

result there is a serious problem of residential accommodation in the rural areas. It is very essential that there is reservation in allotment of residential plots in the urban areas in proportion to their population.

Under the 20 point Programme, Rajasthan Government has formulated a scheme to provide thatched huts to the poor, but it is not being implemented properly. Through the Ministry of welfare of the Central Government, I would like to draw the attention of the Government that it should take steps to provide residential plots to the Harijans especially in rural areas. Also, in addition to Government jobs to the educated unemployed Harijan youths, sufficient funds should be provided to them under the Special Component Plan for their self-employment.

(vii) Need to set up electronic Industry in Kerala

SHRI K. MOHANDAS (Mukundapuram) : Mr Deputy Speaker, Sir, Kerala is an industrially backward State due to inadequate investment by the Centre in the industrial sector. The required industrialisation has not, therefore, taken place in the State. This has retarded the economic growth of Kerala and has pushed up unemployment. This situation has to be changed.

The Central Government has a scheme to encourage the electronic industry. A large number of concessions have been announced in the Budget for the electronic industry. The advantages of electronic industry are many, the most important being total lack of pollution. Kerala is a very suitable place for setting up large number of electronic industries. This will, on the one hand, solve the unemployment problem, and improve the economic condition of the State on the other.

I would, therefore, request the Central Government to sanction special allocation for Kerala in order that it may set up a chain of electronic industries in the State.

12.22 hrs.

DEMANDS FOR GRANT (GENERAL), 1986-87.—Contd.

Ministry of Steel and Mines—Contd.

[English]

MR. DEPUTY SPEAKER : 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.

Shri Purna Chandra Malik to continue.

[Translation]

*SHRI PURNA CHANDRA MALIK (Durgapur) : Mr. Deputy Speaker, Sir, I am resuming my discussion on the steel industry. Yesterday I was speaking about the high-handed attitude of the management of the Salam Steel Plant. The CITU backed trade union is very strong here. In the last Canteen Committee elections the CITU Union won 70% seats. Because of that the management betrays an uncooperative and aggressive attitude towards the workers. In September 1985 the workers went on strike for one day only but their 8 day's pay was deducted on this account by the management. Will the hon. Minister see to it that the management changes this unhelpful attitude ? Otherwise this is likely to seriously hamper production in the coming days.

Now Sir, I will say a word about IISCO i.e. the Indian Iron and Steel Co., Burnpur. This is a very old steel unit of our country. This was established long before our country became independent by private enterprise. The Union Govt. took it over in 1972 as a sick industry. But even today it continues to be a sick industry. The Government of India has not yet taken any clear and well defined measures to make this unit economically viable. Many expert teams have visited this unit many times and have submitted their proposals to the Government for modernisation of this unit. But none of them have been implemented

*The Speech was originally delivered in Bengali.

[Shri Purna Chandra Malik]

so far. Of course, in the 7th five year plan some money has been provided for improvement of the coke oven. I will request the hon. Minister to allocate some funds immediately for modernisation of the sintering plant at least. Our late Prime Minister Smt. Indira Gandhi laid the foundation stone of a new steel plant at Vijaynagar in Karnataka, in 1973. 13 years have passed since then but the foundation stone is lying as it is. No further action has been taken in long 13 years. In the 7th five year plan Rs. 10 crores have been allocated for this plant. But it is a mockery. What can be achieved with only Rs. 10 crores! It will go in the establishment cost and payment of salary and allowances of the staff. It is only being used as a political weapon to catch votes in the coming elections.

Sir, the condition of our mining industry is still more pitiable. All minerals like iron, zinc, mica, copper, bauxite, dolomite, aluminium, tin, manganese etc. etc. are abundantly available in our country. Rich deposits of these minerals are lying underground. But, because our Govt. do not have any well laid and clear plans for their exploration and exploitation, we are dependent on other countries and at the end of the 20th century we are still importing them. In the 7th plan also there are no new projects or plans for the development of this industry.

Sir, our country produces roughly 40 millions tons of iron ore. Out of this about 22 million tons are exported to other countries. Less than half of our total production is being used as raw material in our own steel industry. The iron ore available in our country is of a superior grade compared to most other countries. If this raw material could be used in our own country for building up the steel industry, then India could be self sufficient in the matters of steel. It is unfortunate that we are exporting iron ore and importing finished steel from other countries.

Any country's strength and development is measured in terms of the steel produced by it. In India the per capita production of steel is less than 15 KG. whereas the Soviet Union produces more than 200 Kg. per head per year.

Even China, who became independent 2 years after us, and whose population is over 100 crores, that China has produced 47 million tons of steel last year. In comparison, India produced near-about 11 million tons over the same period. At the turn of the present century when India will produce about 22 million tons of steel, China will produce near about 90 million tons. The reason for our lagging behind in production of steel is the import oriented industrial policy of our Government. Even last year we imported steel worth Rs. 1200 crores. So long as the import lobby will remain powerful in our country, we can never achieve self sufficient in steel production. How is this astonishing progress being made possible in the Socialist countries! In the Socialist countries alongside production the social character of the distribution system is also reflected in their policy. As a result of that, the introduction of automation, computerisation, mechanisation, modernisation etc. has turned into a blessing there and not a curse as in our country. With the advancement of technology and introduction of modern methods of production the workers are not declared surplus there nor is there any retrenchment as we see in our country. Instead, the workers are benefitted and their working hours are reduced accordingly.

Mr. Deputy Speaker Sir, our economic policy and our industrial policy is the biggest hurdle in the path of our industrial development. That is why inspite of having an abundant wealth of natural resources and in spite of millions and millions of sturdy hands, the economic condition of our country is so miserable and there is an ever increasing army of unemployed youth.

As a result of our country's dependence on the multinationals, the IMF, the World Bank etc. our economic policy is practically becoming dependent on the imperialist powers day by day. Even today India has to pay crores of rupees by way of interest for the foreign loans. This is Sir, the history of our steel and mining industry over the last 38 years, and because of this reason I cannot support the demands of the Ministry of Steel and Mines.

I thank you Sir, for giving me the time to express my views,

SHRI MANKURAM SODI (Baster) :
 Mr. Deputy Speaker, Sir, I rise to support the demands for grants put forward by the hon. Finance Minister. There are huge deposits of minerals generally in backward areas of our country which are generally inhabited by the tribals. After hard work throughout their life, they acquired certain assets and property which they would have handed over to the next generation as an inheritance of their fore-fathers. But Sir, very peculiar circumstances have been created here that persons who have been residing in these areas for years have been displaced with a view to set up factories there. But when these tribals are displaced, they are not provided proper compensation for their land and the property acquired by their fore-fathers. After paying very meagre compensation, they are settled at other places. At other places, they are not provided sufficient land for their settlement and as a result they are forced to lead a nomadic life. They are also deprived of their hereditary assets which they would have handed over to the future generations. Instead of leading a comfortable life, they always have a painful feeling that they have not handing over their forefathers assets to the future generations.

Mr. Deputy Speaker, Sir, I would like to say a few words about Bailladila mines in my area in district Bastar in Madhya Pradesh, from where iron ore is exported to other countries. Earlier, Adivasis used to reside in that area and later they were forced to move to other areas. You will find that they have been paid very meagre compensation for their forefathers assets. As they have been paid compensation at a very low rate, these Adivasis have not been settled properly, though they were displaced 15 or 20 years back. I would, therefore, like to submit that the areas, where such mines are situated, should be developed before any such project is set up there and the persons living in the surrounding areas should be provided all the facilities so that the people living in those areas could share the fruits of development there and could also meet any eventualities which might be created in future. Such mines or factories should be set up only after the area has been developed. The Adivasis who are living at such places are unable to meet even their daily needs of life. I would like to say a few words

about Kirandul Factory in Bailladila area of Madhya Pradesh where iron ore is cleaned with water and it is discharged into the river and as a result, the people living on the banks of the river get dirty and contaminated water, which is not fit for drinking by human beings as well as livestock. It can also not be used for irrigation of agricultural farms. I would, therefore, like to request that whenever mining work in such areas is undertaken, these things should be looked into and these mines should not be allowed to create difficulties in the daily life of the Adivasis who have been living there for generations. When these factories were set up there and the Adivasis went to these projects to seek jobs, they were illtreated and many complaints to this effect were received. The most painful of them was that these Adivasis were kept as domestic servants and they were maltreated. When their children and unmarried girls went for performing domestic chores, they were maltreated and the unmarried girls were abused sexually. As a results the families of those girls had to face a lot of difficulties in that area and hundreds of girls had to be excommunicated from their castes and the society. Even today a home for the destitute has been opened at Dantewara and arrangements are being made to keep hundreds of such destitute girls there.

I would like to submit once again that before mining work is undertaken in any area, some development work should be undertaken in that area so that people do not face any difficulty and the projects being set up there could be helpful in their life. All the persons should be allowed to share the fruits of development.

There is very large area in Dantewara and Kohta Tehsils in district Bastar. In the absence of any employment opportunities, there, some smugglers are training Adivasis there in the smuggling of tin and our Adivasis under temptation are participating in the smuggling of this national asset.

I would like to request the Government that it should set up a factory in that area which could convert the available raw material into the first stage ore which can be exported abroad, so that hundreds of incidents of theft, which are taking place daily could be checked and the people could get fair price. In this way, the smuggling

[Shri Mankuram Sodi]

activities of tin which are going on day and night would be checked and people would not even think of smuggling this precious national asset and there would be proper exploitation of tin.

With these words, I conclude my speech.

[English]

SHRI P. R. KUMARAMANGALAM (Salem): At the outset, I think, it would be very relevant to point out that one of the reasons why many of my colleagues today have not preferred to speak, is essentially because of the delay in granting of interim relief to the journalists and their strike...*(Interruptions)*

MR. DEPUTY SPEAKER : He represents labour also.

SHRI P.R. KUMARAMANGALAM : Leaving that aside, steel and mines is the sector on the basis of which we often mention the commanding heights of the public sector. But now the question does arise how much command is this public sector really having on the economy, We have, in fact, a situation where if one does the normal assessment of the existing consumption of steel and puts it five years ahead and sees our existing plans for development of steel, it is very obvious that we would be spending nearly five billion dollars in 1990.....*(Interruptions)*

SHRI K. C. PANT : How much in rupees ?

SHRI P. R. KUMARAMANGALAM : Well, you can multiply it by twelve. I presume hopefully it is twelve. I did not say in rupees because the rupee has fluctuated sufficiently in the last five years. I do not comment on it but anyway, I have put it in dollars for the simple reason that I have assessed it at \$4,000 a tonne, the rate at which we are importing and which I presume will be \$6,000 a tonne after five years, and by that time nineteen rupees may be equal to one dollar, in the manner in which the economy is moving. But, however, definitely we are talking of balance of payments being weak, we are talking of very bad constraints insofar as foreign exchange is concerned. How is it possible

that we can avoid importing so much of steel unless we have more development in the steel sector? Whenever we talk of expansion of any plant or talk of even existing projects, we are told that there is a resource constraint. We are constantly told that there is no money available for the public sector and it has to generate it from within. Is it possible for the public sector to generate it unless it is given genuine functional autonomy? If the various bureaucrats sitting in the Ministry of Steel and Mines poke their nose on silly things, on day-to-day functioning of these public sector undertakings, is it possible that these public sector undertakings would ever function? Therefore, I would take this opportunity to appeal to both the Ministers of this Department to ensure that public sector undertakings are made more autonomous firstly, and secondly, more accountable. Today, because of the interference of the bureaucrats, their accountability is also reducing. They are able to turn round and tell the technocrats who operate in the public sector: "No, we are not responsible; we are very sorry because we gave this proposal and the Ministry turned in down, or the Ministry delayed it by five years or ten years." They never say delayed by a year or two because delays are in the region of five or ten years.

Sir, this Department is an extremely important department because it deals with the infrastructure of the nation. If we do not have steel, we cannot talk of development. Merely electronics are not sufficient. Genuine progress is possible only if there is construction and activity insofar as both industrial and non-industrial sectors are concerned. We require steel for housing, obviously for fabrication, obviously for industry, but still we do not have steel. Still the prices in India are comparably quite high when one looks at the international market. There was a time, I do know, a few years ago, when we were competitive, but today we have fallen well behind and our prices have gone up. The cost of production has gone up not because of labour, The cost of labour has remained almost stable. It is one of the lowest in the world. But the techniques adopted, the delays in giving the required investment, the delays in policies, are the major reasons why we are not able to

get the return on the investment which we have made.

The profits that one sees in the Steel Authority of India Ltd., or the losses, really are not very relevant at the moment because the investment is so much that if one takes the percentage of return, it is minimal, as good as nil. These profits are there mainly because you use the art of balancing the balance sheets. That is, you put a little depreciation and investment allowance.

MR. DEPUTY SPEAKER : That is called Balance Sheet.

SHRI P. R. KUMARAMANGALAM : You put in a little depreciation and investment allowance and create profits.

But, Sir, the short question that arises is this.

Are you going to make the public sector accountable? Are you going to call the various Chairmen of the Public Sector Corporations and tell them that you are the major investor as a State; we have invested this many crores of your money for the project.....

SHRI S. JAIPAL REDDY : Provided they are full time Chairman.

SHRI P. R. KUMARAMANGALAM : Would you allow me to speak? For that I will be extremely obliged.

MR. DEPUTY SPEAKER : The Minister will reply. Don't worry.

SHRI P. R. KUMARAMANGALAM : If you want to become a Chairman, I can recommend your case; I have no objection; you please allow me to have my say. *(Interruptions)*

As I was saying, the public sector undertakings have to be made accountable. From them an assurance has to be taken of achieving the targets and then only the appointments should be made. The Chairman, the Managing Directors, the Chief Executives and other top executives of the Public Sector undertakings must be called and told :

"This is our investment; this is our target that we have before us.

What is it that you require to achieve the target by that date? We will see from our side that all the resources are made available. If you do not produce results, you will be fired. There would be no excuse whatsoever. You don't have to worry whether. A bureaucrat or B bureaucrat or any Member of Parliament would interfere."

Sir, if the public sector functions genuinely and honestly and in the interest of the State, I am sure, every Member of this House would agree, we have no grouse against them, nor would any one interfere in this matter. Sir, Government takes over the land. There are so many people unemployed in my constituency. When a Member of Parliament asks the public sector chief executive for employment, keeping in mind large scale unemployment, their usual reply is, 'There is no vacancy'. We ask them: You have acquired their land. You give them a few jobs.

