement, otherwise it may cause resentment among people. The people of Singrauli, Jayant in M.P. and Kharia in U.P. have not been rehabilitated so far. Moreover, they have not been paid the compensation. The agreement regarding employment of landless people against the available posts should be implemented. If the outsiders are appointed in class IV non-technical posts, we will agitate against it. It is in the agreement that 700 to 800 posts are required to be filled locally. You should implement these rules in all coal fields and coal companies. Above all, you should increase the amount of Rs. 100 crore which you are spending on their housing, water supply, entertainment and medical facilities. The main problem is that you do not have civil department. That is why Coal India gives contract for

construction of houses to the outside agencies. This also delays the completion of the houses. In order to construct houses within stipulated time, every coal company should have a civil department. The affected persons should be provided with employment and also paid compensation in time. Then it is my responsibility that you will have no difficulty at least in Singrauli. I am happy that some work has been done in that area. We have thermal power-stations in Vindhyachal, Singrauli and Rihand. You must pay a visit to these places. Some people are creating an atmosphere of resentment. There are some genuine issues also. As drivers are not available there, you should start a training Centre and give employment to local people only. Do not recruit people from Bihar, Punjab and M.P. What is happening today is that outsiders are given contracts. N.P.C.C. is not doing a bad job but even then it does not get the contracts whereas others get them. If N.P.C.C. is not functioning well, then you should bring about improvement in its working. You will have to check out a policy and give directives that providing longer transmission lines results in a loss. Uttar Pradesh has power stations at Rihand and Obra. The Industries get electricity at a cheaper rate because they establish their industries near the power station. If some industrialist wants to have his own transmission lines then you should give directives to provide him electricity at a cheaper rate. The Planning Commission has declared six type of backward areas. You should make a provision to supply them electricity at a cheaper rate.

I would like to suggest to the hon. Minister to call a meeting of the Energy Ministers of the States in which he should formulate equal wage policy for all engineers, Junior engineers and other staff and workers of the Electricity Boards, so that they do not raise the slogans of "Zindabad" and "Murdabad" daily. You will have to do it whether you implement the grades obtaining in N.T.P.C. or D.V.C. You will have to adopt a clear wage policy for Electricity Boards. Many Electricity Boards do not implement the orders of the Centre. You should take stern actions against them. Centre allocates funds to

them. The position of the supply of electricity is deteriorating in Calcutta and Bihar. The regional grids are nearing completion. They should be linked with national grid so that no part of the country is left without electricity. Just now, my friend from Assam was saying that the State Government was not a position to remove the regional imbalance, in case of electricity. They can take it from the States which have good production of electricity. Many Electricity Boards have improved their working. The healthy practice of awarding prizes started by you should be continued. Our engineers and officials are working with devotion. Whatever shortcomings I have observed. I have brought to your notice. I believe that under your leadership, our country would go on making progress, and our capacity for power generation would increase, and it would contribute positively towards the development of the entire nation.

With these words I conclude.

[English]

SHRI V.S. KRISHNA IYER (Bangalore South) : Mr. Chnirman, I would like to make a few remarks on the Demands for Grants of the Ministry of Energy.

I find from Seventh Plan document that a massive investment of Rs. 58,421.26 crores, that is nearly 30.45% of the total plan outlay in the public sector has been earmarked for Energy. Out of that, Central share will be Rs. 34,273 crores for Power and Rs. 12,627 crores for Coal.

In the Sixth Plan, it is a happy picture that there was an addition of 14,426 MW in the installed capacity that is, an increase of 49.4% over the last year.

In the Seventh Plan, it is envisaged that there will be an additional installed capacity of 37,677 MW. It is very good. I am happy that such a massive investment is being made but the only thing is, though we have a dynamic Minister, how he is going to spent this money and through whom he is going to spend this money. Most of the Members who have spoken

[Shri V.S. Krishna Iyer]

have referred to the State Electricity Board.

It is reported that nearly 84% of the generation today is in the hands of State Electricity Board and only 16% is in the hands of the Central Government. We know how the State Electricity Boards are functioning at present. The less said the better it is. I feel that it is high time that the hon. Minister appoints a high-power committee to go into the working of these State Electricity Boards and ask them to make certain recommendations with regard to how these Boards could be improved, whether at all they could be improved.

The accumulated losses in the Sixth Plan of the State Electricity Boards, according to the Seventh Plan document, is Rs. 4,500 crores. In the Seventh Plan, it is expected that it may go to Rs. 11,715 crores. The position is such. Through whom Mr. Sathe is going to execute the various projects he has in mind? In the same document, he says that, after a meeting he had with the Ministers, they have agreed to reduce the losses to Rs. 7,000 crores. Have they got an idea of what Rs. 7,000 crores means? Rs. 7,000 crores could improve our development of villages to a very great extent. It could raise the lakhs and lakhs of those who are below the poverty line. When that is the position, unless the State Electricity Boards take vigorous steps to eliminate losses or bring them down, I will suggest that you should not entrust them any more with generation work. You should do it yourself. Unless the State Electricity Board set their houses in order, you do not entrust them with one more generating work.

MR. CHAIRMAN : If you find the same kind of performance even in the Central Government what are you going to do?

SHRI V.S. KRISHNA IYER : God has to save us.

I would once again request that you should appoint a high-power committee

because the situation is going from bad to worse every year. I am told that the annual loss in some of the States is to the extent of Rs. 300 to Rs. 400 crores. According to the last year's figures, in UP it is Rs. 500 crores. With such heavy losses, how could you improve the Electricity Boards? How can you achieve the target? The Prime Minister has said a number of times here that by the end of the Seventh Plan we will become self-sufficient so far as power is concerned. With this type of organisations do you really hope to achieve that—howsoever dynamic you may be? It is not possible. Please try to improve them. Otherwise take them over and do it yourself. I do not mind even if it is in the joint sector. So whichever sector it is, please see that we achieve this.

Another important point is with regard to the plant load factor of the power projects. This is also very important.

Alas we should reduce the transmission and the distribution losses. It is really astonishing that when science and technology is advancing day by day and month by month; we have an average transmission loss of 21%. One study says that if the plant load factor of the State Electricity Boards is raised from the present 50 to 60 per cent and if the transmission loss could be reduced from the present 21 to 10 per cent, the overall availability of thermal power can be raised by more than 35%. This is not my study. It is from one of the expert studies made. Then we need not have to invest anything at all. We can become self-sufficient so far as power is concerned if these things could be done.

Another thing which is of much importance is regarding power management. I have gone through the report of the Rajadhyaksha committee. The Rajadhyaksha Committee specifically says that by proper management and by better management we can save 20% of power in industries. If all these things could be implemented, there is no need for further investment at all. But, unfortunately, that has not been possible.

Another study made says that with only 10% of power shortage the loss in industrial production will be Rs. 7000 crores a year all over the country. Then not only will there be loss of production but there will be an additional expenditure of another Rs. 1000 crores by way of foreign exchange because we have to switch over to diesel sets and alternative sources of energy. Of course, there are some reasons for the losses by the State Electricity Boards. I do not know.

You might have made a thorough study and you must be able to enlighten the House why the Electricity Boards are incurring losses. I find from some of the reports that one factor which is generally attributed is that they have been supplying power to agriculture at a reduced rate, at a lower tariff. They say that the losses are mainly due to this. If that is a fact, it is necessary that you should tell the State Governments that they should pay for it according to the tariff or they should subsidise. I do not want the farmers to be taxed.

Another external factor for losses is that they are not getting the supply of quality coal. Now I remember quite well. I feel that I heard you only yesterday. In the last year's budget, in your reply on the coal mines you said that you would take steps to see that good quality coal is supplied to all the thermal plants. Quality of coal is very important. I am sure you would have already taken steps. Of course, you were also pleased to say—I remember quite well—that if anybody supplies bad quality coal or coal mixed with stones, you said, you would take disciplinary action against the concerned official then and there. I find from the reports that things have not improved.

Another thing is the coal supplies. You remember what happened 2 months ago in Ramagundam. Hon. Chairman knows about it. For nearly a week power generation had stopped because there was no stock of coal. You should ensure—it is a happy augury that you are in charge of both the Department of Coal as also the

Department of Power—that at least each thermal plant has enough supplies of coals for four weeks.