MR. DEPUTY SPEAKER : In my place also there is the the same problem.

SHRI P. R. KUMARAMANGALAM : They say, we don't have jobs. While thousands of acres of land are acquired at paltry sum, those lands become arid and barren due to non-sage. The land is not put to use even though it is cheaply acquired. Even in my constituency thousands of acres of land have been acquired and are lying waste. I can tell you this out of our experience. If you go to a Secretary or Joint Secretary or Under Secretary and ask him to help me to get a job for a person from my constituency, he gets the job. It is known that the bureaucracy has really got a stranglehold on the public sector. It is not the politicians even though we are the ones who are constantly blamed and criticised. They say that Members of Parliament are the persons who interfere in the functioning of the public sector. We have never done that nor would we ever do it in the future. Now my request to the home-Ministers who are the people's representatives in the Ministries is this: They should control the bureaucrats and tell them that they are the civil servants and they are not the new Rajas and they should not interfere with the functioning of the public sectors.

There is another thing which I wish to bring to the notice of the House. Whenever

[Shri P.R. Kumaramangalam]

we talk of Vizag steel plant, we are told how the project is still pending because of resource constraint. Now I would like to have an assurance from the Minister as to when that project will get completed? Is Vizag Steel Plant going to be an excuse for any other new project coming into existence? We are usually told that for Salem Steel plant there is no money. Even for Vizag, the allocation is so low that it is possible that the project would never get completed. Vizag gets a paltry sum every year. In the name of resource constraint the project is getting delayed. Every year this delay costs a couple of hundreds of crores if not a few thousand crores.

Now Sir, the short question is this. Salem Steel Plant is still making money even though it is only a sophisticated rolling mill. Its return is quite substantial. It is a profitable plant running fortunately on very modern management techniques and methods and I must say this that we, Members of Parliament from in and around Salem as well as Tamil Nadu, have not interfered in its functioning. In fact we are scared of even asking the management to take a few people for jobs because we will be criticised that it is because of us the plant is not functioning. However, that plant has shown profit. The short question is that this steel plant is not supposed to be merely a cold rolling mill which it is today. It is nothing but a sophisticated coal rolling mill with an extra-ordinary amount of infrastructure built in. The investment that is made on the infrastructure is even less than the investment that has been made on the rolling mills. So, the most sophisticated variety has been brought in. Now, the short question is : Was this the Salem Steel Plant that was envisaged at the time when the plan was prepared? I am aware that the hon. Minister who is at present the hon. Minister for Steel and Mines was also the hon. Minister for Steel and Mines when this project was made and he knows what is the background and also this plant is not supposed to be a coal rolling mill. Unfortunately it has become a rolling mill and even the coal rolling aspect...

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : I was succeeded by a more eminent Steel

Minister.

(Interruptions)

MR. DEPUTY SPEAKER : Now you are more eminent.

SHRI P.R. KUMARAMANGALAM : Now the chance has come back to you. Now, the short question is... (Interruptions). There are a number of short questions, I don't want to put a long one to the Minister. The question that arises is : Is at least the Salem Steel Plant going to get a second Sandzimir mill to make it a proper coal rolling mill? And the third question that arises in so far as Salem...

MR. DEPUTY SPEAKER : Please conclude.

SHRI P.R. KUMARAMANGALAM : Mr. Deputy Speaker, you would allow me to speak, it is very very important. It is from the point of view of my constituency...

MR. DEPUTY SPEAKER : The time is also very important. When can I do? The time factor is very important.

SHRI PRIYA RANJAN DAS MUNSI : He is defending your State.

MR. DEPUTY SPEAKER : Let him defend. I have to defend not only my State, but this House also.

(Interruptions)

SHRI P.R. KUMARAMANGALAM : The short question that arises—and Murli Deora does not require any time, and I am speaking on Vizag, so I may be allowed a little amount of loan from them in the from of time.

(Interruptions)

MR. DEPUTY SPEAKER : They will speak about Salem also, don't worry.

SHRI P.R. KUMARAMANGALAM : I would like to know that when the time comes.

The other offer has come so far as the expansion of Salem Steel Plant is concerned, and that is a question of putting the backward integration project up—when you call it 'backward' or 'forward' for bringing in a

smelting furnace, an electric blast furnace at least in the joint sector, would the Ministry consider it because their main complaint is resource constraint? If the complaint is resource constraint, it is not possible to have any other company in the same place sharing this large infrastructure with the joint sector structure which can bring in money from the public, and I can assure the Minister that the people of Salem will over-subscribe the equity for that joint sector company and may be we can expand the Salem Steel plant. I would like him to consider that.

Another point which arises not dealing with Salem Steel Plant but dealing with IISCO, the Indian Iron and Steel Company, Mr. Deputy Speaker, Sir, is, you will be surprised to note that this company is a multi-crore company which the Government of India got at the cost of Rs. 9 crores compensation only. They paid hardly any money for a huge structure. They were supposed to invest money to modernise that establishment which was never done and the only money that was invested was to cover up cash losses and IISCO is today being considered as one of those units which has to be closed down because the equipment has become very old and it is not possible to make it profitable. Mr. Deputy Speaker, Sir, it is necessary to consider that there are nearly 50,000 employees in that company. If you close down such a public sector company, the common people would lose their faith in the concept of public sector because then there would be nothing left in so far as the difference between the *marwari* and the Government is concerned because the same terms and conditions seem to apply to both.

Mr. Deputy Speaker, Sir, there is another issue of mines, specially the mines which do not come under the 1st Schedule and those lie in places which are well within the jurisdiction of the State Government. Now, in these mines, many a time, we find the leases are not being renewed more out of perversity and not because of any genuine reason. We find suddenly land is reserved for the State Government with no reasons given, when the mine is still only half-developed and still there is a lot more to be extracted from the mine and a lot more investment to be made. This policy of certain State Governments really brings a

situation where workers are thrown out of employment, productivity goes down and the GNP is affected. I would like to know whether the Department of Mines in the Ministry of Steel and Mines is serious and is it contemplating at least to bring about some legislative changes to ensure that the State Government do not cripple the mining activities.

Mr. Deputy Speaker, you yourself, I am sure, are personally aware that in many places including your constituency as well as mine, we have many mines which have been closed down and are not functioning mainly because of inactivity on the part of the Department of Mines both in the Centre as well as in the State. Where it is necessary to give the required help, they do not. On the contrary, when the renewal has to be given, it is delayed by years and often not given. The short question is, what will happen to those employees where the mines are closed. Are they going to be thrown on the street? In fact, they are on the street at the moment. What happens to the gratuity and compensation that should be given to them? The mine owner runs away and nobody is responsible because it is impossible to trace him. There is no money in his name; nor any asset in his name. Of course, his wife and children must be having it. So, the short question is, will this Government keep quiet and say, unfortunately, we are helpless? I am ending my little speech even though my dear friends are very much annoyed by so many short questions.

SHRI M. RAGHUMA REDDY : No, no. We are happy.

SHRI K.C. PANT : They do not realise the full implications of what you have said. That is why, they say, we are happy.

MR. DEPUTY SPEAKER : He is defending all your points.

(Interruptions)

SHRI P.R. KUMARAMANGALAM : Mr. Deputy Speaker, Sir, I would like to end my speech by saying that the Ministry of Steel and Mines definitely requires much larger allocation from the Planning Commission. It not only requires a much larger allocation but it requires much more autonomy than what is given today, at

[Shri P.R. Kumaramangalam]

least in so far as re-investment of the money that it has generated from the already existing units. At least, in so far as in that field is concerned, it should be given autonomy and not crushed from all sides. If this sector does not develop in the next 5 years, this is going to a far greater drain on the foreign exchange and would set our economy back far more speedily than what the Petroleum Ministry would. In fact, oil would be in a far better position than steel would be in 5 years from today, at least with the present plan and development.

I would request, through you, Mr. Deputy Speaker, the Government that at least in so far as the existing plants are concerned, please complete the projects by obtaining money. If you do not have money in the Government, get it in the form of joint sector, get it from the public and complete these plans on paper into action and get the projects into existence. Let Salem have a completed Salem Steel Plant.

Thank you.

13.00 hrs.

MR. DEPUTY SPEAKER : Now Mr. Jaipal Reddy....He wants to defend you now.

SHRI P.R. KUMARAMANGALAM : He can come this side.

SHRI S. JAIPAL REDDY (Mahbubnagar) : I would like to supplement.

Sir, steel is one sector of our economic activity where the height from which we have fallen in our vision of brave and new India can be graphically and tragically seen. Steel industry has proved to be the graveyard of our aspirations and expectations and it has come to symbolise and epitomise all the maladies that our economy is really suffering from.

In the Second Plan our planners thought that we would need and produce 75 million tonnes by 2000AD. Now, our modest estimate is that we will be needing only 22.5 million tonnes, whereas we will be producing 17.2 million tonnes. So the gap by 2000 AD is expected to be 5.3 million tonnes.

The question we have to address ourselves to is how our projected needs fell so sharply and so steeply. Our needs at this rate will be less than one-third of what we thought that we would need by 2000 AD.

It is a truism to say that the growth rate in steel production is the most dependable index of the rate of industrial growth. It means that we have not only drastically lowered our sights of steel production but also our sights to industrial production. It can be nobody's case that we, as a nation, would not need more steel.

In 1982 steel produced in the world is 644 million tonnes while India then accounted for less than 2% of the world's steel production.

13.02 hrs.

[SHRI SHARAD DIGHE *in the Chair.*]

The per capita consumption of steel in India is 18 kg as against 629 kg of Japan, 549 kg of West Germany, 570 kg of USSR and 508 kg of USA. India in 1948 started with 1.3 millions tonnes while Japan did with 1.7 million tonnes. By 1982 India's production went up to 11 million tonnes while Japan went up to 100 million tonnes. We should examine how our dreams of steel production have been shattered and are now in a shambles.

Until 1960s our steel was one of the cheapest in the world, I may not be guilty of exaggeration if I say that in the initial stages the success of industrial schemes in our country owed were largely due to this the single factor of our cheaper steel.

SHRI K.C. PANT : Guilty of hyperbole if not of exaggeration.

SHRI S. JAIPAL REDDY : The rate of industrial growth declined as the steel price increased in the last 15 years. It is not irrelevant for one to refer to the fact that prices of steel products in Japan are on an average 30% less than in India, though Japan has to import all the raw materials such as iron ore, coal and limestone from across the ocean. Fortunately in India iron ore, coal and limestone are available in close proximity to one another.

Last year I heard the Congress (I) members congratulating the then Steel

Minister on having got coal clubbed with steel and mines. I do not know what they will say now because the poor Minister, Mr. Vasant Sathe has now been left only with coal. Anyway we have a seasoned administrator as Minister now and I have high hopes that the steel industry will recover from the reverses it has suffered under his able stewardship. When he was shifted from Education I felt a bit unhappy. What was the loss for the Education Department will now be a gain for the Steel Department. Sir, for the de-control of steel, two revision of 15 per cent had taken place in respect of its price—first in the year 1984 and second in the year 1985. The Minister has been assuring the nation that all measures including new technologies for containing the price of steel would be adopted. But we learn reliably that there is a definite move afoot to increase the steel price again. I want the Minister to clarify this point. The monumental inefficiency of our steel industry is the principal cause of continuous increase in prices. The factors that contribute to this inefficiency are low-capacity utilisation, obsolete technology and low labour productivity. The story of low capacity utilisation is scandalous. The Government congratulates itself on improvement of capacity utilisation of SAIL from 73 per cent to 80 per cent over the last year. But the Government has not so far offered any explanation as to why it had not done so in the past. I do not want to say any reason why the Government should have, in the first place, failed in adopting advanced technology for both energy saving and better utilisation of raw materials in the past. Specific energy consumption in Indian steel industry ranges from 9 to 16 gega calories/tonnes as against 5 to 7 gega calories/tonnes elsewhere in the world. It is the same sad story with blast furnace. The blast furnace productivity is two to three times what it obtains abroad. Labour productivity in India is around 68 ingot tonnes per man year as against 400 ingot tonnes in Japan and 600 ingot tonnes in South Korea.

Now, what is required is not further increase in steel prices but dramatic improvement in techno-economic efficiency of our steel production process. Increase in steel prices will have deleterious effect. Firstly, it will further slow down the rate of industrial growth and secondly it will have

a cascading effect on already explosive price situation in the country.

One unnoticed and important reason for the increase in steel prices is the manner in which the commissioning of steel plants is being inordinately delayed. Take the Vishakapatnam steel plant, for example. It was to cost Rs. 2250 crores initially. Now, the estimates have risen to Rs. 7400 crores. You can appreciate the fact that huge loss flowing from dead capacity can only be recovered from increased prices. The Public Sector is the favourite whipping boy of the new Government. I would like to ask the Minister as to who has to take the responsibility for the perverse method of financial allocation for this public sector enterprise.

People in Andhra Pradesh who got the steel plant with their blood are now really doubtful whether steel will ever be produced at Vishakapatnam at all. Now, we are told that under the revised rationalised concept, the plant will produce more pig-iron and less steel. But, by that method, the cost will be reduced from Rs. 7400 crores to Rs. 6000 crores. The new concept scheduled, has to be completed by 1989-90. For this, an investment of Rs. 4500 crores has to be made in the next four years. But the allocation in the Seventh Plan for the Vishakapatnam Steel Plant is only Rs. 2500 crores. This year, the Minister allocated only Rs. 700 crores. More amount is required. This year Rs. 1500 crores is required.

Sir, in the mean time people who have lost their land for this plant—which was never to come about—are suffering tremendously. Out of a total of 9188 displaced persons who registered their names in the employment exchange only 1418 were recruited leaving a balance of 7770. They have not only failed in making timely investment in the new plant at Vizag but they have also miserably failed in making proper investment for upgrading our technologies in the old plants. Under-investments in maintenance and upkeep of Durgapur and Rourkela led the situation where investment of Rs. 1000 crores in each plant has become necessary to attain their own rated capacity.

It is now recognised that kraft technology for improving the energy performance

[Sbri S. Jaipal Reddy]

and introduction of continuous casting have become indispensable. But then if you look at the Seventh Plan you will find that no allocation has been made whatever for introducing those technologies. While we are not able to spare foreign exchange for so many other things in the current year 1985-86 we imported 1.5 million tonnes of steel from South Korea and Japan while we required only half a million tonnes thus wasting Rs. 300 crores of foreign exchange.

Sir, our friend spoke of public sector undertakings. It is very sorry for us to note that such a big organisation as SAIL does not have a permanent Chairman. Mr. Krishnamurthy is the full time Chairman of Maruti and he is holding additional charge of SAIL. I also know of another Corporation in this Ministry, namely, Metals Scrap Trade Corporation which has remained headless for the last two years though all the processes for selection of Chairman-cum-Managing Director have already been completed and the person who was rejected in the interview has been appointed as officiating Managing Director. I would like to know as to how many public sector undertakings in this Ministry are still there without heads.

Sir, I would like to say a few words on the question of minds. I learn that there is a move to privatise mineral bearing areas. I would like to know whether the Central Government has addressed the State governments to find out as to the areas that can be released for private mining? Secondly as the Minister knows full well Andhra Pradesh accounts for a large production of Barytes. I learn the Andhra Pradesh government has recommended the nationalisation of Barytes of Mangampet area but the Government of India has been maintaining Spinx like silence on this question. The Government of Andhra Pradesh has asked for nationalisation of Barytes mines because the rules of mining were not followed. Sir, I was a party to this demand for nationalisation when I was an MLA and the Congress (I) government was there.

Lastly we have got no national mineral policy and it is high that we formulate one.

THE MINISTER OF STATE IN THE

DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : Mr. Speaker, Sir, already a cross section of Hon'ble Members have expressed their views on the Demands for Grants for the Ministry of Steel and Mines. We are grateful for their valuable comments. I thought an intervention at this stage could, perhaps, steer the debate so that the Government would benefit from the wisdom of this House on what we propose to do, with the allocations sought.

Perhaps it is unnecessary to emphasise the vital nature of the activities of the Department of Mines. They cover a wide range from exploration, mineral-conservation and beneficiation as well as production of non-ferrous metals and their fabrication. I wish to touch upon a few important points related to these activities so that we can share with this House our perception of the goals ahead.

In the field of exploration, our main thrust is modernisation of our techniques. We have, therefore, inducted into Geological Survey of India, not only a variety of analytical equipment and facilities, but also extended their exploration capabilities through the addition of three ships for near-coast geological surveys. An airborne geophysical system would be commissioned in 1986-87. We also propose to strengthen the Indian Bureau of Mines with the help of UNDP in establishing a modern laboratory to analyse and beneficiate various types of ores. We wish to lay emphasis on proving additional energy resources, strategic minerals, like Tin and Tungsten and Potash and Nickel in which we are deficient. The country was producing about 14 minerals in the year 1900 which rose to 24 in the 40's. At present, we are producing over 64 minerals. Our recent efforts have considerably increased the inventory of reserves and mineral production. Large resources of coal, copper ore, lead-zinc ore, bauxite, etc. have been discovered. Theoretically, the resources of coal and iron are sufficient to sustain a very high growth-rate in our country for the next 100 years.

Keeping the above objects in view, we have provided a total of Rs. 87.25 crores for Geological Survey of India, Indian Bureau of Mines, promotional projects of exploration and Science and Technology projects.

While on mineral reserves, I would like to share with this House our intentions in two major directions.

Firstly, we are close to finalising a National Mineral Policy comprehending in its sweep not only the exploration needs with reference to residual life of minerals but also conservation and utilisation of those mineral resources that are now known. There is as yet no comprehensive policy document on mineral policy, though many policy decisions were taken from time to time, after independence, which helped the growth of mineral industry. The scenario of mineral development prepared by various Export Groups in connection with the formulation of Seventh Plan states that India is heading towards a stage of economic growth where mass consumption of mineral raw materials in basic industries is predicted and, therefore, the management of mineral resources required policy guidelines. The basic objective of the Mineral Policy should be, *inter alia*, to promote prospecting and exploration, conservation and beneficiation of mineral resources, to ensure an adequate supply of mineral/raw material inputs for industry, to promote development of infra-structural facilities, to earn to save foreign exchange, by appropriate export promotion, and to provide training and education programmes to meet the manpower requirements. These and other broad guidelines already being kept in view while taking policy decisions, are being interwoven into our National Mineral Policy, draft of which will be placed before the next meeting of the Consultative Committee for Steel and Mines, for discussions and for eliciting the considered views of the Members thereon.

Secondly, we propose to introduce a legislation, amending the Mines and Minerals (Regulation and Development) Act, 1957 so as to facilitate a more informed system of regulations with regard to the grant and renewal of mining leases, scientific mining according to approved mining plan and protection of environment etc. The Mines and Minerals (Regulation and Development) Act, 1957 framed under Entry No. 54 in List I, Union List, of the Seventh Schedule to the Constitution of India, applied to all minerals other than mineral oils for the regulation and development under the control of the Union. A comprehensive amendment of the Act was made in 1972.

Since then, the Act has come for a much closer scrutiny, by a number of Committee and Mineral Advisory Council in implementing the provisions of the Act, particularly in matters related to the curbing of illegal mining activity, unscientific mining and protection of environment. It has been proposed, therefore, to bring forward a comprehensive Bill to amend the Act. The draft Amending Bill has almost been finalised and I hope to introduce the Bill in the current session of Parliament itself, if possible.

Before I turn to the production activity under the Department of Mines, I must touch upon the measures we are taking to reduce the dependence of our country on import of copper, zinc, lead and aluminium. As hon. Members are aware, the progress of work of NALCO is, by and large, on schedule and the first phase of the smelter would start up by December this year. I am happy to inform that NALCO has already commissioned its bauxite mine in November, 1985 and its caustic soda import handling facilities in February, 1986. This project would completely eliminate our dependence on imported aluminium and would generate surplus aluminium and also alumina for exports in the years to come.

In regard to zinc and lead, Members would be happy to note that the Budget includes a provision not only to initiate the first steps in 1986-87 itself towards development of the Rampura-Agucha Mines and the Zinc-Lead Smelter at Chanderiya in Rajasthan, but also to enhance the power availability to Hindustan Zinc so that the total production is increased. Hindustan Zinc Ltd. engaged in mining/beneficiation and smelting/refining lead and zinc, has drawn up proposals for integrated development of the Rampura-Agucha lead-zinc deposits in Rajasthan. The ore reserves are estimated at 60.35 million tonnes containing 13.48 per cent zinc and 1.93 per cent lead. The Public Investment Board has recommended implementation of the 2500 tonnes per day lead-zinc mines at Rampura-Agucha together with matching beneficiation facilities and setting up of a 70,000 tonnes per annum zinc and 35000 tonnes per annum lead smelter at Chanderiya at a cost of Rs. 366.40 crores, including interest during construction, with an expenditure of Rs. 329.19 crores during the 7th Plan.

(Shrimati Ram Dulari Sinha)

The balance will spill over to the 8th Plan. There is a provision of Rs. 25 crores for the project in the 7th Plan. The outlay for 1986-87 is Rs. 11 crores. A final decision in regard to this project is expected to be taken very soon.

In regard to copper, we are actively exploring the deeper levels of Malanjkhand which hold promise of a large smelter in the future. In the meanwhile, through modernisation of the existing smelters and refineries and through provision of a Gas Turbine at Khetri, we are improving production levels.

It is time, I turn to production performance and the targets for next year.

As mentioned by me, some of the steps like modernisation of plants and systems, provision of balancing facilities and ensuring availability of power through captive power arrangements are still under implementation. Notwithstanding this, I am glad to say that 1985-86 was a year of record production in copper, zinc, lead, aluminium and also in the drilling meterage achieved by Mineral Exploration Corporation Limited. The production of 52,000 tonnes of saleable copper by HCL, 60,000 tonnes of zinc and 17,200 tonnes of lead by Hindustan Zinc Limited, 1,00,112 tonnes of aluminium by BALCO apart from 3,20,000 metres of drilling and 14,600 metres of mining by MECL, were the highest ever recorded. Hon. Members would be glad to note that our targets for 1986-87 are even higher in all these cases.

We have not ignored the need for upgrading technology. Apart from finding individual projects covering a wide field from mining, beneficiation, alloy making etc., we propose to set up an Aluminium Research Design and Development Centre dedicated to developing alumina/aluminium production technology amongst others. In exploration, hon. members are already aware of the active participation of Geological Survey of India in the expeditions to Antarctica and in setting up an Earth Station at Bangalore devoting itself to the study of Satellite imagery related to earth sciences. In mineral beneficiation, we propose to fund a course on Mineral

Engineering which would be a pioneering venture in this country.

Hon. members may perhaps also be keen to know the latest position on revision of royalty rates of minerals. In this regard, I may mention that the Central Government had appointed a Study Group in November 1984 to consider the question of revision of royalty rates on major minerals and make recommendations to the Government. The Study Group submitted its report in December 1985. The recommendations of the Study Group are under active consideration of the Government and a decision will be taken soon in this regard.

Sir, as stated earlier, my purpose is to benefit from the wisdom of this House so that the thrust that we are giving to exploration, science and technology, production methods and consolidation of our past investments is rendered more effective. I look forward to suggestions from this House. I have no doubt that within the framework of available resources, our Demands are reasonable and our ends are fully justified. Sir, I have no doubt either that this House would support the Demand for Grant in entirety.

[Translation]

*SHRI HARIHAR SOREN (Keonjher) :
Mr. Chairman, Sir, I rise to support the demands for grants in respect of the Ministry of Steel and Mines.

Sir, if we take the demand of steel in the country into account we find that the demand of steel is not less than any other commodity. Steel is not a rare commodity today. It is a commodity of day to day use. During the post-Independence period, a number of steel plants were established in the country. In course of time the steel plants started commercial production. At the same time the demand for steel is also increasing. Therefore every possible effort should be made to increase the production of steel.

We have got an integrated public sector steel plant at Rourkela in Orissa. It is under the management of Steel Authority of India Ltd. (SAIL). Steps have recently been taken for the expansion of Rourkela

steel plant. But it needs further expansion. Therefore I request the hon. Minister to take necessary steps for further expansion of Rourkela steel plant during the 7th Plan period. At the same time steps should be taken for the modernisation of that steel plant. Here I would like to add one point regarding recruitment in Rourkela steel plant. Large number of employees have been given employment in that steel plant. But the number of local people is microscopic. I request the hon. Minister to provide employment to more and more local people particularly to S.C. and S.T. on priority basis whenever there will be further recruitment in that steel plant. The sons of the soil should be given priority in appointment.

Sir, there was a proposal to set up a steel plant at Daitari in Orissa during 6th Plan. But no specific step has taken to materialise the proposal. The proposed site of the steel plant is located at a triangular piece of land on the border of Cuttack, Keonjher and Dhenkanal districts in Orissa. All sorts of infrastructural facilities like water, raw material and labour are available in plenty in the area. There is no dearth of water. The cost of labour at that place is cheaper than many other places in the State. Iron ore mines are located near the proposed site of steel plant. Grade A iron ore is available in those mines. Therefore raw material problem is not there. There is only lack of proper effort. The Central Government has been delaying the setting up of the steel plant on the pretext of the constraint of resources. I urge upon the Government to set up the steel plant at Daitari with the collaboration of some foreign country, if necessary. Possibility should be explored for getting World Bank assistance for the establishment of steel plant. The Govt. of India should contact foreign countries for technological consultancy for the steel plant. I request the hon. Minister to take all possible steps to establish the second steel plant at Daitari in Orissa during the 7th plan period.

Sir, I shall be failing in my duty if I do not speak a word about mines. As you know, I represent Keonjher district in Orissa which is rich in mineral resources. Iron ore, manganese, chrome ore and bauxite mines are located in Keonjher district. But

it is regrettable that due to lack of proper efforts to increase the export of these minerals, many mines are on the verge of closure. There is great uncertainty prevailing in many iron ore mines. The reasons of uncertainty are not far to seek. The iron ore importing countries are not willing to increase the import on the ground that Paradip port is not able to accommodate large vessels of one lakh DWT as the port is silting up. I request the hon. Minister to contact the Minister of Transport to take immediate measures for deepening of Paradip port so that it can accommodate vessels of more than one lakh DWT.

Another reason of uncertainty in iron ore mines is the poor off take rate of iron ore by steel plants. As a result of decline in the export and poor off take of iron ore by steel plants, the stockpile of iron ore is increasing at the pit head at Banspani and many other places. It has adversely affected the mining of iron ore also. In this context I would like to cite the example of Thakurani iron ore mine located near Barbil in Keonjher district. Due to the sharp reduction in the off take of iron ore by steel plants from that mine a great uncertainty is prevailing there. It has adversely affected the mining activity. If the situation does not improve, this may lead to the closure of mines which will ultimately result in the retrenchment of thousands of workers, most of whom are tribals. As such, I request the Minister to direct the steel Authority of India Ltd. to increase the off take of iron ore from Thakurani mines. I appeal to the Minister to attach Thakurani mines with any steel plant, preferable Rourkela steel plant.

There is another iron ore mine located at Guruda in Keonjher district. M/s Serajuddin Company was taken the lease of the mine. The lease period is now over and Orissa mining corporation (OMC) has been given temporary charge to operate that iron ore mine. But the OMC is adopting indifferent attitude in the matter of the payment of wages to the workers of this mine. There is discrimination in the payment of wages between the workers of OMC and the workers of Guruda mines. This has created wide spread discontentment among the workers. I would like to suggest to the Minister to give fresh lease of Guruda iron ore mine

[Shri Haribar Soren]

and protect to interest of the workers. The service of all the temporary workers should be regularised. I request the hon. Minister to pay proper attention to it.

Then I demand that necessary steps be taken for the modernisation of Iron ore mines located in Gumadhamardan, Barbil-Barjamda sector and Daitari-Tomka sector. Steps should also be taken to end the strike at Baula mine.

With these words I conclude my speech and thank you for having given me the opportunity to speak.