There is another important thing. You have just shown an attractive report on the Non Conventional Sources of Energy. I do not want to quote it in detail. Just I am making a cursory glance of the report. I would like to ask as to what is the amount of money you have provided this year for the Department of Non-Conventional Sources of Energy. Its condition is going to worse. For this year, you have provided a sum of Rs. 101 crores for the Department of Non-Conventional Sources of Energy. The other day in the course of question, you gave a very favourable reply and I expected that you would go on a very big scale to encourage non-conventional sources of energy. What can be done with the amount of Rs. 101 crores? What is the position of the villages? Many of the hon. Members have spoken about this. In the villages, the people do not get fuel. All the forest are being cut there. So, unless you go in for bio-gas or solar energy, it is impossible for us to meet the situation. You have provided a very small amount. For the Department of Power, you have provided Rs. 1500 and odd crores whereas for this you have provided Rs. 101 crores.

Then I am coming to my State. The Chief Minister has written to you a number of letters. Our State is facing acute famine now and also power famine. There, the power-cut for the industry is 80 to 85 per cent. Almost the industrial activity has come to a standstill. We have sent SOS to you several times. In the meanwhile, our State Government has requested you to give clearance to three or four projects. One is regarding installation of 2 x 210 mw Boiler Thermal Plant in Mangalore. You have given the techno-economic clearance for this project. But unfortunately, it is held up in the Ministry of Petroleum. I would request you to kindly use your good offices to see that it is cleared immediately because it has shorter gestation period. Hence we want power generation immediately.

[Shri V.S. Krishna Iyer]

The other project is regarding installation of 120 megawatt Gas Turbine Plant at Bangalore. Most of the Central Government industries are located in Bangalore. 30 per cent of the Power is utilised by these industries. I am sure you will kindly sanction it.

The third is regarding installation of four mini generation plants at Kolar, Bidar, Jamarkhandi and Indigi. These are all absolutely necessary. They are all pending. Of course the CEA has approved them. Finally they are pending with you. So, I would request the hon. Minister to see that these are cleared. Finally I want to mention only one thing i.e. about rural electrification. I agree with some hon. Members who spoke before me about this. You should pay equal attention. Even after 37 years of independence, nearly 40 per cent of the villages have not seen what electricity is. You should provide for funds for this. National Grid is a must. It is high time. I would request you to take immediate steps to see that the national grid comes into being.

With these words I end my speech.

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : Mr. Chairman, Sir, I represent a state which is now a patient as far as the acute crisis of power is concerned. I do not mean political power but the energy. It has resulted in creating a morass in the economy in the State. I have decided to-day to speak on some very fundamental policy matters. If we look at the mood of this Government and the basic thrust of the Prime Minister to take the country and to make ourselves ready to attain self-reliance on science and technology for the 21st century. I personally draw the attention of the hon. Minister who is known as a very progressive man in his public and political life. He is a dynamic Minister in the Cabinet. Today I will speak on something which I do not usually speak, and it is quite unbecoming of me also. Always I defend the Public Sector, nationalisation, all aspects of socialist economy. In reality I will say something on energy sector to the Minister. Let the Minister

first consider two aspects. One is the system that is now prevailing in the country—in Energy, Industry and our general economic affairs. Whether it is possible at all to take the country to the 21st century fast with the methodology that is now being adopted specially in the energy sector. This is precisely why I am talking.

There are many many defects in the report; but I can say with all humility that the Ministry and the Department in the Centre have hardly anything to do because of the general autonomous character of the bodies functioning in States called the Electricity Boards. The power stations which we have inherited after independence are mostly from the private sector and a few from Rajas and Maharajas. Later on we developed our own policies came under the Industrial Policy Resolution Act. Energy has always been produced only in the public sector. Why I say it is because—I will speak something fundamental and basic today—the entire power generation programme in the country, including the transmission aspect—whether you like it or not—is with the public sector.

You have to get the people, you have to find who are suitable, you have even to go to the party whose materials are taken. In the major consortium of the power projects they are also to take assistance.

My first humble submission to the Minister is that please see very carefully to it whether the power generation programme in the large scale or medium scale can be thought of even by amending the Industrial Policy Resolution to allow it to a little extent, if not for the private sector, at least for the joint sector. Why I say it is because of the pace of development and the time that is available in our hand and the projects that we would like to complete and whether we would like to reach to the 21st century. I am afraid to say—the history proves and the functioning of the last ten years proves—that it is not just possible with the present system.

Rs. 11000 crores is expected to be the total loss at the end of the Fifth Five Year

Plan only in the energy sector. Rs. 11000 crores by the State Electricity Boards. I am not teaching other, I am not talking of the National Project Construction Corporation which is gaining some profits. Rs. 11000 crores is the net loss only by the State Electricity Boards at the end of the 7th Five Year Plan.

Due to power crisis and other relevant factors till yesterday, the Reserve Bank Report says, which led to sickness of the industries and closure of industries; the loss is worth Rs. 5500 crores. At the end of the 7th Five Year Plan, I presume that the industrial sickness and closures involving national exchequer to the tune of Rs. 8000 crores, plus Rs. 11000 crores by the Electricity Boards losses will amount Rs. 20000 crores as the total loss to the nation.

I would, therefore, suggest this to the Minister, I am not talking of high power committee because a lot of committees have been appointed, I have seen the Advisory Committee's report, there are guidelines, all are very good, I am not questioning the competence of the officials. It is a bad habit, with most of the politicians, whenever we find fault, we don't go deep into it and just accuse the officials. There are good competent officials in the Energy Ministry, in the Electricity Boards. There are technocrats, they are also patriots like us. There may be one or two black-sheep I am not referring to them.

The main basic areas, the Minister will agree, are in the coal world possibly. I am not claiming that much knowledge of course. Possibly in our country, the ash content in the coal is very high. Whatever may be the machinery you just cannot manage it with that much content of ash in the coal. How to meet that challenge? When this question comes you may like it or not, in power technology, in energy technology, the western world is much more superior to the eastern world. So, to take voluntary assistance from the western world politically may not be suitable or convenient for us in terms of theory, practice and other things. If you genuinely want to take the country to the

21st century you have no other option but to take us more of their assistance as possible to compensate or to fight this technical problem. It is not a political problem, it is a basic technical problem of the machinery.

While I am saying this, I would also offer my suggestions to the Hon. Minister. Can you not think of—if at all you have to invest heavily—taking all the aspects, investing heavily from now for the nuclear power generation programme? Sir, the reports of the international experts and the report of Raja Ramana substantiate that the nuclear based energy per unit as compared to the coal based energy per unit would be 65 paise less costly. Although the investment in the initial stages will be heavy but in the long run it will be productive. So, why is it not being adopted? The competence and expertise for nuclear power generation is there. We stand sixth in the world in this field. In the USA itself 13 per cent of the present generating capacity is from 80 operating reactors having a total capacity of 63,000 MW. It may be little less in France and Germany.

In India the infra-structure that you have made is not just a small one. In India itself when we say we stand as sixth in the world our proposed plan of 10,000 MW is already there. When we actually get it, of course, it will contribute largely but again I am sorry to state that apart from your experimenting or beginning of Kalpakam project in Madras you are not still considering various important parts of the country. I represent West Bengal. It is a State which is now a patient of power sickness. There also a few areas were suggested in the district of Midnapore for such programme but were later on rejected. There are some salient points which are required for a nuclear station and the reasons of cancellation of the Bengal areas were as follows :

1. Khadirabad site is below the highest recorded flood water level.

[Shri Priya Ranjan Das Munsii]

2. The site is prone to flooding due to high tidal waves and storms during monsoon.
3. High population density, both in the exclusion and sterilized zones.
4. Inadequate availability of fresh water for make-up and domestic use.
5. The load-bearing capacity of the soil is not 60 t/m² as required in the guidelines of the Atomic Energy Department.

Sir, on the basis of non-fulfilment of these requirements the sites in Mindnapore district area were rejected. But I have seen in Madras in case of soil bearing deficiency concrete piling was there to meet the requirements. Scientists have said that concrete piling can compensate the soil bearing problems. If you feel that the nuclear power programme would be the ultimate solution then your plan should be very much concentrated on this aspect also instead of going in for coal based programme thus incurring loss after loss. So I would like to request you to look into this aspect and find sites which fulfil your requirements and where such programme can be brought up. As regards West Bengal the Central Government has asked them to select a third site which may fulfill all the requirements and it is now upto the West Bengal Government to select the site and refer it to the Government of India.

Now I come to the main issue. The main issue concerning the present day programme of the power generation, the main problem which I have witnessed because I represent Howrah constituency where the main industrial thrust is there and I every now and then meet small, medium and heavy industry people in regard to power. Often the charge is that the Electricity Boards do not get coal in time. That is why the Coal Ministry or the Coal Department is with you, fortunately

with you. I have personally inspected two or three areas—What do they do? The State Power Authority does not make even for a month in advance their perspective planning for the future. Suppose I am to generate for 100 megawatt power after three months, then three months in advance my planning should be ready. For the next three months, I should know how much coal should be transported, where it should be placed, etc. All these things are always not done in complete coordination and there is always delay in giving the memo. and getting the things. The backlog which is created is never compensated throughout the year resulting which the total utilisation capacity of machinery is not fulfilled, resulting which the constant efficiency-level of electricity generation station goes down and resulting which indiscipline starts which is never compensated. In spite of all the best efforts of the Energy Minister, I can say, Sir, that no State Electricity Board will do it because of the fundamental question of this that no State Electricity Board can function with a real sense of autonomy. They always are afraid that if they do not satisfy and act to the tune of the Minister, they will be changed from that place. I am telling the position. My opponents will rise and shout at me. Sir, it so happens. I am not blaming any Government. I only say that let us do politics in other sectors, not in Energy sector which requires technical competence, and technical confidence and so much so in our political wisdom what happens is that all the technical people are thrown out. If a Chief Minister is there with a Power Engineer to inaugurate a Station, it is not the fault of the Power Engineer if I come back to Power and say to him 'oh' you were with Shri Jyoti Bosu at the time of inauguration of the power Station and you are now under a congresswala and the CPM wala has gone out". This is happening now. The result is that there is a total bungling in the administration and power generation capacity. Nobody is taking the responsibility. I am not blaming anybody.

SHRI B.N. REDDY (Miryalguda) :
Here you are talking of politics. But you are to talk about energy. (Interruptions)

SHRI PRIYA RANJAN DAS MUNSI : If you don't follow me, what can I do? I am not talking about politics. I am talking that politics should not come in energy.

SHRI B.N. REDDY : The energy is required throughout the country. The Centre is to look after that. You are diverting the subject. You should confine to energy.

SHRI PRIYA RANJAN DAS MUNSI : I am talking of the whole country. I am giving just an example. Sir, the difficult is that some people are allergic even to my speech. Sir, I am speaking about my own State, West Bengal. I am not talking about Andhra Pradesh.

SHRI B.N. REDDY : I will be happy if you request the Government to help West Bengal in the energy sector. Not a word you have said.

SHRI PRIYA RAJAN DAS MUNSI : I will seek your counsel at the appropriate time. So, Sir, in regard to this utilisation of machinery, bringing the coal not to the New Castle, but of course to the power generation Station and the perspective planning, I can say that if the Energy Minister appoints a Committee, no State Electricity Board will follow the perspective plan programme of their own Board, not even a year, even for a quarter, that is, three months. The result is that the crisis is crept in almost in even Electricity Board.

Lastly, in regard to the harassment of the consumers, I do not know why this has been going on. I have referred to 10 dozen cases in my own State. A dangerous thing is now being operated in every State, in my State also and in Delhi also. The Power units which calculate the consumers' dues as to how much they have to pay for their power consumption, are being manipulated by some people within the Electricity Office in such a manner that if you don't satisfy them with bribes, they will increase the consumption units from 40,000 to 80,000 or even one

lakh and issue a notice to the effect. This racket is going on and it is another kind of racket which I call 'transmission theft' or 'power theft'. It is being operated on a big scale throughout the country by the big gangs of mafias both inside and outside the Electricity Board. I do not know in what manner you will fight it out.

If you cannot think of changing the Industrial Policy and allow the private sector or the joint sector to go in for the generation of power, then at least concentrate on the nuclear power programme. If you cannot do that also, at least you think of amending the Electric Supply Act and the Indian Electricity Act and take some genuine authority in your own hands by law through this Parliament, by which the entire energy generation programme can be regularised under the authority of the Centre.

With these words, I support the Demands for Grants of this Ministry and conclude.

SHRI G.L. DOGRA (Udhampur) : Mr. Chairman, Sir, energy sector is a very important sector as also a complicated one. It is complicated in the sense that the distribution of energy is causing a lot of problems, the production of energy is not very straight and we do not have full grip over all the problems. Take for instance the supply of coal for the thermal power stations. The coal is supplied from different coal fields. The coal mined from different coal mines has different ash content. If a boiler has been designed for a particular coal, that boiler cannot accept all types of coal. The difficulty arises from the fact that the distribution of the coal is done by these people who are not aware of the exact quality of coal required by particular thermal power station. They actually send whatever coal is available without taking into account the exact requirements, the exact type of coal required by that particular thermal power station.

In view of this, my suggestion to the hon. Minister, who is very energetic and

[Shri G.L. Dogra]

bold, is that you should establish super thermal power stations at the pitheads itself. This would avoid pilferage of coal, changing of consignments etc. during transportation of coal. Instead of that, you transmit the energy produced at the pithead. You will be saved of losses and so many other botherations. You will have full control so far as production and distribution are concerned. That is one thing which I wanted to say.

So far as hydel power is concerned, survey of its resources has not been completed as yet. It is right, as my hon. friend, Shri Das Munsî, said, that we should also try nuclear power, but you have not so far surveyed the potential fully, so far as hydel energy is concerned. In my own State, you are surveying one river, called Cheneb, but that also has not been surveyed fully so far. And for God's sake, do not entrust this survey to somebody else ; it should be done by the Centre.

Then, there is another river, called Jhelum, which we are using to some extent for production of energy, but we have not surveyed it properly. Then, the Indus River in Ladakh, can give you a lot of energy. We should endeavour to utilise it for this purpose and survey it thoroughly. Again, there is the Suru river in Kargil, which has a lot of potential and that requires to be surveyed.

Then, both Ladakh and Kargil, which are important from the defence point of view also, have not been properly surveyed. These are very important from other points of view also. These can give you lot of minerals. Particularly, Zaskar area is very rich in minerals and in power potential. Proper surveys need to be made.

So far as the survey is concerned, it is most important. As we have abundance of potential, we must give first preference to hydel projects. Coal deposits are not unlimited and you are a trustee of these coal deposits for the future generations. You should not use it indiscriminately. On

the other hand water is flowing into the sea and is thus wasted. It will not come back. You are not utilising this source which is being wasted. And you are indiscriminately wasting the coal deposits which will not last long forever. You may take it very lightly. But I would say that the future generations will curse you for this indiscriminate usage, because after 50 years, you may not find most of these deposits. I again repeat that you must make full use of the hydel potential. Even in Uttar Pradesh, there is a lot of hydel potential. We are not taking any step even to survey it properly.

I would like to mention another thing. We are fond of making very big plants, so far as hydel projects are concerned. But we can also take up medium sized projects. For instance, there is the Sewa Hydel Project in Basouli in the Katua districts, which could give 60 MW of power. There are similar other projects which can be taken up in Jammu and Kashmir, Uttar Pradesh and Himachal Pradesh. If you have many medium size projects, all your difficulties will be over. So far as the material and other things are concerned you will find them in the country. You will be able to use your own indigenous machinery.

Here I must say one thing. I am very much disgusted with your policy of investment. I do not understand why you are shy of deficit financing. We can adopt the deficit financing method for these medium projects very effectively. Shri C.D. Deshmukh had shown us the way. But, just because it is not written in the text-books, our people who believe only in the text-book theory, will not take to it. If you can produce things with the help of deficit financing and thereby increase the gross national product, why not use it? Therefore, I say that you should look into it and you must adopt this method.

So far as the medium projects are concerned, you leave them to the State Governments. Some States may be very efficient to the work. But there are some other States like my own State, which are not efficient and which are not interested

in doing things in certain places. But on a national scale, you cannot ignore them. Therefore, in such places you should take over the projects, wherever it is necessary. If you can make them to execute these projects, then you may do so. Wherever States can do it by themselves, we have no objection to that. In other places you should take up the projects.