[English]

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar): I rise to support the Demands for Grants of the Ministry of Steel and Mines. I am quite confident that under the able guidance of our hon. Minister, Shri Pantji and Shrimati Ram Dulari Sinha, the Ministry of Steel and Mines will make further strides in the coming years in the Seventh Plan. In spite of all the constraints that we face, it is a fact that the Departments of Steel and Mines have made a good progress in the last years. I have stood up to bring to the notice of the hon. Minister some of the specific problems of my State, Orissa.

The Rourkela Steel Plants situated in our State, Orissa. Sometimes letters go from the Ministry of Defence to the people in Orissa saying that Rourkela is in West Bengal. So, they are confused with the whole thing.

SHRI NARAYAN CHAUBEY : Who says so ?

SHRI CHINTAMANI PANIGRAHI : The Ministry of Defence's letters go in that direction. (*Interruptions*)

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT) : Have they got the courage to take it over ?

SHRI CHINTAMANI PANIGRAHI : Even we have not been able to shift one railway Headquarters from Calcutta, (*Interruptions*)

SHRI NARAYAN CHAUBEY : Why should they ? Why not Orissa ?

SHRI CHINTAMANI PANIGRAHI : Due to power crisis in the Orissa State, there is almost 50 per cent power cut throughout the Orissa State. From December 1985 till today, perhaps almost all the major industries suffer from the severe power cut and the production has been greatly hampered. So, the government thought it better to have captive power plants for Rourkela Steel Plant. With a view to augment captive power generation capacity of the Rourkela Steel Plant, a 120 MW capacity power plant was approved by the Government of India in June 1981 at an estimated cost of Rs. 79.99 crores.

Recently, there was an answer how 29 projects could not be completed in time and how the cost had gone upto Rs. 4,500 crores and how the government and the public suffered for it. It was approved in 1981 and the cost was Rs. 79.99 crores. Now the revised estimated cost is Rs. 213.60 crores; from Rs. 79.99 crores, it has gone upto Rs. 213.60 crores. The words used are : "This is under process for approval by the Government of India." I hope they would have said that it is under active consideration meaning thereby that a little progress has been made in that direction. The sentence reads like this : "It is still under the process of approval by the Government of India." By what time this estimate is going to be approved and when the captive power plan is coming into existence ?

If you look at the outlays of the different public sector steel plants you will find that every public sector steel plan has exceeded its outlay, whatever outlay was fixed for it.

In so far as Rourkela Steel Plant is concerned, the entire approved outlay for the Sixth Plan was Rs. 371.92 crores, but the actual expenditure in the Sixth Plan was Rs. 359.00 crores. Take the case of Bokaro. The Sixth Plan outlay was Rs. 782.81 crores and the actual expenditure was Rs. 966.96 crores. Same is the position in other steel plants also. The rated capacity of the Rourkela Steel Plant is 1.8 million tonnes. This is one of the oldest plants set up in our country,

Today its production has gone upto 13 lakh tonnes. I will just bring to the notice of the hon. Minister that SAIL in its Board meeting had Approved in principle in September, 1982 a proposal for modernisation and expansion of this Plant. Again, they say that it should be in two phases. Phase I modernisation was estimated to cost Rs. 503 crores and aimed at achieving production at rated capacity level of 1.8 million tonnes. In Phase II modernisation, the plant capacity was proposed to be increased to 2.5 million tonnes. But now after four years, they have decided to defer expansion of the Plant under Phase II. Even the cost of Phase I has been updated to Rs. 842.10 crores and it is still under consideration. This cost has not yet been approved. Again, Phase I has been divided into two sectors—priority I and Priority II. Again Priority I and Priority II are awaiting approval of the Public Investment Board. And a token provision of Rs. 1 crore has been provided in the Budget of 1986-87. This is how seriousness is given to a public sector steel plant. I am really surprised to see the consideration that is given to this Plant.

You look to the township. According to BPE guidelines, the housing satisfaction norms are 70 per cent. But in the case of Rourkela Steel Plant it is only 60 per cent housing satisfaction. Why is there so much of neglect of this Plant and its township?

Another important plant is the Neelachal Ispat Nigam. This is the second steel plant that was to come up. Its foundation stone was laid in 1982. Since then only trucker with the signboard of Neelachal Ispat Nigam is moving in Bhubneswar city. The plan outlay in the entire Sixth Plan was Rs. 50 crores, but the money actually spent was Rs. 4.77 crores. In the Seventh Plan entire outlay is Rs. 1.5 crores. There are the things which really create a kind of discontentment among the people there.

Again, MECON was asked to go into this plant and submit a report. This Neelachal Ispat Nigam was floated on 27th March, 1982 with a share capital of Rs. 1000 crores. MECON submitted its report. But it was asked to have a second review. In the second review they have reduced the capital cost to Rs. 306 crores. Its average profit per

year, post tax is 26.3 crores. Its internal rate of return is as high as 13.8 per cent. In spite of having such a good return because iron deposits are there and inputs are there; this second steel plant is not coming up. I hope, at least in the Seventh Plan it should receive most serious attention of the Government so that the initial work can be speeded up and it should get more finance from the Central Government.

Another important factor which I would like to bring to the notice of the Government is that almost all the iron-ore mines are being closed down and about two to three lakhs of tribal labourers, as my friend has also pointed out, are already out of job in this area. Iron-ore produced in the four mining areas, that is, Banspani-Barbil in the district of Keonjhar, Koira in the district of Sundergarh, Gorumahisani-Badampahar in the district of Mayurbhanj and Gamdhamardan-Doitari-Tomka in the districts of Cuttack and Keonjhar in Orissa is despatched for consumption by the steel mills at Rourkela, Durgapur, Burnpur and Bokaro. The steel plants used to procure 1.72 lakh tonnes of iron ore every month from those non-captive mines but today, because they have developed their own captive mines, they are not taking this much of iron-ore and the demand has been reduced to one lakh tonnes a month.

Similarly, MMTC which is completely lagging in exports, has reduced its exports from two and odd million tonnes to only 17 lakh tonnes or 16 lakh tonnes. Therefore, I am urging upon the Government to accept the South Korean Government's plan to work with the Orissa Government, and to develop the Paradeep Port and also the railway line costing about Rs. 450 crores. I hope, the assistance from the South Korea comes to about 50 per cent of Rs. 450 crores. Another Rs. 250 crores should be given for the Doitari-Banspani railway link so that it will ultimately help the coming up of the second steel plant at Doitari. I, therefore, request that the Government should accept in toto the South Korean proposal so that the Paradeep Port is deepened and all these problems that we are facing today in the Seventh Plan are solved with the able guidance and encouragement from our Ministers Shri K. C. Pant and Shrimati Ram Dulari Sinha. She has said that NELCO is

[Shri Chintamani Panigrahi]

making good progress. Yes, NELCO is making good progress. We are proud of it and I hope it will come up as scheduled.

Therefore, I hope that in the Seventh Plan, Orissa will get the second steel plant, Paradeep Port will be deepened and the South Korean proposal will be totally accepted by the Government and another Rs. 250 crores will be given for the railway line which will completely change the picture in the Seventh plan. I hope we shall get this much of assistance from the Central Government.

[Translation]

*DR. S. JAGATHRAKSHAKAN (Chengalpattu): Mr. Chairman, Sir, on behalf of my party the All India Anna Dravida Munnetra Kazhagam, I wish to participate in the discussion on the Demands for Grants of the Ministry of Steel and Mines for the year 1986-87 and to make a few suggestions.

It is an indisputable fact that coal and steel are in the core sector of a country's economy and their development decides the tempo of economic growth of the country. A nation's future growth depends upon the development of coal and steel industry. The per capita consumption of steel in developed countries like the U.S.A., West Germany etc. is of the order of 80 Kg. In the mineral-less Japan the per capita consumption of steel is of the order of 680 Kg. But in India it is just 16 Kg. This highlights the negligible progress we have made in steel industry. The very idea of setting up steel units in the public sector was to capture the commanding heights of the economy. But we have not yet been able to achieve this laudable objective. Naturally this has adversely affected the industrial growth of the country. The fact that we are importing steel even today confirms the fact that we have not been able to meet the country's requirement of steel with indigenous production.

I am happy to say that the former Chairman of Neiveli Lignite Corporation, Shri G.L. Tandon, has been appointed as the Chairman of Coal India Ltd. He had

very successfully managed the affairs of Neiveli Lignite Corporation and now under his leadership Coal India would also turn the corner and start making profits. Immediately after assuming the Office, he could unearth the insidious attempt to convert the loss of Rs. 78 crores into a profit of Rs. 13 crores. The Financial Adviser responsible for this shady deal has also been suspended. The Coal India's accumulated loss is reported to be of the order of Rs. 1000 crores. Mr. Tandon has appointed 24 talented persons in management from the private sector as Consultants for Coal India and I am sure that Coal India would soon become an efficient organisation.

Sir, on 9.1.1986 the coal price has been increased. The average percentage increase in Coal India's coal is 14.75%, 14.06 in the case of coal from Singareni collieries and 17.5% in the case of coal consumed by iron and steel industries. When the coal prices increase, naturally the generation cost in Thermal plants consuming coal also goes up. The tariff for electricity goes up. For example, for the Tuticorin Super Thermal Power Station, the coal has to come from northern States by sea. The ash content in the coal is so high that only 40% of the installed productive capacity is being utilised. This also adds to the increase in the cost of generation. That is why the Government of India had sought the permission of the Centre to import high-grade coal from Australia for running efficiently the Tuticorin Super Thermal Power Station. Regular imports of such high grade coal should be permitted in the interest of utilising fully the installed generating capacity in the Thermal Plants in Tamil Nadu.

[English]

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT): I do not want to interrupt my hon. friend. But I want to say that we are not discussing coal in this Demand for Grant. Previously this Ministry was entrusted with Coal, Steel and Mines. Now we are discussing only Steel and Mines. I have no objection to whatever the hon. Member says. But I cannot answer all those points about coal. They will have to be answered by the hon. Minister of Energy.

*The speech was originally delivered in Tamil.

MR. CHAIRMAN : It will be irrelevant to speak about coal when the Demands are for Steel and Mines.

[Translation]

DR. S. JAGATHRAKSHAKAN : Sir, in the Mines, even the elementary safety measures are not being implemented. This has been pointed out by many Committees. I want that proper safety measures should be adopted in the Mines.

With the increase in price of coal, naturally cost of production of steel goes up. The Steel Ministry's officials are of the view that with the increase in the price of coal on 9.1.1986, the cost of production of steel is likely to go up by Rs. 191 tonnes per tonne. During the past five years from 1980 to 1985, the steel prices were increased fourteen times. Today the steel price in India is the highest in the world. Naturally this leads to escalation in the production cost of other engineering goods. Immediately after assuming the Office of Minister of Steel, Shri Pant had stated that the cost of production of steel in India is the highest and every effort should be made to reduce the cost of production of steel. I want to know what steps have been taken to reduce the cost of production of steel.

As the steel requirement in Southern States is to be met from the supplies from northern States, the Government is implementing Freight Equalisation Fund so that the price of steel does not reach astronomical figures in Southern States. It is now rumoured that this Freight Equalisation Fund is likely to be dropped. If that happens, then the industrial growth in southern States will come to a grinding halt. I want the good offices of the hon. Minister in the continuation of Freight Equalisation Scheme for Steel.

During the past two years 160 mini steel plants producing about 30 lakhs tonnes of steel are facing several problems. The auxiliary import duty on iron scrap has been increased from 15% to 25%. Even MECON, the consultancy organisation working under the order of this Ministry has studied the problems of mini-steel plants and has suggested some steps for their survival. I want that these suggestions of financial assistance should be accepted and implemented for rescuing these mini-steel plants.

The former Minister of Steel, Shri Vasanth Sathe, had announced on the floor of this House that the expansion project of Salem Steel Plant would be undertaken with an investment of Rs. 45 crores. We were told that the expansion project of Salem Steel Plant had been approved. But I find that in the Seventh Five Year Plan a sum of Rs. 16.06 crores has been provided for Salem Steel Plant, out of which Rs. 10 crores would be for on-going projects of the Plant, Rs. 5 crores for replacement and renewal programmes and Rs. 1 crore for township project. That means the expansion project of Salem Steel Plant would not be taken up for implementation even during the Seventh Five Year Plan. I suggest that the Salem Steel Plant should be authorised to invite deposits from the public and raise this outlay of Rs. 45 crores for implementing the expansion project.

The Geological Survey of India has located gold deposits in Dharmapuri District of Tamil Nadu. With the closure of three mines in Kolar Gold Mines, several hundreds of workers hailing from Tamil Nadu have become unemployed. These people should be brought to Dharmapuri district and their competence in mine-working should be utilised for exploiting gold available in Dharmapuri district.

The hundreds of Foundries in Tamil Nadu are not getting quality steel for meeting their requirement. Recently Steel Consumers Council has been constituted under the chairmanship of the Minister. I understand that no representation has been given to the Foundry industry of Tamil Nadu on this Council. I want that the Foundry Industry should be represented on this Council so that supplies of quality steel can be ensured for the foundry industry in Tamil Nadu.

Recently we have imported coils worth Rs. 75 crores. We cannot afford to waste our foreign exchange in this manner. It is understood that the proposal to produce coils from stainless steel has been approved. The stainless steel being produced in Salem Steel Plant is reported to have been found fit for this purpose. The proposal to set up a Mint with an outlay of Rs. 150 crores should be implemented in Chengleput. In the 7th Five Year Plan no major industry

[Dr. S. Jagathrakshakan]

in central public sector has been allotted to Tamil Nadu. I demand that this Mint should be set up in Chengleput so that the stainless steel produced in Salem Steel Plant can be utilised for minting coins.

In Mamadoor in North Arcot, huge deposits of copper and mica have been located. The State Government, I understand, has suggested that the exploitation of copper and mica should be taken up with the assistance of UNDP. I request that this proposition should be looked into and necessary action should be initiated by the hon. Minister.

Sir, the granite stones from Tamil Nadu are in great demand all over the world. The export of granite stones from Tamil Nadu is bringing in substantial foreign exchange earnings. There is great potential for further exploitation of granite stones in Tamil Nadu. I demand that the Central Government should give subsidy for granite stone export so that we are able to earn more foreign exchange.

With these words I conclude my speech.