There are two projects in my State, one of them being the Salal Project. Though it was started long ago, things started moving only recently after Shri Oberoi took over. The delay was due to law and order problems sometimes. And secondly there was delay because it was not thoroughly technically surveyed before starting the work. Probably, we were not sure as to what sort of soil we were dealing with. Our experience was mainly in the plains and we thought that the land would behave equally there too. They had to face certain difficulties because the region was rocky and tough. Now, they are able to overcome this problem. We were told that it will be ready soon. Shri Arun Nehru, when he was the Minister of Power, stated that the first phase of the project would be completed in June this year. Then, we were told that the first phase would start in September. But now they are saying that the first phase will be completed in December. I would request the hon. Minister Shri Vasantji to pay a visit to this Salal Project. I do not know whether the Minister is interested in paying a visit. But Sir, you must visit this place, so that you will know things for yourself. You know how to tackle the labour problems. You know how to enthuse the staff. Also, you may help the Chairman Mr. Oberoi in knowing the things. You must kindly see to it. A lot is being done. Things are being straightened. Things are better now in Salal since Mr. Oberoi, the present Chariman of NHPC took over. I must say this.

Then there is another project, viz. Dulhasti, which is a big one. Its infrastructure work—roads, buildings and even pilot tunnel, are in progress. They are being completed—as also plantation of trees. But so far as the main power house is concerned, you are probably getting it

done through a foreign country, because of your resources position, and because of the machinery which you have to import. So, you have to see that the contract is successfully given to a consortium without delay, because otherwise it will cause frustration in the whole area.

You are short of power. You need power everywhere in India, even in the northern sector. So, in the northern India if these two projects are quickly completed, they can help the people remove power shortage. Why are you not looking into this? We are not even giving funds for the transmission Punjab, and link it with distribution points, bring power to the national grid. The national grid is very essential, because without it, you will not be able to achieve uniform distribution.

Electricity is a commodity which will always be in short supply. Wherever it is in short supply, you have to carry it from some other place. So far as hydel power is concerned, in the lean period you have to boost it by thermal power. I had suggested that you must have a super power house in the pithheads. These are the suggestions I would like to give, but I would again request the Minister that he should visit Salal, and see that it is completed. We are in a very bad position in Jammu and Kashmir, as far as power supply is concerned. We are grateful that you are giving some extra energy from time to time; but sometimes it becomes difficult for you also. The position will ease when at least the first phase of Salal is completed. So, I am again making a request: See that the Dulhasti contract is awarded early. It may be awarded to any country you like, whichever suits you. Again, not only the first phase of Salal, but its second phase should also be completed without delay.

I would also say that the survey of Chenab should be completed and work on certain other sites should also be taken up, so that it raises the moral of the local people to some extent.

SHRI CHINTAMANI PANIGRAHI
(Bhubaneswar): I rise to support the

[Shri Chintamani Panigrahi]

Demands for Grants of the Ministry of Energy. I am thankful that of late, since our Minister has taken charge of this Ministry, he has tried to energize it. Though in my State of Orissa because of serious power crisis, pump sets are almost idle, I am thankful that the Minister has tried to energize the whole Ministry, which would help the country tide over the energy crisis.

I must bring to the notice of the hon. Minister that the growth rate in respect of power generation for the two decades between 1951 and 1971 was 12.7 per cent; but, thereafter, in the next decade, in 1970 to 1985, the power generation growth rate had declined from 12.7 per cent to 7.6 per cent; in 1976-77, the plan load factor of the thermal plants in our country was at the level of 55.9 per cent. But, unfortunately, in the 6th Plan, it had come down to 50 per cent. It is only an average. But if you look at Talcher Thermal Power Plant you will find that the plant load factor today is between 32 and 34 per cent. I hope these basic questions need immediate attention of the hon. Minister and the Ministry so that if we can plug all the deficiency, then the growth rate itself goes to the level of the first decade, 12.7 per cent and the plant load factor itself goes upto 55.9 per cent of the 1976-77 days. Then perhaps we will get additional energy which can generate additional capital equalling to Rs. 20,000 crores and therefore we need not go on begging for resources for this 10,000 MW shortage, the gap that we are envisaging in the 7th Plan itself.

Due to lack of rational, well laid out energy policy, how regional discrepancy in investment and also in generation is growing from plan to plan in the energy sector?

What is the share of the total installed capacity in the country, zone-wise?

In the northern region, in 1979-80, it was 29 per cent of the entire installed capacity generation; in the western region it was 27 per cent; in the southern region,

it was 25 per cent and in the eastern region, it accounted for only 17 per cent.

SHRI BIPIN PAL DAS : What about the power system?

SHRI CHINTAMANI PANIGRAHI : It is very low; it is about 10:5. The main objective of the planning process is that at least gradually, from plan to plan, these regional disparities are completely removed.

But what happens is this; because of the energy policy that we are following from region to region, this gap goes on increasing. You look at the outlays in the Seventh Plan. For West Bengal, it is Rs. 1,248 crores; for Bihar, it is Rs. 1065 crores; for Orissa, it is Rs. 780 crores; for Assam, it is Rs. 485 crores. The total is—in this eastern region—Rs. 3578 crores. But if you look at Gujarat you will find that it is Rs. 1437 crores; for Maharashtra, it is Rs. 3045 crores; for U.P. it is Rs. 3394 crores.

I come across a statement by the Planning Commission Member incharge of energy. As usual, he tried to defend what the government did. By way of defending, he said, what can we do? It is the Gadgil Formula which has laid down how the resources should be allocated to different states in respect of energy generation as well. Well, if the Gadgil Formula is increasing the discrepancy of the different regions, then I hope the Parliament has the full right to see that the Gadgil Formula is not applied in the field of energy. There is nothing wrong in these things. The Gadgil Formula is not a Veda that this Veda will continue till 2000 AD and then onwards till eternity. Therefore, these are the basic questions which I thought I will bring to the notice of the hon. Minister.

17.00 hrs.

Due to lack of a well-laid out and a rational national policy, on the energy sector, this is what was happening in the Sixth Plan. They had capacity addition programme region-wise. For northern region,

it was 5172 MWs; for western region, it was 5937 MWs; for southern region, it was 4565 MWs; for eastern region—Bihar, Orissa and West Bengal, it is 3323 MW. In North-eastern region to which Mr. Bipin Pal Das made a reference, it was only 669 MW. If we have nothing to see from this, then it is all right. Then we close our eyes and we do not say anything. But what happens is that even in Orissa the target fixed in the Sixth Plan for additional generation capacity was 560 MW though it was most inadequate even then not a single MW of additional power was developed in the Sixth Plan so far as Orissa is concerned. These are the projects which are running from Fourth Plan onwards. They are still not completed. There is an effort to complete them in the Seventh Plan. The Government of India have tried their best to allot funds to all the incompleting projects of the Fourth Plan so that they can be completed in the Seventh Plan and add 465 MW of power. Therefore, these are the things which we will have to look into. Unless we do that, the high sounding words may not satisfy the growing needs of the country when we are prepared to march into the 21st century.

Again though the theoretical generation of electricity in Orissa today has been taken as 574 MW the actual availability of power today is only 413 MW whereas the average demand of Orissa today stands at 800 MW though the installed capacity is 1184 MW. It is because the Talcher Thermal Power Project having 480 MW of generating capacity, is only generating 32 to 34 per cent. If you can increase it to 350 MW, then I think, most of the energy crisis in Orissa today will be over. Today for days and days together the countryside is in darkness. The State Government has submitted and I am glad that the Energy Ministry has also approved that seeing the power crisis in the State The Valley Thermal Power Plant and the other Talchar Super thermal power plant have been cleared. The Working Group says that Orissa needs 1200 MW of power in the Seventh Plan. Therefore, these things should immediately be cleared. The Valley Thermal Plant is in the State Sector and the other one that is the Talchar plant is in the

[Central Sector. Now, what is happening? Though the Energy Ministry is trying their best to have World Bank loan and all these things for the Talchar Super Thermal Plant, someone somewhere has said that the entire environment of the area will be disturbed if a super thermal plant comes up there. If there is one snag anywhere, then it goes to the World Bank and then to the Central Electricity Authority. I hope, the hon. Minister will try to solve this environment problem quickly so that work on Talchar super thermal plant can be started immediately. The working group has recommended that it should start in 1985-86. If the hon. Minister and the Ministry would be kind enough, then the work would start soon.