SHRI VISHNU MODI (Ajmer) :

Mr. Chairman, Sir, while supporting the demands for grants of the Ministry of Steel and Mines, I would like to submit that I not only hope but am fully confident that under the guidance of the hon. Ministers like Pant Saheb and Shrimati Ram Dulari, the Ministry of Steel and Mines would certainly receive the impetus necessary for its working.

Mr. Chairman, Sir, Agriculture and mineral wealth are the two major assets in India. Someone has said :

[English]

"The sophistication and development attained by a country is measured not by its stock of gold but by the quantum of steel and power produced by it."

[Translation]

Our country has made tremendous progress after independence. But we have to keep pace with the rapid advancement in

technology. With regard to Steel I would like to say only this much that S.A.I.L. which was earning profit in 1981-82 and earlier, is now incurring heavy losses. I do not have current figures with me and when the hon. Minister relies to the discussion, he would tell us to what is the position of losses in the S.A.I.L.

Mr. Chairman, Sir, the exploitation of mineral wealth has not been done in a manner it should have been done. You can well imagine this from the fact that despite huge mineral deposits in the country, only a growth rate of 13 per cent has been envisaged during the Seventh Five Year Plan in respect of exploitation of minerals. I hope that this target would be enhanced.

Exploitation of mineral wealth *i.e.* mining has not been recognised as an industry so far. When mining has not been recognised as an industry, the facilities available to other industries such as loans from Banks etc. are not provided for mining work. Mines are a great asset of our country, but mining has not been recognised as an industry so far.

Shrimati Ram Dulari has said that they are formulating a National Mineral Policy. I am happy to note it. The hon. Minister had convened some zonal conference in this regard and Statewise conference were also held throughout the country. I have come to know that the draft of the National Mineral Policy has been formulated according to the wisdom and whims of the bureaucracy. I would like to request the hon. Minister that she should see to it that the recommendations and observations of the workshops and conferences are incorporated in the National Mineral Policy.

14.00 hrs.

Mr. Chairman, Sir, on the one hand a target of 13 per cent growth rate in the production of mineral wealth has been set for the Seventh Five Year Plan, but on the other hand we have reached a stagnant stage due to the Forest Conservation Act. I am not speaking against the forests, because forests are most essential for maintaining good environment and ecological balance. But we shall have to evolve a formula to ensure that such areas do not come in the way of mining as have no forest but on record which have been shown as forest.

At such a place mining work can be undertaken and more area can be brought under forest. I have come to know about Goa that before independence, when it was under foreign rule, if forest area was denuded due to mining, the persons engaged in mining work had to bring more area under forest than denuded by them. Mining work had been going in the forests for years but now due to the Forest Conservation Act, they are not being granted the renewal. There is a need to evolve a formula for this so that forests could grow and exploitation of mineral wealth could also continue.

Mr. Chairman, Sir, the progress which this Department was expected to make under the dynamic leadership of hon. Shri Pant has been hampered by the Budget presented by hon. Shri Vishwanath Pratap Singh. His Budget proposals have proved to be a hindrance for mining industry. I would like to mention a very small example regarding Silica sand. It is a mineral which is a basic raw material for many industries. It is a very cheap mineral but if it is washed with water, excise duty is imposed on it. Chips which are used in the floorings, have been put in the category of marble and exemption upto Rs. 7.5 lakhs has not been given. Excise would have to be paid from the very first tonne. I would like to draw the attention of the hon. Minister to this fact that Late Prime Minister Shrimati Indira Gandhi had formulated a Scheme of self employment and under this scheme in Kishengarh in my constituency people have set up units for manufacturing crazy and chips after obtaining a loan of Rs. 25000 and husband and wife run those units. How would they be able to understand the rules and regulations under the Excise Act and what would be their plight in the Inspector raj?

14.03 hrs.

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

I would like to submit to the hon. Minister Shri Vishwanath Pratap Singh to read just financial provisions and withdraw the harsh measures in the Finance Bill which he has taken, so that people could have a sign of relief. Prices of petrol and gas have gone up. Power rates have also been increased in Rajasthan and the Chief

Minister of the State has imposed a land tax on the mines. It appears to me that it would have an adverse effect on the production of minerals and it would go down by 50 per cent.

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA): You should ask the State Government to reduce the power rates.

SHRI VISHNU MODI: Power rates should be reduced, and the royalty should be increased. Royalty for Hindustan Zinc and Hindustan Copper has not been increased for many years. Whenever it was increased, it was just by Re. 1 or Rs. 1.50p., but I want that it should be increased substantially.

SHRI RAM BAHADUR SINGH (Chapra): They would rather increase the prices.

SHRI VISHNU MODI: They increase the prices more and royalty is increased only by Re. one.

Mr. Deputy Speaker, Sir, through you I would like to submit to the hon. Minister that there are huge deposits of Steel grey lime stone in Rajasthan and throughout the country. On the one hand a deficit budget has been presented and on the other hand, permission has been granted to import the lime-stone. At least such a trick should not be played with the people and mineral wealth should be exploited so that the huge deficit in the Budget, which has been caused due to import of such minerals, could be reduced and misuse of foreign exchange could be checked. Similarly, Tungsten is a strategic mineral and there are huge deposits of this mineral in Rajasthan, but it is not being exploited properly. I would like to request you that it should be exploited properly. You have said just now that National Mineral Policy is being formulated for the beneficiation of transfer of technology, but it is high time that proper technology is transferred in the field of mining industry so that it could meet the requirement of the industry in the future. I would like to say a few words about Hindustan Copper Limited Khetri. The deposits of Copper are located in Rajasthan, Madhya Pradesh and Bihar, but its head office is located in Calcutta. I fail

[Shri Vishnu Modi]

to understand why its head office is located in Calcutta, when it should have been located in Rajasthan, Andhra Pradesh, Bihar or Madhya Pradesh.

SHRI K.C. PANT : Many Rajasthanis have set up their head offices in Calcutta.

SHRI VISHNU MODI : Rajasthanis have their head offices there, but I do not know how the head office of the Hindustan Copper Limited was set up there. When this project was conceived, even the reserve estimates were not provided to it and the target capacity also kept on changing. I have gone through the report of the committee on Public Undertakings. Certain proposals were approved by the Cabinet Committee, but full details regarding them were not furnished. I have also come to know from the report that 35,000 tonnes of copper rivet were sold to U.K. at a much lower price than the price obtaining in the domestic market. Besides, certain contracts have not been honoured by some contractors. What has happened to them. Is that enquiry still going on or has it been completed? What has happened at Khetri? What are the details of the project and what are the machines have been set up there and how much delay had taken place there. I would like to tell you that there is an important deposit of copper at Agna-Rampura. There is a proposal to set up a plant at Chanderia. I would like to submit that chanderia is 80 kms. away from that place.

(Interruptions)

[English]

PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh) : Chanderia is a suitable place.

SHRI VISHNU MODI : You are free to express your views. I am free to express my views.

[Translation]

You have been elected from Chittorgarh, that is why you want that it should be set up at Chanderia. But we want betterment of India... (Interruptions) You please look towards the recurring loss likely to be

incurred. Mineral wealth is the asset of the country. You kindly get that project installed at Agua-Rampura. The Expert Committee should be asked to review this matter, otherwise this project would also meet the fate of Khetri Copper Project. This project has been incurring losses for many years. When this Project was set up, it was assured that the persons whose lands have been acquired for the project, at least one member of their family would be given employment in addition to compensation.

(Interruptions)

[English]

MR. DEPUTY SPEAKER : It is a common problem of every one. They want employment, not lands.

[Translation]

SHRI VISHNU MODI : It was a commitment with those persons whose lands were acquired. They have not been provided the jobs so far. I had drawn the attention of hon. Minister, Shri Sathe towards the pollution caused by Hindustan Copper Project during the discussion on the demands for grants of the Ministry of Steel and Mines last time also. I have come to know that Shrimati Ram Dulari Sinha had visited Khetri but probably she was kept occupied to by the officers.

SHRIMATI RAM DULARI SINHA : I had addressed the labourers and other people.

SHRI VISHNU MODI : The condition of the agriculture land, where good crops were grown, has become worse. The land has become unsuitable for farming. The drinking water has become polluted. The situation has reached such a point that the Pollution Board of the Rajasthan Government has refused permission to the Hindustan Copper for undertaking expansion. Being an undertaking of the Government of India, it is not abiding by the rules and regulations of the Pollution Board. Even the Chairman of the Pollution Board had to serve notice to the Hindustan Copper that if it did not abide by the rules, their factory would be closed down. When the Hindustan Copper sought permission for making expansion, it was

refused. Now the condition of the Hindustan Copper has deteriorated so much that the situation can improve only if the hon. Minister and the hon. Minister of State take initiative in this direction. Sometimes they say that its capacity is 31 thousand tonnes and sometimes they say it is 25 thousands tonnes and so on but I would like that instead of listening to the officers and persons with vested interest, you should pay a visit to Khetri and in consultation with the Members of Parliament, Legislators and Gram-Pradhans of that area make a personal assessment of the grim situation that is prevailing there. You should enquire from the agriculturists about the plight of their land and the city. I hope that this Department will make progress under the leadership of the hon. Minister and the hon. Minister of State. With these words I support the Demands for Grants of this Ministry.

[English]

MR. DEPUTY SPEAKER : Even though you have been paying compensation to the people whose lands you are acquiring, that will not help them unless you give them employment.

[Translation]

SHRI MOHD. AYUB KHAN (Jhunjhunu) : Mr. Deputy Speaker, Sir, I rise to support the Demands for Grants pertaining to the Ministry of Steel and Mines. Love and faith are generated in the heart and cannot be obtained with the help of money or force. My constituency falls in Jhunjhunu in Rajasthan where Hindustan Copper Project is located and Khetri is an important part of my constituency. When this project was being established in that area, the people had high hopes from it because that area had been affected by famine for the last many years, where people even do not get even drinking water, where the level of water of the wells was falling 15ft every year and the people had no means of livelihood. At that time when this project was being set up the people became hopeful that something would be done for them. But after this project was commissioned in 1967, the condition of the people of that area became miserable. The arbitrariness of the officers of the project increased to such an extent

that there was an outcry among the people of the area. Their lands were acquired but they were not given any compensation. What to speak of compensation; there was a proposal to provide employment to at least one person of a family affected by the project—which has also been suggested by Shri Modi here—but not a single person has been provided any job for the last one year. If any employment has been provided before that, I have no knowledge about it. But no person has been enrolled for the last one year. I had recommended a person for a job but even after one year he has not been provided the job. You can understand the seriousness of the situation yourself. The people are in great distress. Hardly there is any village where drinking water is available. Drought is prevailing everywhere. The situation has become worse partly due to the Copper Project and partly due to the absence of rains. On the other hand, an enquiry into the bungling and corruption prevalent in the Copper Project would reveal several skeletons in the cupboard. I hope the hon. Minister will pay a visit to the Copper Project. But I would suggest to him that he must first take into confidence the representatives of the people because whenever the hon. Minister of State visited that place, no prior information thereof was given to the M.Ps. or the legislators. We do not know where she goes and whom she meets. It is a matter of regret that no one pays attention to the complaints of the labourers and the Trade Union leaders of the Copper Project. Even we are shown scant regard. Such people are encouraged as are in league with the officers. When the Secretaries visit that area, they are given rousing welcome. In such a grim situation how can the people get relief. I would like to ask the hon. Minister on what basis E. D., (Executive Director) Shri Mishra was made Chairman of the Hindustan Copper and what is the mode of selection of a Chairman? I would also like to know how many persons were senior to him when he was made the Chairman. I would like to apprise you about the efforts made by him to gain prominence. He collected donations for a Copper College proposed to be set up there. The representatives of the people of that area were not even consulted in this respect. Such type of people are always engaged in political activities to promote their

[Shri Mohd. Ayub Khan]

interests. How can you expect them to work for the betterment and welfare of the labourers. I would, therefore, submit to the hon. Minister that whenever she visits that area, she should take the Member of Parliament of that area also along with her. We shall also give her rousing welcome. But she must give us prior information that she is visiting that area.

Mr. Deputy Speaker, Sir, now I would like to say about the lack of facilities for the labourers there. There is neither a Primary school nor any medical facilities available for them in that area. Such a big project has been established there but the people are not getting any benefit. They had high hopes from it but it has belied their hopes. A goods train runs from Dabra to Sindhana since 1967 for transporting copper goods. Is it not possible to attach coaches with that train so that labourers may go to their places of work in that train. In this context, I would like to apprise the Minister that the people there have not seen a train. The labourers are very poor. They traverse a distance of 10 to 15 miles to reach their places of work but there is no provision of any train service for them. I hope that the proposal for attaching coaches with this train will be considered.

A Family Welfare Fund was set up for the labourers but only the wives of the officers take benefit of this facility. The wives of the poor labourers are deprived of this facility.

Sir, now I would say about the housing problem. You claim here that a number of houses have been built and provided to the labourers. But in practice this is not so. The workers toil day and night for the country but there is no proper living arrangement for them. I would, therefore, request the hon. Minister to make proper housing arrangements for them. If you cannot do much, at least you may direct the company to grant them house building loans so that they may construct their own houses. Education facility should also be provided there so that good education may be imparted to their children. Local people had high hopes from this project, but they have not been benefited in any way.

Mr. Deputy Speaker, Sir, I would also like to draw your kind attention towards the copper gas leakage which has damaged the crops and the taste of drinking water of that area has changed. It should be looked into. I also request the Minister to see that how many local and how many outsiders are employed there. I wish to know how this excessive enrolment was made and who is responsible for it.

Mr. Deputy Speaker, Sir, now I would like to ask whether those contractors against whom cases were pending or who had been debarred from taking contracts, are being given contracts again? An enquiry may be held to find out the number of contractors who were debarred earlier but have now again been called back and contracts are being given to them.

I would also like to know why compensation has not paid to those land owners whose lands were acquired by the company. How much T. A. and D. A. has been charged by the staff for litigation purposes? If it is carefully calculated we would find that the expenditure incurred on litigation is many times more than the cost of the disputed land.

I request you that public representatives of that area may be taken into confidence for the development work being undertaken for the development of the area and the project, so that they may convince the local people that this is being done for their benefit and to provide facilities to them.

Thanks.

[English]

SHRI NARAYAN CHOUBEY (Midnapore) : Mr. Deputy Speaker, Sir. The Steel Ministry's report this time shows certain improvement in production. The Public Sector will produce 7.5 lakh tonne more in 1985-86 compared to the previous year. It is 14% more than the previous year. This year the Public Sector will produce six million tonnes. Next year it will reach a target of seven million tonnes of steel and this will be a growth of 16%—the Report speaks.

Despite this favourable growth as shown in Page-9 of the Report, the gap between

the demand and the availability continues to grow. Sir, the demand for 1986-87 is 11.9 million tonnes, the availability being 10.7 million tonnes; gap remains—1.2 million tonnes. This gap continues to grow and as per the Report, in 1999-2000 the demand would be 22.2 million tonnes and the availability of steel will be 17.2 million tonnes; the gap will increase to —5.3 million tonnes.

The Report says how they will meet this gap. At present there are no proposals under active consideration for expanding any of the public sector integrated steel plant. So, the Government is contemplating not to expand any of the public sector integrated steel plants as it is today. Then, what is the Government's proposal to meet the gap? The Government will either import or try to increase the production in some other manner.

We are saying that the Government has not yet made up its mind as to how they would increase the production and in what manner. What we are noting with concern is that already import has exceeded. The import for the year 1984-85 was 647.2 thousand tonnes costing Rs. 315.43 crores and the export has declined. It is only 153.4 thousand tonnes valued at Rs. 17.72 crores only.

Again as we see generally there is fall in export business. Here also the export is less and the import is more. Naturally we are worried about what is the Government's proposal in the matter of meeting the gap. Of course, the Government says that as far as India is concerned, it appears that the BOF process will continue to be the appropriate technology for the large scale integrated steel plant while for small and medium capacity market steel plant of one million tonnes capacity per annum, the EAF appears to be the obvious choice. As yet, the Government is in two minds. Again, I would like to know from the Government how it wants to meet the gap.

The Report further says that there has been certain improvement in the capacity utilisation. It is on the average 74% this year. It was 68% in the year 1984-85. Although there has been an average improvement in this regard it is being noted that Rourkela-Durgapur and Isco have

not been able to show improvement as Bhilai or some other plants have shown. In Durgapur we have been told that MECON has made a project of Rs. 1200 crores for modernisation but then Government, it seems, just like Rourkela has earmarked for the year 1986-87 only Rs. 35 crores. Naturally the cost will escalate and Durgapur will continue to suffer. Please see that proper steps are taken for the modernisation of Durgapur. As regards problems of IISCO some years ago people thought that perhaps IISCO would never be able to survive but recently IISCO is also developing. We are told Government had invited USSR and USSR made a detailed project report for development of IISCO but all of a sudden we are finding that some Japanese firm has come. Government says :

“As far as India is concerned it appears that BOF process will continue to be appropriate technology for the large-scale intergrated steel plants”.

From our own experience we have seen that the best managed steel plant in India is Bhilai. Next comes Bokaro. These two steel plants were made with the help of USSR. It may be that technology is changing but since we have enough of coal the technology supplied by USSR suits us most. Now all of a sudden I do not know what was the reason for the Government to run over to Japan when Soviet Union has made detailed project report for IISCO.

Sir, I would like to submit that there is a very good change for improving production in Bokaro. Certain expansion has been made but we have been told since oxygen plant is not in a position to supply adequate oxygen we cannot make use of expanded capacity at Bokaro. That is a matter of great concern to us. From the economic policy of the Government we find that an attempt is being made to shift the policy from public to private. Functioning of SAIL has improved but even then there are elements inside this Government who want shift from public sector to private sector.

Sir, a question was raised in Rajya Sabha on 21st February and it has been said that Rs. 100 crores for computerisation programme of steel plants in

[Shri Narayan Choubey]

collaboration with National Information Centre is under consideration. All of a sudden you are trying to bring Japan. There is provision of Rs. 100 crores for computerisation. For Bhilai we have been told that you are in search of a consultant and also that consultant has been found and the consultant is from USA. Naturally the technology which comes from countries like Soviet Union to a friendly country like India if we bring in such countries like USA—whom we know who they are and what they are doing—naturally it will be difficult for us to get the best technology from Soviet Union because if this is managed and seen then everything is known to the US element. Then all the information will be passing on to the USA. I think Government should look into it so that appropriate measures are taken in this regard.

May I now draw the attention of my sister Minister about iron ore. In iron ore you have three types of iron ore mines—captive, public sector and private sector. My friends from Orissa have already said about the very bad conditions of the workers working in the iron-ore mines of Bihar and Orissa. They are controlled by private agents, they are controlled by private parties. The iron ore mines controlled by the Government or the captive iron ore mines are in a better condition in that the condition of the workers in those mines is better than the condition of the workers in the private sector mines. Most of the people working in the mines are tribal people. Why most of the people. All the workers, cent per cent are tribal people. They are not provided with drinking water, they are not provided with housing accommodation to live in. I understand that some amount as cess money is collected from them for providing housing and drinking water facilities. I would like to know what is the amount that is being collected as cess money? Who concludes that fund? Why have they not spend that money for the development of the area, for the poor workers there?

Sir, I would like to point out here that if they want to remain private, let them remain as private mines. But there should be control over them by the Government and the money which is collected as cess

money should be spent for the development of that area and for the poor tribal people for whom the Government wants to give all the benefits. The condition of the workers in those areas is terrible. They are like bonded labour. They have no freedom. The owners of the private mines have engaged goondas to beat them and assault them. They cannot have a genuine Union to look after the welfare of these workers. In our country, still jungle rule is prevailing in the mine areas. That is the policy of the Runtas and Birlas.

Sir, I would like to bring to the notice of the hon. Minister about the report of the Committee of HSCL Employees. The history of the development of steel industry in India is not a very old one. It is a new one and every hon. Member on the side as well as on that side will remember that the future our nation depends on the development of the steel industry for that the workers welfare is of primary importance. Our first Prime Minister went from country to country for develop of steel industry in our country. The imperialist countries did not want any steel industry in India. At last the Soviet Union helped us in setting up a steel plant in Bhilai. That was the turning point in the history of our steel industry. Now, it is the 'Ispat yug', the 'iron age'. The government established the company—HSCL—with 12,000 workers and also employees, officers and engineers. Then there was a plan to more steel plants. Now, the Government have come to the conclusion that it would not establish any more steel plants.

PROF. N. G. RANGA : We are going to have more steel plants.

SHRI NARAYAN CHOUBEY : No. If the fund requirement for the steel plant is Rs. 100 crores, Government sactions only Rs. 1 crore. So, you understand how you are going to have more steel plants. So, Sir, the Government thought that this company should be wound up and all the workers should lose their job. But now we are grateful to the hon. Minister, Shri Pant. The worker met him on 14th November and submitted a Memorandum to him so that the company could be made viable one and since we record more steel plants today or in the future, the viable plants should be looked after by the Government. I would therefore request the hon.

Minister to tell us what is the thinking of the Government after receiving the viability report. I would like to know from him whether the Company will continue and the workers will not be retrenched. With these words, I conclude and I hope that the hon. Minister in his reply to the debate will clarify my points raised during my speech.

SHRI ZAINUL BASHER (Ghazipur) : Mr. Deputy Speaker, Sir, I shall not take much of the time of the House. While supporting the Demands of the Steel Ministry, I would like to draw special attention of the hon. Minister towards a matter concerning my constituency. About four years ago, the then Steel Minister, Shri Narayan Dutt Tiwari, announced the establishment of a steel fabricating plant at Dildar Nagar in Ghazipur district of U. P. The site was selected and the project was approved. But after the approval of the project, the officials of the Steel Ministry were lukewarm to open that plant. The Uttar Pradesh Government and myself took up the matter with the various Ministries; the Finance Minister, the Industry Minister, and the then hon. Prime Minister, Shrimati Indira Gandhi and a joint meeting was convened, in which the hon. Finance Minister, the Industry Minister, the Steel Minister and the Planning Minister met some time in 1984 and the project was finally approved and a sum of Rs. 1 crore allotted for that project. The announcement was made by the various Chief Ministers of U. P. including Shri V. P. Singh, the present Finance Minister and Narayan Dutt Tiwari, the present Industry Minister at Ghazipur itself for the opening of that plant. Even the Prime Minister, Shri Rajiv Gandhi also made an announcement at Ghazipur for the opening of that plant. The people of Ghazipur were eagerly awaiting for the start of the work. I also wrote several letters to the predecessors of distinguished Shri Pant Ji and recently, I got a reply which is very shocking. Hon. Pant Ji has said that as the financial allocation to the Steel Ministry is very inadequate, the work cannot be started during the 7th Plan. It has given a shock wave to me as also to my constituents. I am sure, the House will also be shocked to hear this.

Sir, as I said, the announcement had been made, the site had been selected and

Rs. 1 crore had also been allotted. The announcement was made by many hon. Ministers. A joint meeting was convened and it was decided that the work would be started on this project. Now, hon. Pant Ji says that it cannot be started during the 7th Plan.

What to do now? Why was the plant approved? Why was the announcement made? Why were these things not anticipated before? Why did so many distinguished personalities, our leaders, our Ministers make announcements to the people, to the public. It is my job and I will continue to try for this, whether Pant Ji hears or not, I would plead my case.

I feel that in the Steel Ministry there is a lobby against this plant. I do not know why. I hope the hon. Minister of Steel will excuse me if I allege that there is an anti-U. P. lobby in his Ministry because it happens not only in my case but in other cases also.

SHRI RAJ KUMAR RAI : He is 100 per cent right.

SHRI ZAINUL BASHER : There is a lobby working against this plant. I am very sorry to say so. But I have to say it.

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT) : At least, it assures the other States that there is no discrimination in favour of you.

SHRI ZAINUL BASHER : Out of the total money that is spent on the public sector all over the country, the share of Uttar Pradesh is only 4 per cent. Just 4 per cent! We cannot say many things because of obvious reasons. The people cannot agitate because of obvious reason. We have to control ourselves in the interest of the country. I hope that my feelings and feelings in my constituency are well understood by Pantji. He is now from Delhi, but his roots are in Uttar Pradesh.

SHRI K. C. PANT : Very much so.

SHRI ZAINUL BASHER : I will not say much. I will request through you that the hon. Minister may kindly see to it that the work on the plant is started during this period. I do not know how. It is your job to see how it can be done.

SHRI VIJAY N. PATIL (Erandol) : Mr. Deputy Speaker Sir, steel is very important commodity for the overall development of the nation. Like bones in the body, steel is important in the framework of national development and economy. It is mentioned in the Report that by 2000 AD, there will be a shortfall of about 5,000 tonnes in this country, as speculated by studies conducted by certain bodies. I think that this projection is conservative because of the fact that steel is replacing wood very fast. Even in construction of houses, for door-frames and window-frames, steel is being used instead of wood. If we consider this factor, according to me the shortfall between demand and supply may go up by 10 million tonnes by the year 2000 AD. In that case, what are we going to do? Also, when there is a shortage, there will always be a chance for black-marketing, generation of black money and the common man will have problems in procuring steel. With all these things, we are surprised to see that over the last three years SAIL has incurred losses. Rourkela, Bokaro, Durgapur and other public sector undertakings have suffered heavy losses. It was before last year, *i.e.* the three years back. Of course, we have increased the prices by 15%, and that must have contributed to some extent in bringing these units to a no-loss-no-profit or a marginal profit state.

Our plants are very old, belonging to '50s. and '60s. The machinery has become obsolete. The power supply is erratic, and that is why the capacity was under-utilized. Now it has increased. But this is not the only reason for the loss. What we see is that there is a lot of unnecessary rejection in steel manufacture. Some under-hand dealings are suspected. When the rejected materials are auctioned, under-weighments are also suspected. It all goes under the garb of obsolete machinery, erratic power supply and other things.

Why is the cost increasing so much in these public sector undertakings? Why are we required to increase the price of steel every now and then? That is a matter which requires serious consideration. When million of tonnes of raw iron ore and coal are available in our country, we must be able to reduce the price of steel.

It is good that the Department of Coal

has been separated from the Department of Steel and Mines. But the role of coal is there in the steel industry. Due to bad quality coal, and high cost of coal supplied, the price of steel is increasing.

Our energy consumption for the production of steel and even other minerals like aluminium is more than double as compared to some other countries whether it is needed for producing steel or other things. We must be able to improve upon this position. In some cases, our R and D has found methods, but they are not being adopted on a large scale; and that is why energy consumption is higher.

In the case of aluminium, we find that 40% of the cost is towards energy, which is required for the production of aluminium from raw alumina. About 16,000 KWs of power is consumed for producing one tonne of aluminium. Here, efforts must be made to devise means to reduce power consumption, so that the cost effectiveness of our aluminium and steel products can be increased.

We are told that Mini Steel Plants will be licensed in more numbers, as one of the major steps for increasing the production of steel. I am surprised to read, at page 110 of the Annual Report—I quote :

“The production of Mini Steel Plants is expected to go up from 2.8 million tonnes by 1989-90 to 3.5 million tonnes by 1994-95. 1196 Mini Steel Plants have so far been licensed, out of which 159 plants with a capacity of 4.7 million tonnes have already been installed.”

If this figure is correct, I would like to put a specific question to the Minister : if 159 steel plants can produce 4.7 million tonnes of steel in a year, then 1196 steel plants can produce 40 million tonnes. Has a wrong figure been printed in the Annual Report, or is it the correct figure? If it is the correct figure, then more than thousand Mini Steel Plants will take care of your production. Suppose it is a wrong figure; these Annual Reports are authenticated with the signatures of the Ministers. Who is supposed to give these annual reports? If the figures are wrong, if such wrong figures are supplied to Parliament, then what kind of figures may be supplied to other departments I would

like to know from you? When 1196 mini steel plants have so far been licensed and only 159 have come into production, we can re-think of licences given to the remaining about 900 and odd steel plants. You give licences to other entrepreneurs also so that more steel plants can come into existence. Otherwise, there is a tendency on the part of big businessmen or some other cunning entrepreneurs to just take licences and keep them in the cold storage without starting steel plants and the factories for which the licences are obtained.

We are glad to know that we started exploration in Antarctica also. With this, the potentiality of availability of minerals will be increased if we will be able to explore mines in the continent like Antarctica. Along with that, there is a need for fast exploration of the sea bottom for different kinds of minerals; and we find from the nodules which are obtained from the sea bottom that different kinds of minerals are available there, and if we can explore them fast and bring them on the surface, our country will get advantage out of that.