Let us look to the capacity that we are thinking of. In the Sixth Plan the target was for generation of 19,686 MW of additional power. After three years there was a mid-term appraisal. In the mid-term appraisal they revised it to 14,500 MW. But in reality the achievement came to 14000 MW. Now, in the Seventh Plan they have recommended 30,000 MW. One MW costs Rs. 1.5 crores. Considering that 25 per cent is under-estimation, even that you can see the allocations the Planning Commission has made. So, past by the standards this target will be revised again in the mid stream. After two years we will say let us make it 22,000 and then actually we will come to 16,000. If this thing goes on then what will happen we are not able to understand. I am just giving you some figures about the additional generation of capacity. For the Third Plan, the target was 7040 MW and the achievement was 4,520 MW. In the Fourth Plan, the target was 9,264 MW and the achievement was 4,579 MW. Similarly, in the Fifth Plan, the target was 12,499 MW but the achievement was only 10,202 MW. So, if you go on like this, everywhere 45 per cent reduction is there in the achievement. So, these are the problems which we have to seriously look into. If we fix the targets and ultimately the targets are revised after three years and then the actual production comes to 50 per cent less than the target fixed, then how do we solve this even increasingly challenging problem of energy that the

[Shri Chintamani Panigrahi]

country is facing and which will be still further acute in the coming year.

I am happy that the Government has planned to raise the power generation this year by ten per cent. This is a very good measure. To overcome the gap of 10,000 MW in the Seventh Five Year Plan, the Government has already set up a Central Power Finance Corporation. This is a welcome measure. I hope whatever difficulties and deficiencies are there, the Central Power Finance Corporation will be able to overcome them.

Now let us look at the functioning of the State Electricity Boards. Some friends from the other side have pointed out that in the Sixth Plan the State Electricity Boards suffered a loss of Rs. 4,500 crores and in the Seventh Plan, it will rise up to Rs. 11,757 crores. I remember to have read somewhere the Report of some of the Ministry officials where they have said that we have to do something about the State Electricity Boards. We welcome that they have said this. But when are we going to do that? In which year are we going to do that? This loss is after excluding the subsidy. The Central Government is giving subsidy also to the State Electricity Boards. In fact, hon. Mr. Bipin Pal Das was telling about the rural electrification..... (Interruptions).

SHRI BIPIN PAL DAS : I also said about the State Electricity Boards that the Administrative Reforms Commission had suggested that these Boards must be manned by the professionals.

SHRI CHINTAMANI PANIGRAHI : I think there is strike also in some Boards regarding this.

About the Talchar Power Plant, every time I have said in this House that only 32 to 34 per cent of the plant load factor is available when the average for the country is 50 per cent. It is so because the whole machinery is defective. Secondly, they require seven thousand tonnes of coal per day but only three thousand tonnes of coal is

being supplied by the conveyor-belts. Adding to this, administrative inefficiency is there. By improving this, if you can increase the generation by 50 MW, then half of the problem of energy crisis will be solved in our State. So, are these not the problems to be looked into?

The Central Electricity Authority people have gone many times to Talchar. But what have they done? What improvements have been effected. The House should be reported about all these developments that have taken place. These are the things which the House would like to know.

Now take the case of Orissa. Even today, the Orissa's share from Machkund Hydro-Electric Project is only 30 per cent. We can request the Government to tide over the present difficulties by making it 50 per cent. There are States which have surplus power and there are also States which are deficit in power. But what happens is that each State works in isolation. Why is it that the National Power Grid for the construction of which funds have been allotted to different States is not being completed?.....(Interruption).

SHRI MOHANBHAI PATEL (Junagarh) : Which are the States which are having surplus power?

SHRI CHINTAMANI PANIGRAHI : You will not agree if I say Maharashtra is also surplus in power. Therefore, I am not going into that aspect because every State will say that it needs more power. But the peak load hours can vary and help the deficit States. Suppose today Orissa is starved of power, we have to take power some 50 MW or some 100 MW if the National Transmission Line and Grid is there, But it is not completed. So, all these shortcomings are there. I do not know why this National Grid is not completed. Energy Ministry has given the money for all these things. Who will look into all these things? These are the problems which must be looked into. What is the installed capacity in the entire country? The entire installed capacity is

43,000 MW. By all counts, the actual generation is not more than 22,000 MW. Transmission losses in country are heavy. As my friend pointed out, let us bring it down to 15%. Even if it is 15%, then 500 m.w. are saved every day. So, these are the problems. I hope with the able assistance of our Minister Sathe ji, these shortcomings which I have pointed out, will be overcome. I hope we will be able to solve this problem at least in the Seventh Plan period; and as our Prime Minister has declared, by 1990 let us see that the country becomes self-sufficient so far as power demand is concerned.

With these suggestions I support the Demands for Grants of this Ministry.

SHRI M. RAGHUMA REDDY (Nalgonda): Sir, Energy and Education are the two most important things needed for any country to develop. Unfortunately, our country's per capita consumption is only 165 units. In the western countries it is near about 1,000 units. During the 7th Five year plan, some attention has been given in respect of Energy Development. But that is not sufficient. During the 7th Plan, out of Rs. 43,000 crores which amount was estimated for the entire country, only Rs. 1100 crores has been allotted to Andhra Pradesh. That is a most unfortunate thing. In Andhra, our State Electricity Board is doing very well. But you have allotted a very meagre amount for Andhra Pradesh. That is really very disappointing. I request the Minister to once again look into this matter. The allocation during 1986-87 is only Rs. 3029 crores. When you compare it with last year, it is Rs. 100 crores less. How the hon. Minister is going to fulfil the needs of the country is not clear.

In Andhra Pradesh 85 per cent of the revenue villages have been electrified. 15 per cent of the hamlets have been electrified. There are 27,000 revenue villages and 30,000 hamlets in Andhra Pradesh. 85% of these villages have been electrified and only 15% of these 30,000 hamlets have been electrified so far. I request the Minister to clear all the pending R&D

projects. I have written letters regarding the projects pending in my constituency in Andhra Pradesh and I have received only an acknowledgment. I want the Minister to look into this. There is a proposal for a Central Thermal Project at Manugur. The State Government and the Chief Minister have written many letters to you. But that project has not been cleared so far. That should be cleared. Also, there is the Second stage of the Ramagundam Thermal Power Project. It needs Central assistance. The present thermal project at Vijayawada is doing very well. They are generating 30 per cent which is a high generation figure for any thermal station. There is difference in the unit tariff rate between the North and the South regions in the country. There should not be any such difference in these rates. All these tariff rates should be equal throughout the country.

Our State Government is giving concessions to agriculturists and that has to be followed throughout the country and the subsidy should be borne by the Government of India. The State Governments with their meagre resources cannot bear it. Any country's development is based on agriculture and power is the main source for the development of agriculture.

Sir, many projects are pending. For the generation of power, many hydro-electric projects are needed. Our State Government has been requesting for many such projects. Even though you are not connected with them, I request you to use your good offices for the clearance of the irrigation projects like Itchampalli and Polavaram and hydro electric projects like Sri Sailam Left Bank project and Nagarjunasagar Left Bank project. All these projects are pending and they are to be cleared. With the completion of all these projects we can supply extra power to the nearby States also. The Itchampalli project is a three-State project. It has been pending for a long time. So, you please use your good offices for the clearance of this project. This project will also help the Orissa people.

[Shri M. Raghuma Reddy]

THE MINISTER OF ENERGY (SHRI VASANT SATHE): Tribal rehabilitation problem is there.

SHRI M. RAGHUMA REDDY: That problem can be solved. We have got alternative arrangements. So, you can use your good offices and get the clearance for this project.

Sir, every year there is a power-cut. Consequently many industries have been virtually affected. Our State Government is requesting you to establish an atomic power station at Nagarjunsagar. Though it is not your subject, you can use your good offices for this. Many people say that you are competent because under your dynamic leadership for Vizag steel plant last year we could get Rs. 800 crores. So, I hope that you will help in making a beginning for this atomic power station at Nagarjunsagar. In one way by generating this atomic power it will also help your Department. That is why I am requesting you to take that up immediately.