We find that the Kolar Gold Mines are now being exhausted and the gold stock is being reduced. In Bihar from where our State Minister comes, we find that there is a potential of the gold being found in the river basin Subarnarekha which may also be explored. With these words, I support the feelings of my friends who spoke earlier that people should be employed locally in the factories. Otherwise, there is a tendency on the part of the senior officers to bring people from their own States wherever they go. Even it is understood that the cook can be brought from his own State because there may be a special taste for food. But what about *malee* (gardenor) who is there in the garden in Banglow, he is also brought from outside the State. The persons whose land is acquired for the erection of mines, they do not get re-employment. Serious efforts should be made in seeing that local employment should be given to at least semi-skilled and unskilled persons locally so that people do not feel angry over the unit that is brought in that area.

With these words, I thank you for giving me an opportunity to speak on the Demands for Grants of the Ministry of Steel and Mines. I support them.

[Translation]

SHRI ABDUL RASHID KABULI (Srinagar): Mr. Deputy Speaker, Sir, I would like to draw the attention of the Government, through you, to the fact that whenever we asked for any heavy Industry in Jammu and Kashmir, we were told that it is not possible due to the non-availability of raw-material there. There are neither iron mines nor any other mines. But I would like to state that since 1947 no serious efforts have been made to undertake prospecting work in Jammu and Kashmir. You have enough resources and technology and you should have used it in Jammu and Kashmir to explore the minerals. But Government did not bother about it. This is the only reason that we do not have mineral resources in Jammu and Kashmir and our state lagged behind the other states. We do not have precious material in our State. But I would like to tell the Government that when Maharaja Hari Singh was the ruler of the state, Britishers were not allowed to come to the state. Mining and geological Survey was also not undertaken so that Britishers might not come to know that this State had mineral resources like Ruby, Copper, Phosphorus, Magnesium or petrol and might not annex it. I may state in the historical perspective that Mining and Geological Survey department had undertaken the exploration work all over the country except Jammu and Kashmir state.

Mr. Deputy Speaker, Sir, exploration work has been undertaken by the State Mining and Geological Survey department for the last two-three years and rich deposits of marble have been found in Kupwara district. It is beautiful marble in various colours such as red, green and others. This marble is more beautiful than the Italian marble. With our limited resources our Government has explored it. In Anantnag, spring water is believed to be very useful as a cure for all kinds of skin diseases. It is learnt that it has phosphorus content but it has not been possible to locate the phosphorus mines so far. In village Nizhama near Handwara, huge coal reserves have been discovered. Although it is not a very good coal but it can be used in furnace during winter; but it is not being used. Similarly, I came to know that in Kargil gold particles have been found in spring water but it is not known from where this

[Shri Abdul Rashid Kabuli]

gold is coming. Before 1947 it was seen that the people of Gilgit area (Pakistan occupied area) used to collect gold particles from Sindhu river water. I am telling all these things because Jammu and Kashmir also has the potentiality and like other states, it should also be developed with modern technology and science. It should not be ignored. Some way out must be found to eradicate our backwardness and poverty and tourism is not adequate for this purpose. Today, every state wants more and more developments which is mainly dependent on the availability of mineral resources.

14.59 hrs.

[SHRI VAKKOM PURUSHOTHAMAN
In the Chair.]

Secondly, I would like to tell and request the Minister to note that the valuable marble which has been found near Kupwara district, has been sold to two big Industrialists by the state Government at very cheap rates and now these two industrialists are earning crores of rupees by selling it at very high rates.

15.00 hrs.

It is simply injustice. There the labourers are toiling at very low wages. Instead of the labourers, a few capitalists are taking advantage of it. I want that you must intervene in this case. This exploitation should be stopped. This is not going to benefit you and the State in anyway. Our natural resources are the property of the State and the Nation. I am saying it because it is happening in the case of marble. Coal is also being extracted here. There is the Kala Kot mine in Jammu from where coal is being supplied to our thermal project. The son of our last Chief Minister, Shri G. M. Shah, had formed a bogus company..(Interruptions) On the basis of that company he made crores of rupees by purchasing coal at concessional rates. The coal, which was being extracted from there, was sold to other parts of the country and thereby he deprived the State and the Thermal Project of coal. An inquiry should be conducted into it. It does not have anything to do with politics. A num-

ber of times, we have brought this to the notice of the Governor and have also raised it here in the House. I want to speak on one more point. Our States must get the benefit of steel and coal being extracted from our mines. I do not belong to Bihar, but as a citizen of India, I would request you to raise the share of Bihar as it is a backward State and has a number of coal mines. In future it may become a problem for us. A national awakening may take place against this exploitation that they are providing coal to the whole country but they are not getting anything in return. It may become a problem. I will request that Minister that be it Jammu and Kashmir, Punjab, U. P., Bihar, West Bengal, Kerala or Tamil Nadu, they should get a major share of the minerals being extracted from the respective State. You should try to provide employment in the State itself. We should not be forced to raise this issue time and again. It has been our experience that whenever Central Government Starts a new venture in Jammu and Kashmir, outsiders are employed there. It causes heart burning among the local people that they are being neglected. It happened when a number of complexes were built for Industries and Tourism. Your Department should not act in this way.

SHRI K. C. PANT : Tourists would no doubt come from outside.

SHRI ABDUL RASHID KABULI : I am not talking about tourists. I am talking of the complexes which were built for tourists. 90 per cent of the people were taken from outside for employment in these offices. The educated local people were completely ignored. I want to bring it your notice. I hope that you and your Ministry will give due attention to it and specially to the problems regarding Jammu and Kashmir.

SHRI RAJ KUMAR RAI (Ghosi) : Mr. Chairman, Sir, I am grateful to you for providing me an opportunity to express my views on the demands for Grants relating to the Ministry of Steel and Mines. The Demands have been presented by a Minister whose competence and experience are beyond doubt. I, therefore, support these demands. I would also like to raise a few points here.

The development of a country is gauged from the consumption of power, steel and cement in that country. We have less consumption of power, steel and cement in comparison to other countries. Therefore, it requires serious consideration.

Sir, there is shortage of power in our country. We have initiated a number of schemes during the Seventh Five Year Plan, and have envisaged a growth rate of 10-15 per cent in the production of power, but I think it will not be adequate to meet our requirements. The production of steel at Bokaro, Bhilai, Burnpur, Durgapur and Rourkela is quite satisfactory. Recently, I read somewhere that our target is to increase our present steel output of 95 lakh tonnes to 170 lakh tonnes by the year 2001. But after seeing the present steel output, I doubt if this target can be achieved by the year of 2000. But we can pin our hopes on a Minister like Shri Pant that he will do his best in order to achieve the target. If we exceed the target the credit will go to him.

Sir, our steel factories are working in the Public Sector. We also propose to set up small factories at different places. In this context I agree with Shri Zainul Basher, who comes from Ghazipur of Eastern U.P., that his area as well as my area are backward and where there are no industries worth the name. Sometimes Government do come out with a proposal to establish a factory in these areas. In 1972-73 and 1974 the Government said that a small factory would be established between Balia and Azamgarh. This created hope among the people of the area that even if the factory is established in 4 to 5 years, they would get employment and will be in a position to better their lot. But a change in the scheme created a lot of heart burning. After five years it was declared that this mini steel plant would be set up at Dildar city of Ghazipur. When Government makes an announcement, we go to the people and apprise them about it, but you can imagine our plight when the Government cancels the scheme. It not only damage the image of the Government but we also face the wrath of the people that the Government does not honour its own commitment. Therefore, there is need to establish a mini steel plant between Balia and Azamgarh which was promised during

the period of Shrimati Indira Gandhi. The hon. Minister is familiar with that area and knows about its requirements. We have full faith in his leadership. I hope, he will not believe our hopes by establishing a plant there.

Sir, I want to bring there to four points to your notice regarding establishing a plant. I was just reading a letter of one of my colleagues regarding Rourkela. It gives information about the kind of coal which is required to be used but is not being used. Its quality is substandard which contains high ash content due to which the furnace takes longer time to heat up and the temperature is also not maintained for the required duration.

I would request that there should be effective monitoring to ensure that only prescribed grade to coal is supplied to the steel plants. You should not supply inferior grade or sub-standard coal to the public sector plants, which may result in closure of the plant. I want to bring this to your notice that it is not at good thing.

The lifts working in coal mines are very old. We are entering the 21st century and the computer age but the lifts in the coal mines's are still very old.

These days mafia gangs are operating near steel mines and collieries. These gangs are like parasites who role both the wage earner as well as the investor. These gangs supply the labour. The labourers are forced to work for less wages. If they protest, their voice is stifled. Child labour bonded labour as well as contract labour are the general phenomena here. Even the Government employees are not working properly. They know all the loopholes, therefore they are looting hard earned public money in collusion with the mafia gangs. Government should look into it as the maintenance of law and order is the responsibility of Government alone. We have a strong centre and they should see to it that the mafia gangs do not run a parallel Government there and no protection is given to the people colluding with them. The high officials of the Government should take steps to counter the mafia manace even if it involves some risk. They owe duty towards the people.

[Shri Raj Kumar Rai]

I also want to say about the Steel Authority of India. In 1983-84 they had a record sale of 50,30,000 tonnes. In 1984-85 also, there was an increase of 13.4 per cent in our output. I would like to know from the hon. Minister why the Steel Authority of India failed to achieve the production target of 55 lakh tonnes during 1985-86 in spite of the fact that there was no problem or hurdle.

The Seventh Five Year Plan is before us. Its success, depends on the success in the areas of steel or other areas. I hope that our socialist Government will remove regional imbalance.

There is need to set up a steel plant in Eastern Uttar Pradesh as there is not a single steel plant there. Today, the total population of that area is nearly 3 crores. Hence, it would be unjust on your part to usurp the rightful claims of the people of Balia, Azamgarh and Ghazipur.

I congratulate Shri Pant for presenting such a good budget. I am hopeful that a steel plant would be set up in that area after taking into consideration its backwardness. The people of that region would be grateful to you forever.

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Chairman, Sir, I support the demands for grants of the Ministry of Steel and Mines. A little while ago, the Minister of State had declared that the mines in Rampur-Aguncha would become operational during the Seventh Five Year Plan, and a Super Zinc-Smelter Plant would be set up at Chanderia. Although the mines ought to have become operational much earlier, yet it is better to be late than never. If the work could be completed within the Seventh Five Year Plan period, we would welcome it.

As Shri Modi just now mentioned, there are zinc deposits to the tune of 60 lakh million tonnes in Rampur-Aguncha. This deposit is spread over an area 40 to 50 sq. kilometres, whereas till now the survey has covered only an area of 10 to 11 sq. km. The whole of this area should be surveyed so that more zinc may be exploited. The entire area lies in my region.

The Super Zinc-Smelter Plant proposed to be set up in Rampur-Aguncha should instead be set up at Chanderia. If you try to seek information regarding the distance between Rampur Aguncha and Chanderia, you would come to know that Rampur is 11 to 12 miles away from Aguncha, a Gulabpur is 41 miles away from Bhilwara and Chanderia is about 40 miles away from Bhilwara. In this way the distance between Chanderia and Rampur-Aguncha works out to be 100 miles. Thus 60 lakh million tonnes of raw material will have to be transported to Chanderia, which is 100 miles away from the zinc deposits. Did the expert committee, which suggested that Chanderia would a suitable site for the setting up of a new plant where water and electricity are available, take into account the cost factor on account of transportation if the project is set up there. As regards the non-availability of water and power in Rampur-Aguncha, Rajasthan Government have given the assurance that water can be made available through pipe-lines for the project, by constructing a dam across Kothari River. In this way that plant can be run by setting up a Thermal Power Unit there. The expenditure which will be incurred on transportation of the material to Chanderia will be much more than the total expenditure required for the construction of a dam and a Thermal Unit. Have the experts taken into account this economic factor ?

The expert committee has not taken into consideration the expenditure involved in setting up infrastructure and other related things in Chanderia. I have been pleading for the last five or six years that you should seriously review this matter. In case the Super Zinc Smelter Plant is set up at Chanderia it will mean heavy expenditure and great loss to the Government. But if it is set up at Rampur-Aguncha where land has been allotted for it and the necessary infrastructure is also available, then it would certainly be profitable for the Government and the nation. I would, therefore, urge the hon. Minister to reconsider the proposition of setting up the plant at Chanderia which is not viable and might have been recommended by those who had some vested interest in it. Therefore, the matter should definitely be investigated and a decision taken which is profitable for the Government

and the country, and which would help us in saving our foreign exchange.

I would also like to submit that no central industry has been set up in Bhilwara where large deposits of this mineral have been found, while Chittor has 5 to 6 big cement plants and other industries. When you want to end regional imbalance and develop the backward areas, then it would be unjust to ignore their claim and set up industries elsewhere. I would, therefore, request you to take a decision regarding industrialisation of Bhilwara and to generate employment there. In order to industrialize the area, you will have to build the required infrastructure and set up ancillary industries. Hence, the matter should be reopened and a Super Zinc Smelted Plant should be established at Rampur-Aguncha. This is my humble request to you.

Along with this, I would like to draw your attention to other projects like the Khetri project of Rajasthan. Some Members have pointed out that the local people have not been provided employment in the Khetri Project. If a high official belongs to Bihar, he provides employment to only the people of Bihar; if he belongs to Uttar Pradesh, he provides employment to the people of his State and the local people are denied employment. The Government acquires the land belonging to the local people, for setting up industries and promises them that they would get employment in these projects. But this does not happen and the outsiders are employed. The Government ought to provide employment to the local people on priority basis.

I would like to point out about this Khetri project that its headquarters are located in Calcutta. Can this be justified when it could have been located in States like Madhya Pradesh, Rajasthan, Andhra Pradesh or Bihar which are relatively closer to the location of the mines. Just because the first Chairman belonged to Calcutta, he established the headquarters over there. Therefore, this matter must be looked into and the headquarters shifted from Calcutta to some suitable place in Madhya Pradesh, Bihar, Andhra Pradesh or Rajasthan, so that the local people are able to contact the officials easily. The bungling and irregularities can also then be checked effectively.