About coal, Andhra is having abundance of coal. We can take up a number of coal projects there. The coal workers have got many problems. Unfortunately, recently 7 workers have died because of the leakage of the carbon monoxide. I want the Central Government to extend their expertise to the State Government officials. They would have taken precautionary measures, but they have not taken them. Unfortunately the innocent people have been affected. So, I want the expertise of the Central Government to be extended to the State Government officials. I also want a research cell to be developed. Also some training should be given to the officials.

There are some more projects in Andhra areas, as for example, Singareni Collieries. You can extend your cooperation from the side of the Central Government so that these projects are taken up and coal will be exploited.

Coming to the solar energy projects, some projects have been established in my constituency. They are working well. But only Rs. 101 crores have been allotted for the entire non-conventional energy sources. Besides, many bio-gas plants have to be taken up. We are now cutting forests for fuel purposes as there is no alternative especially for the rural people. For setting up the bio-gas plants I want more and more amount to be allocated. This amount of Rs. 101 crores will not be sufficient.

The solar energy and wind flow energy are to be developed to meet the requirement of rural people. I would like to say that under your dynamic leadership, not only coal projects, but also other irrigation and hydro electric projects which are pending with the Government of India may be cleared as early as possible. We can help in generating extra energy which we can give to other Southern States, specially Karnataka. It is also facing a lot of power cut. Many industries have been affected there. Recently, I have seen that in some of the industries, there is 70% cut. That has to be looked into. The electricity generation should be developed in Andhra Pradesh and also in other States.

SHRI SATYENDRA NARAYAN SINHA (Aurangabad): Mr. Chairman, Sir, this is the first budget demand moved by the hon. Minister relating to Energy. So, I would like to congratulate him on having injected his dynamic spirit in the functioning of the Departments. Coal has also been brought under him. So, it will be possible for him to have an integrated approach and coordinate various Departments under him.

Many of the hon. Members who have spoken before me have described the power scene in the country. The installed capacity at the end of the Sixth Plan will come to about 42,547 m.w. or a little more. It was planned to have 19,600 m.w. but it was later on revised and we achieved only a generating capacity of 14,000 m.w. Now, in the 7th Plan, there is a proposal

to have 22,245 m.w., i.e. 60% more than what we have achieved during the 6th Plan. It is expected that by the end of the 7th Plan, total capacity will go up to 64,792 m.w. But the allocation made for this sector is only Rs. 34,273 crores. I am not very sure whether the Ministry will be able to perform better during the 7th Plan, because the Planning Commission made the allocation on the basis of its calculation that one mega watt will cost about Rs. 1.5 crores.

17.23 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

But Sir, there is another study which shows that in setting up one mega watt, the cost will be not less than Rs. 2.25 crores. Now, I would like the hon. Minister to go into this question. If the estimate of the Planning Commission is not correct, as has been stated by another study, then, Sir, the allocation is much too low and we will not be able to achieve more than 14,000 m.w. Why I am saying all this is because for the year 1985-86, the claim was made that we have achieved a target of 4460 m.w. or a little less but in the *Indian Express*, on the 30th March, 1986, a report had come challenging this claim. It is stated that during the last 10 months, only 2240 m.w. had been achieved. Now, I would invite the attention of the hon. Minister to the report in the *Indian Express*, challenging the claim of the Government about the achievement of the target. The *Indian Express* further says that out of nine thermal power units, of 210 MW each, six did not produce any power. In March, six other units were marked as added but five of them were shut down the next day. Is it true? If it is so, it does raise serious doubts in our ability to achieve the target set for the Seventh Plan.

We have to look at the power from three aspects. Firstly, the low capacity utilisation of thermal plants and high transmission losses. Secondly, declining share of hydro-electricity and thirdly, poor quality of State Boards management. Many

hon. Members have spoken about it. I would only refer to the report of Mr. Vohra, Chairman, Energy Advisory Group, according to whom 10 per cent increase in PLF of thermal plants and a reduction in transmission losses from 21 per cent to 10 per cent will increase the availability of power by 35 per cent, obviating the need for power cuts. The question boils down to this that we have to improve the performance of our thermal plants. According to the President of the FICCI, 10 per cent increase in PLF will result in saving of Rs. 11,000 crores in investment. So, we have to concentrate on improving the performance of these thermal power plants. The capacity utilisation in 1984-85 was 50.1%. In 1985-86, for nine months period, the figure is 50.8%. I am told that recently during the last two months, the plant load factor has gone up to nearly 59%. You can improve the capacity utilisation and the plant load factor can be increased. If you can increase this 10% plant load factor, then most of the problems will be solved. It is not very difficult to achieve this 10 to 12% increase in the plant load factor. Individual plants have achieved more than 70% to 80% or even 90% in Maharashtra, Singrauli and Andhra Pradesh (Vijayawada). NTPC are having a capacity of 60% utilisation. But this can go up further with better management, better maintenance and better quality of coal. So, my emphasis is on the performance of these plants.

Secondly, with regard to transmission losses, we can reduce the losses from 21 to 10% by (a) using more capacitor banks and (b) by changing transmission lines from 220 KV to 440 KV. This is being done. (c) We should take serious steps to stop theft of power in transmission. I am glad to find from the report that this question has been taken up and the Government is going to make this cognisable offence and soon the hon. Minister will come forward with an amending Bill.

With regard to hydel power, I have said that the hydel power has vast reservoir and it has not been exploited to the extent it should be. It is in the long run cheaper but unfortunately [the contribution

[Shri Satyendra Narayan Sinha]

of hydel power or share in the total electricity generated is getting less and less. By the end of the Fifth Plan, the share was 40 : 60. By the end of Sixth Plan it is 33.7:66.3. Now it is expected that by the end of Seventh Plan, it will further go down to 30.7 as against 69.3. We all know that hardly 10 to 12 per cent of the hydel power potential of the country is being exploited. I would submit that you should concentrate on this so that in the long run it will be cheaper to provide power. I have said that it is possible to achieve this.

You have got Rs. 500 crores allotted for improving 32 thermal power stations. Out of the Rs. 90 crores set aside for this year, only Rs. 8.6 crores is spent. Therefore, I will submit to the Minister that you have to exercise a greater supervision and control over the implementation of these projects. As I stated earlier we have got to improve our thermal power plants. This should be done by better management.

Now we come to power boards. It is already stated by many friends here. They have already accumulated a total loss of Rs. 4500 crores and they are not going to improve their performance, so far as I can see. As my friend, Mr. Iyer said, 84% of the total generating capacity is accounted for by the Power Boards. But their performance is so poor that unless we improve the working of these power boards, the power scene will continue to be dismal and in times to come it will be a very very difficult period for the country. There is overstaffing and poor management and their maintenance is faulty. Therefore, it is necessary that the Central Government should also amend these Acts in order to be able to control the working of the power boards. There is a lot of politicization.

Speaking about Bihar State Electricity Board, there are 44,000 employees and the performance is very poor. As against the installed capacity of 1100 megawatts we are getting only 400 megawatts. It has to be seen from this angle. There is so much politics among the employees and they also resort to sabotage. Only

recently one unit in Barauni was shut down because of a brick having been put into the turbine with the result that the plant did not work. It is being investigated whether it was a case of sabotage or not. I think it was a case of sabotage.

Then I come to the quality of coal supplied to these power stations which should be improved. It has a high ash content. Washeries are being set up but the cost of production is going up. The hon. Minister is perhaps aware of this fact that the cost of production is Rs. 46.30 per tonne which is much higher than the selling price of Rs. 37.50. The collieries will continue to incur losses despite the price hike and it is because of this that the World Bank has refused to grant loan to the Eastern Coalfields. I think the Minister should address his attention to Dhanbad side where the mafia gang is ruling. There is largescale absenteeism. The former Chairman had taken certain effective steps to bring break up their rule by reorganising the collieries and I hope those steps must be continued and pursued with vigour.

Then I will say that the power situation in our country will become very grim by the turn of the century if we do not take steps to improve performance, and as I have already said, the allocations are also very poor or meagre. It will not provide for advance action to be taken for this 8th Plan because you have got to start taking advance action right from the middle of the 7th Plan to be able to complete in the 8th Plan. Therefore, the allocation is very poor. The calculation made by the Planning Commission appears to be defective and as I have already pointed out, I would request the Minister to kindly look into it. All these things lead to only one conclusion that we have got to adopt a policy on conservation of energy. I am glad that there is a conservation cell in the Ministry.

I do not want to take much time of the House. But I would like to say that by the next 15 years, 500 million tonnes of coal will be required—three times of our present production. 92 million tonnes of oil will be required which is three times

of our present production. 551 trillion mws of electricity would be required; which is 2.5 times of our present generating capacity. It will be difficult to achieve the targets unless you resort to conservation of energy and depend more on renewable sources of energy. D.V. Kapur has estimated that annual savings of power in industry alone would be of the order of Rs. 1925 crores per annum. Norms for electric consumption should be fixed. And energy audit must be made compulsory in order to check this. In the agricultural sector, defective pumpsets are supplied and they should not qualify for any kind of concession for bank loans. If you do that strictly you will be saving Rs. 400 crores. We should also encourage non-peak hours of power use in the agricultural sector. For that purpose, special meters are now available. In the USA, they have been able to achieve saving through co-generation to the extent of 45 per cent.

Then, we have PCRA (Petroleum Conservation Research Association) funded by the Oil Industries Development Board. They have also been having certain measures which have been able to ensure saving of fuel. Now, they are going to concentrate on the transport sector and agricultural sector for the diesel saving and also for kerosene in the domestic sector. So, we should encourage the manufacture of fuel efficient automotive engines and multi action vehicles to save energy.

Creation of the Department of Non-Conventional Sources of Energy itself shows the wide awareness on the part of the Government about the use and importance of the non-conventional sources of energy.

While replying to a question the other day, the Minister said about the Energy village programme and according to him, perhaps, rupees 10 lakhs is needed for adopting one energy village. There is Khandia village about which the Minister has also said. There is no dearth of technology.

Further I would like to say that instead of Rural Electrification policy, we should go in for Rural Energisation Policy and depend upon the energy available in the village itself.

My suggestion is that you can get wind farms which can provide 15000 megawatt of power. In Kutch, village 1.5 km x 75 metres produces 1.1 megawatt of power. Micro hydel system should be developed. This will give you 5000 megawatt.

Solar energy has unlimited power and you should utilise it as much as you can, so that you don't have to go for those sources which will be exhausted afterwards. I am coming to my own State.

The Minister said in answer to a question regarding Muzaffarpur Thermal Station that Bihar is chronically suffering from mis-management. I immediately wrote to him saying that Bihar was not responsible for the delay in setting up the Thermal Power Station at Kanti. It is BHEL which has been given the contract which is responsible for it. They provided defective equipments to the Kanti Thermal Power Unit which was commissioned in 1985 and it developed troubles and took a lot of time to stabilise. Now the second unit of 110 MW has been commissioned; but it has not gone into commercial production. I don't know how long it will take.

The Koel-Karo project is pending for a long time. You have said that on account of land dispute the NHPC could not take it up. The Chief Minister has said now in a public statement that the land dispute has been solved, clearing the deck for you to go there and set up. It will generate about 700 MW which will meet the needs of Bihar.

Kahalgaon project, which is a Central Project is going to be set up with Soviet collaboration. There is no trouble in it. I would like to be apprised of the steps being taken by the Government to set up this project as soon as possible.

[Shri Satyendra Narayan Sinha]

Presently you are going to set up a plant of only 800MW, although it is later on to be raised to 2000 MW capacity.

In regard to Kanti, I have to say that the originally estimated cost was only Rs. 48 crores. Now the cost has gone up to Rs. 150 crores, which is three times higher. You have also to look to this. There should be no slippage in the construction of projects because it raises the cost. The allocations that are made for this sector proved to be very inadequate and meagre and you are not able to achieve your targets. So, we have got to apply our minds and also discuss it with the Planning Commission. While making allocation the Commissions should take into consideration the price rise factor and the depreciation of rupee value in course of time. I would like to know whether it will be possible for you to achieve the target that has been laid down in the Seventh Plan with the funds allocated.

With these words, I support the Demands Sir.

[Translations]

SHRI R.P. SUMAN (Akbarpur) : Mr. Deputy Speaker, Sir, we are discussing a very important topic today. I rise to support the demands of the Energy Department.

SHRI BALKAVI BAIRAGI (Mandsaur) : Of course, 'Suman' (flower) has to support 'Vasant' (spring).

SHRI R.P. SUMAN : Thank you. Power is one of the most essential needs of man today and there cannot be any two opinions about it. Our Government is making great effort 'n this direction and we have been observing that every corner of our country is getting electricity and efforts are being made to initiate special schemes for rural electrification.

Sir, the first point mentioned clearly in our energy policy is that enough power must be supplied at the minimum of cost ;

secondly, we must be self-sufficient in this sector and thirdly, the environment must be protected from the adverse effect of indiscriminate use of the sources of energy.

Today, I would like to request the hon. Minister to kindly pay attention to the first point which is to supply adequate energy at minimum cost. What I mean to say is that a system must be evolved to supply electricity at minimum cost to the people residing in the rural areas.

Our country is predominantly an agricultural country. It is essential to improve the power situation in the villages, because rural electrification is more important than electrification of the urban areas. If it is not done then our farmers, rural people would suffer, and their suffering would be harmful to our country.

Sir, I felt happy about the conference on Energy Development, held in February, 1986. After long discussions on this subject, during the course of this conference, certain objectives were outlined. The first objective was to meet the demand of power by the end of the Seventh Five Year Plan period. We are happy to note that our Government is fully aware of our energy needs. By the end of the Seventh Plan electricity would be made available in the entire country. This is the plan and work is being done in that direction.

During this conference, there was also much discussion on the rural electrification programme and a definite policy has been enunciated. Conservation of energy, and careful utilization of coal as a source of energy were also discussed. In order to achieve our objectives, these aspects must be seriously considered and time-bound programmes should be formulated and implemented. Otherwise, we will not be able to achieve our targets in spite of all our plans and programmes. Therefore, it is my humble request to you, that we should frame time-bound policies and lay down priorities so that our projects do not

lag behind and are completed in stipulated time. We must definitely ensure this.

I am happy to say that it is clear from the available statistics that there has been some improvement in the power situation. Our electricity production has increased. Besides, it is also clear from the statistics, that in comparison with the year 1983-84, more power has been generated in the year 1985-86. So we are making rapid progress in this area. Through our policy, we are trying to meet the electricity requirements of the entire nation.

Sir, the rural electrification programmes are being implemented with great enthusiasm in the whole country. I would like to discuss the situation prevailing in Uttar Pradesh in this regard. Uttar Pradesh is a large State from the point of view of its area. As you all know, there are some very backward areas in this large State. I was not at all surprised to find Uttar Pradesh neglected by the Energy Ministry, in its report. I was not surprised because this State is neglected by every Ministry and, therefore, there can be no reason why the Energy Ministry should lag behind. The Rural Electrification scheme has also been mentioned in this report. During the year 1985-86 20,648 villages had been electrified and 3,95,743 pumpsets had been energised in the whole country. Besides, it is also mentioned in the report, that the target for electrification of the Schedule Caste and Schedule tribes colonies was 1.10 lakhs, but power was provided only to 41,930 colonies. My request to you is that a constructive programme must be undertaken in this direction and the work of electrification in these areas should be expedited. Then the people in our villages would get electricity and our farmers would become prosperous. Sir, as the time is limited, I would mention only two or three specific points and not go into any elaborate discussion.

I would like to say that when a project is sanctioned regardless of whether it is to be implemented by the Central Electricity Board or State Board, it is essential to ensure that the work is completed in the

stipulated time. I would like to offer an example. The Tanda Thermal Power Project is situated in my area. The first unit of this project was expected to start production in 1983. Then it was said that production would commence in 1984, then the time was extended to 1985 and then onwards to 1986. Now the hon. Mr. Sathe has apprised us through his letter that the first unit of this project would start production in June, 1987. The original sanctioned cost was 159 crores of rupees. Later it rose to 163 crores and by the Sixth Plan period the approved financial allocation escalated to 221.42 crores. Now, in reply to my question it was said that the cost has increased to Rs. 300 crores. If we are to start all the four units together, then in my opinion, the total expenditure would escalate to about Rs. 450 to 500 crores while the original cost of the project was only Rs. 163 crores. If the work had been completed in the stipulated period, then definitely, two such projects could have been put under operation within the amount that has already been invested. But this did not happen and due to these inordinate delays, there is huge cost escalation and the work is also not yet complete. I am submitting that this is the position of Tanda Thermal Power Project. You will be surprised that steel worth Rs. 5.70 lakh was sent by a Calcutta firm for the project but out of that, steel worth Rs. 70 thousand only reached there and the remaining steel worth Rs. 5 lakh was missing. I intimated to Shri Vishwanath Pratap Singh, the then Chief Minister about this. Enquiry was held by the Vigilance Department and as a result thereof 9 engineers were found guilty. But the officers of the Electricity Department manipulated in such a way that in spite of 9 engineers having been found guilty and a report to that respect having been laid on the Table of the Assembly, the matter has once again been referred to departmental vigilance so that it may go on banging fire. I am drawing your personal attention towards such type of corruption. You should write to the State Electricity Board and ask them expedite the matter. The work of the project should be completed in the stipulated period. It was also decided, and it was intimated through a letter that one member each from 50 per cent or more

[Shri R.P. Suman]

affected farmers' families would be provided job and they will be taken in service but this is being neglected. Out of the 469 affected families only 94 persons have been given job and that too on daily wage basis whereas permanent vacancies exist.