In 1977-78 during the Janata rule, there has been bungling involving sale of 35 thousand tonnes of rivets. I would like to draw the attention of the Minister to the fact that in 1980, this question was raised by me for the first time in the Parliament. 35 thousand tonnes of rivets were sold in England at the rate of Rs. 21,000 per tonne, when it ought to have been sold for Rs. 35,000 per tonne. The difference was pocketed by the officials and this bungling was to the tune of Rs. 21 crores. In this respect a reply was given by the Government that it was being investigated. But since then nothing has happened to date. No investigation has been conducted and neither has any action been taken. An officer commits bungling to the tune of Rs. 21 crores and no action is taken on it—such is the situation prevailing in the country. You should specially pay attention to such things so that such type of bungling does not take place. Machinery worth crores of rupees has been acquired just to earn commission on it and it is not being put to any use. Our Minister of State was there. Had she enquired from the workers she would have known that machinery worth crores of rupees is rusting and is laying idle. There are some officers who acquire useless machinery for the sake of earning commission, thus causing loss to the project. Action should invariably be taken against such officers.

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : I have already said that wherever I make a visit, I attend meeting with the concerned officers. I also hold talks with the different trade unions and arrange general meetings. My visits always last two to three days. The charge levelled by the hon. Member that I do not meet the workers is absolutely wrong.

SHRI GIRDHARI LAL VYAS : I have not levelled any charge. I had simply submitted that in case you had made inquiries from the workers you would have come to know how the officers commit irregularities. Why do you get angry? This is for the benefit of your department.

SHRIMATI RAM DULARI SINHA : I am not angry.

SHRI GIRDHARI LAL VYAS : We are just making a submission to you and you are

[Shri Girdhari Lal Vyas]

accusing us of levelling charges against you; this is not so.

SHRIMATI RAM DULARI SINHA : I do not say that all is well there. We can rectify the irregularities only if you bring them to our notice. Whatever you have mentioned, we shall look into it and take action thereon. But so far as this question is concerned that we only hold meeting with the officers and not with the workers is totally wrong.

SHRI GIRDHARI LAL VYAS : I have not said that you only hold talks with the officers.

SHRIMATI RAM DULARI SINHA : Two other hon. Members belonging to Rajasthan have also said this. So I had to clarify it.

SHRI GIRDHARI LAL VYAS : I have only said that you should make enquiries from the workers regarding irregularities. Machinery worth lakhs of rupees has been purchased but it not been put to any use. Action should be taken against such officers.

Enquiry should be conducted into the injustice being meted out to the workers by the management. Land of many persons has been acquired but their cases of compensation have not been settled. And on top of it they have not been provided with jobs. Such excesses are being committed against those persons, to which you must pay attention.

As regards the zinc factory, I would like to point out that the members of one of the trade unions, of which I am the President, are being victimised by the management. Actions like dismissal, suspension are being taken against them by the management. The reason is that the management is in league with other persons. I would, therefore, like to submit that those persons should not be subjected to victimisation. If they commit any mistake, they should be punished but it is not proper to victimise them on the basis of being members of a particular trade union. It is certainly a wrong step. This should be checked.

With these words I support the Demand for Grants.

[English]

DR. DATTA SAMANT (Bombay South Central) : The hon. Minister is not happy when the hon. Members from the Treasury Benches have said regarding workers in the iron ore and other mines. It is not a question of the Minister seeing the workers or some of their top leaders. It is a question of seeing the condition of the workers. Majority of them in the private mines are contract labour working for 12 hours a day. The benefits of not a single Act we have passed here has reached them. They are exploited many times over by contractors and the mafia gang everywhere and I think this is a very serious problem. If this government is really feeling something regarding mines and iron ore labour, you have to go personally and see their conditions. I can take the Minister and show what is the condition of these workers. Therefore, I duly support whatever Mr. Vyas has said. On the contrary it is the worst condition in which these labourers are working. Steel is the back-bone for a developing country like India. Per Capita consumption of steel in India is hardly 15 to 18 kgs. In the Western or Eastern countries, the per capita consumption of steel is 30 or 40 times *i.e.* 500 or 600 kgs. So, when we compare our per capita consumption with that of the Western or Eastern countries, we can come to know how backward we are either in the manufacture of steel or in using it for our development. It is really a pitiable condition. Government should take a serious note of this development of steel in our country. You are all for establishing mini-steel plants, having old technology and old working methods. For this, the workers are not responsible. Nobody is bothered about it for the last 40 years to adopt some new technology which could be used for the development of steel in our country. I would like to ask here one thing. What are the criteria for distribution of steel to various industries? I think a lot of corruption is prevalent at two or three levels while giving steel to the various industries. Many industries are not existing. Still steel is being given to such industries. Many people have closed down their industries or declared lock-out but still they are collecting their quota of steel and selling it in black market. The Government is not supplying steel to many of the industries

located in Bombay and in other parts of Maharashtra. I have seen one thing happening there. The tube industry and the gas manufacturing industries are suffering because the Government is curtailing steel quota to these people. It is a serious matter. Government should not reduce the quota of steel of the export-oriented industries.

In the year 1985-86, 1.5 million tonnes of steel was imported. I do not know why the Government has suddenly imported so much steel which resulted in loss of tax to the tune of Rs. 500 crores. There is a trade gap this year. There is some correction. Whatever has been done it is not going to improve matters. Several points have been discussed in this House. Foundation stone was laid for some steel projects but still they are delayed. I can cite one example. The Vishakapatnam steel plant was sanctioned in 1966. The foundation stone was laid by the late Prime Minister in the year 1971, but the work was started in the year 1978. The project estimate was Rs. 2935 crores. Now it is estimated to cost Rs. 18000 crores. The Minister has recently come with the statement that the Government has decided to slash down the capacity of the steel plant from 3.4 million tonnes to 3 million tonnes. It was brought down to Rs. 7000 crores. According to project report Rs. 2100 crores have been spent so far, for this plant and it is unproductive for the last 10 to 15 years. Thousands of crores of rupees are spent without planning and it is delayed thereby the Government's money is blocked in unproductive ventures. It is causing damage to the national economy. Therefore, I would like to put it in this House: instead of making big announcement about large plants and going on delaying the projects, whatever you can do, let it be small or big—complete it in two, three or four years. Otherwise it would become a lengthy issue. It will create hundreds of problems.

For the Vishakhapatnam Steel Plant you acquired 12000 hectares of land. You have given compensation to the farmers hardly a sum of Rs. 1,300 to 1,500 per acre. Now 70 per cent of the land is lying vacant. Some people had gone to the court and the Court has given decree to give them Rs. 5000 to Rs. 6000 rupees. Government is not prepared to pay them. The land has already been taken over.

Moreover 12,000 farmers were assured that they will be given jobs but during the last 15 years only about 1,300 of them were given jobs. The Government machinery is so much neglective there. Out of all these people, you have registered with the Government, eight thousand people are left whose lands you have taken at Rs. 1400. Fifty of them are dying waiting for this. I don't know, when you give job in 1990 their age will be 45 to 50 years. Is it the fate of the farmers and labourers of this country?

We are just talking of some development and delaying the projects for twenty years. Thousands of farmers and labourers whose land now costs about one lakh rupees you have taken from them only for Rs. 1500. You are not allowing the farmers to live. You are keeping the land idle for twenty years and on the other hand you are not giving job for thousands of people.

This is the calamity of many of the steel projects also. Therefore, the time has come when the Government has to think seriously while developing all such steel projects especially the Vishakhapatnam project where an amount of Rs. 2000 crores is blocked.

PROF. N.G. RANGA : That is a long-standing grievance in Bihar also.

DR. DATTA SAMANT : That is there everywhere. A big announcement was made. In think in all the steel projects thousands of crores of rupees are blocked. It is unproductive money. The farmer and everybody are waiting and the country is suffering with the deficit. I would like again to mention in this House that in the iron ore and other mines the condition of the workers is very bad. You may not leave it to the unions and workers if you are allergic to them. But at least the Government should enquire into this and stop all the injustice done to the labour.

[Translation]

SHRI DAMODAR PANDEY (Hazaribagh) : Mr. Chairmen, Sir, I rise to support the Demands for Grants of the Ministry of Steel and Mines. It is a matter of pleasure that this Ministry is making considerable headway under the leadership

[Shri Damodar Pandey]

of our senior Minister. He has believed the assumption that bringing about improvement in the functioning of steel industry is not possible. This year the steel industry has shown encouraging results which shows that we have the will to achieve the targets set in this respect. But I am not suggesting that we should be satisfied with the achievement made in this sector.

Many hon. Members have said that the per capita consumption of steel in our country is very little in comparison with other countries and we are far behind in this respect. It is not that God has not endowed us with anything. God has been so bountiful with us that we can produce a lot of steel. We have huge deposits of iron and coal. Materials like limestone, kainite, which are used in manufacturing steel are found in abundance here. But, unfortunately, we are lagging far behind in this respect in the world in spite of all these things. This is not a good thing. Our leaders, who had laid the foundation of development of the country, had envisaged that a steel plant of one million tonne capacity would be set up in the country every year. The Heavy Engineering Corporation was established with this end in view and the necessary infrastructure was also provided. The Hindustan Steel Construction Company was established to achieve this objective in the coming years and to produce more steel. But something went wrong somewhere and we lagged behind. Now the situation is that we are doubtful whether we would be able to produce steel to meet our requirement in 2000 AD. We had visualized that we would be producing so much steel that we would be exporting it after meeting our domestic demand. We shall have to make fresh efforts to offset the shortage. It does not, therefore, behave us to say that we shall not be able to set up a steel plant due to paucity of funds.

There are huge deposits of coal in our country but unfortunately we have to import coal from Australia. It is not that we import it out of need. We import it because we think that the coal of Australia is of good quality. We forget the fact that coal is available in our country in large quantity and at less price than the price at which we import it. We can utilise

coking coal in our country after giving it a double wash. This will generate employment for the people and thus we will be able to make use of our resources. But we find an easy way out. In this way we lag behind in our effort to make progress in the country. Some lapse occurs at some stage.

Our country abounds in minerals. It is said that after the British had settled here, they used to export raw materials from here to their country and import finished goods from there. We are also doing the same thing. Now we are importing steel. This thing is beyond the comprehension of those who have some knowledge of steel. We import coal to use it here. Of course, quality of our coal is such that it needs processing. Can we not improve our technology so that we may be able to improve the quality of coal. We talk of high technology. We should improve our technology and then use it to improve the quality of our coal which is available in abundance in our country and about which it is said that coal stock will last for at least two hundred years. For this we should update our technology. Otherwise we shall not be able to do anything.

As regards minerals, it has been mentioned in the report that efforts are being made to exploit the mineral deposits. But on the one hand, we talk of exploiting the minerals and on the other hand, the industries already running are being closed down. Pyrite, which is said to be in great demand, has been found in Bihar. Mining of pyrite was taken up but now it is being discontinued. On the one hand mines are being exploited and on the other hand work on them is being discontinued. How can we make progress in this way.

One third of the entire mineral deposits of the country are found in Bihar. There is hardly any mineral which is not found in Bihar. But no industry based on these minerals is being set up there. The people of Bihar are very backward. After all what is the reason behind it? The soil in Bihar is not fertile because of the huge mineral deposits underneath. As such industries can be set up there. Besides, water is available there but there is no facility of irrigation there. The people of

Bihar are not able to utilize the water flowing in their state. Iron, coal and other minerals are available in Bihar in plenty. Bokaro was regarded as the ideal plant in India. If we cannot produce ten million tonnes steel in that plant then the situation is not good for us. Not to speak of the production of ten million tonne steel, hardly four million tonne steel is being produced there. This is not a good thing.

Now I shall speak about my constituency. This department has nationalised a company which is located there. The name of the company is K.D. Development Company. It is for the first time that a private company has been auctioned to the private sector after having been nationalized. Such a thing has happened for the first time in India. I do not know why this thing happened? I would like to ask the hon. Minister as to what are those compulsions which led to the auction of the plant after it was nationalised? So far as I am aware, the Bihar Government cancelled the lease of the Central Government management as it had not paid the royalty. The Department of Mining, it seems, has nothing to do with the realities. Sitting in Delhi it thinks of Delhi only. But that is not going to deliver the goods, We must face the reality. We should think of some useful thing. There is so much lime-stone and which is in demand also.

[English]

MR. CHAIRMAN : You have already taken enough time. You have concluded. Now, the Finance Minister will make a statement.

[Translation]

SHRI DAMODAR PANDEY : After him I may be allowed to speak.

(Interruptions)

15.46 hrs.

STATEMENT RE : CERTAIN MODIFICATIONS IN THE 1986 BUDGET PROPOSALS

[English]

**THE MINISTER OF FINANCE
(SHRI VISHWANATH PRATAP SINGH) :**

The Budget proposals which I made on the 28th February, 1986, have been discussed widely. I have had the benefit of discussions in Parliament as well as with various groups outside Parliament, particularly the representatives of small scale industry.

2. In the light of these discussions I propose to increase the exemption limit of Rs. 15 lakhs of clearances from our earlier proposal of Rs. 7.5 lakhs for all small scale units, including those which had earlier enjoyed exemption upto Rs. 7.5 lakhs. In case of units which produce more than one article falling under different tariff headings, the limit of exemption can go up to Rs. 30 lakhs. In other respects (such as MODVAT, the rate of concessional duty payable between clearances of Rs. 15 lakhs and Rs 75 lakhs, and the eligibility ceiling of Rs. 150 lakhs) the benefits of the earlier scheme will remain unchanged.

3. As a measure of simplification of procedures for SSI units it is proposed :

- (a) that there would be no elaborate procedure for obtaining excise licences. Mere postal acknowledgement of the application for licence will be deemed to be an excise licence for a small scale unit.
- (b) The SSI units would be allowed self-assessment procedure for clearance upto Rs. 50 lakhs. In other words, excise declaration made by the unit will be ordinarily accepted without any further formality.
- (c) Excise inspection will be restricted to maximum once a year for one unit in above cases.
- (d) The excise records to be kept by the SSI units will be further simplified.

4. We have already issued a notification to exempt job work from excise duty. I also intend to extend the exemption on captive consumption for inputs covered under the MODVAT scheme, as well as some other areas. In addition this exemption is also being extended to jigs, fixtures, patterns and casting moulds. Certain other concessions for the benefit