In Faizabad district of Uttar Pradesh Sohawal Thermal Power House has been lying closed for the last several years. On the one hand, we are talking of new projects and are thinking of more power generation and on the other hand an already existing project has been lying closed. My submission is that the matter should be reconsidered because in the absence of its being operative the people, the farmers and the workers of the area are feeling agitated and they want that Sohawal Thermal Power House should be recommissioned so that their problem is resolved.

I would like to make one more submission. Large number of employees are working in the country but the percentage quota of reservation for the Scheduled Castes and the Scheduled Tribes has not been filled. In promotion also they are neglected. Therefore, I submit that, as is the intention of the Government, the reservation quota should be filled as per the directions given from the Centre.

The employees have been working on muster roll and daily wage basis for the last 20 to 25 years. They should be made permanent. The problem is becoming acute. Therefore, we should consider the matter collectively and should make those workers permanent who have been working on daily wage basis or muster roll basis so that their problem could be resolved.

With these words I support these demands.

SHRI PRATAP BHANU SHARMA (Vidisha) : Mr. Deputy Speaker, Sir, the extent of the development of a country and its economic position can be assessed by

the *per capita* consumption of energy because this consumption is directly related to gross domestic product of that country.

One of our colleagues stated that in comparison with the world consumption average, *per capita* energy consumption in our country is quite less. If we look at the availability of power from 1950 to 1985-86, we will find that whereas at that time *per capita* consumption was 18 units it is about 225 units today. At that time about 2,300 megawatt power was being generated in our country but today its generation has reached 43,000 MW. At present the Energy Ministry has formulated schemes to develop resources of nuclear power and non-conventional energy. It is definitely a welcome step. Today, we can say that with the long term plan of the country prepared by the Energy Department, we will be able to generate 1 lakh 20 thousand MW and we, therefore, hope that in coming years we will be able to meet the demand of agriculture and industry.

Not going into the details, I would like to submit that our nation-builder, Pandit Jawahar Lal Nehru took the initiative to take the country forward and make it self-reliant in the field of agriculture and industry. We have to make further progress and have to see what are the means through which we can meet the demand of the country for energy. In the twentieth century, we have so far given priority to hydro and thermal power. In the coming era, in the 21st century we will have to pay more attention to the nuclear energy resources and other non-conventional energy resources.

I would like to draw your attention particularly to nuclear energy. As the previous speaker said, contribution of nuclear energy towards our energy needs is 3 or 4 per cent. If we look at the industrially developed countries like U.S.A., some countries of Europe, South Korea or Japan, we will find that nuclear energy forms 25 to 55 per cent of their total power generation. I would like to thank Shri Raja Ramanna, the Chairman,

Atomic Energy Commission who has fixed the target of 10 thousand MW of nuclear energy by 2,000 A.D. What is required is that if we have to achieve this goal, we will have to make available necessary funds and also new technology would have to be made available.

18.00 hrs.

The scientists of our country have developed technology of nuclear energy. Kalpakkam Project in Madras is the example of this which have been developed fully with Indian technique. It has a capacity of 235 MW. The project was inaugurated in December 1985 by the Prime Minister, Shri Rajiv Gandhi. In this way our country's prestige has increased. Through this, we have come in the category of those developed countries which have already constructed their nuclear power centres with their own technique and indigenous resources. After the United States, Soviet Union, France, Canada and U.K. it is India which has achieved this feat. Even in this, India's scientists have remained one step forward when Fast Breeder Test Reactor with 15 watt capacity was set up and successfully operated. With this achievement India has become the first country in the world which is producing a new type of atomic fuel—carbide fuel—which consists of 70 per cent plutonium and 30 per cent Uranium. Simultaneously, a new research for producing atomic fuel for atomic energy in the Fast Breeder Reactor has also been made. Today, in our country thorium is available in abundance and the scientists have estimated that whereas coal will last and provide energy for 200 to 300 years, installation of one lakh capacity of Thorium will provide energy for the coming 600 years. For this achievement our scientists definitely deserve a pat on the back. We want that whatever target has been fixed in the Seventh Five Year Plan, Eighth Five Year Plan and upto 2001, keeping that in view, it should be given priority because at present there is no time to give priority to the thermal energy. The coal which is consumed in it contains 40 per cent ash content and that creates pollution. Present day man is conscious about the pollution and there is need to be vigilant about it. If

you analyse this ash content, you will find radioactive gama rays in it. For 1,000 megawatt, 10,000 tonne coal is needed which means, it will release 6,000 tonnes ash content. In this way pollution will increase to an alarming extent. Sulphur di-oxide is being emitted from it which is causing 40 to 80 tonne pollution every day. Where will this all go? In comparison with this we need to adopt modern techniques and the techniques developed by our own scientists.

I would like to draw the attention of the hon. Minister towards non-conventional sources of energy. Shri Sathe himself, wherever he goes, in whichever State he goes, draws the attention of the local people, institutions and villagers towards this. We have abundant natural resources like solar energy and high velocity winds at coastal areas. Similarly there is good scope in our country for biogas, biomass, micro hydel project. We should therefore, pay special attention towards alternative sources of energy during the coming years. Only then we will be able to provide power to remote rural areas where it is not possible to provide power through conventional sources. Though 65 per cent villages have been electrified, i.e., more than 4 lakh villages have been electrified under REC or other schemes, there are hundreds and thousands of Adivasi dominated villages situated in far off areas, hill areas, inaccessible areas, forests where electric lines cannot be installed easily. We can develop solar energy, solar thermal energy by using solar voltaic system in such areas.

I would like to congratulate the hon. Energy Minister that the Department of Non-conventional Energy Development has prepared a new scheme of Energy village. We have seen the experiment in Anjora village of Durg district. Non-conventional sources like biomass, biogas, solar energy, solar thermal energy, photo voltaic and wind energy, all have been successfully used there and in reply to my question two days ago you had stated that during the Seventh Five Year Plan in each Development Block there will be one Energy village. It will cost Rs. 10 lakh in each village but due to lack of resources, lack of money,

[Shri Pratap Bhanu Sharma]

we are unable to set them up. I would like to submit through you, Sir, that there are good possibilities of non-conventional energy sources in our country and we have advanced from laboratory stage to Energy village. We have made achievements. We have developed the best technology in our country. Therefore, you should spend more on generation of electricity. The provision made for Rs. 100 crores is not going to be sufficient. At least Rs. 500 crores should be allocated in the Seventh Five Year Plan only for development of Energy villages. I would like to draw your attention towards alternative energy sources also. You have supplied in the rural areas 10 lakh advanced type of *Chulhas*. This has provided a big help to the Indian housewives. This has resulted in saving of several tonnes of fuel-wood. Use of the advanced *Chulhas* and biogas has resulted in saving of 40 lakh tonne fuel-wood which in turn has saved Rs. 164

to 165 crores and that much felling of forest has been avoided. These successful experiments have been carried out in the far off areas according to the wishes of the hon. Prime Minister. Do not allow money to come in the way of furtherance of these experiments. Make the necessary funds available for those non-conventional sources of energy which have been developed in our country so that the remote areas and the poorest of the poor in the country is benefited from them.

[English]

MR. DEPUTY SPEAKER : The House now stands adjourned till 11a.m. tomorrow.

18.07 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, April 4, 1986/Chaitra 14, 1908 (Saka).