

3. This House is aware of the circumstances in which the activities of the All India Sikh Students Federation were banned. Some of its office bearers had indulged in actions detrimental to the unity and integrity of India. We understand that the majority of Sikh students represented by the Federation are eager to play their part in the building of a strong and united India and we have therefore, decided to lift the ban.

4. Special courts were set up for expeditious trial of persons accused of various offences. The Government have been reviewing cases of persons held in detention, and many such persons have already been released. Consequent on the latest review, further releases are being made. The whole situation will be kept under constant review.

5. I hope and trust that all concerned with the unity and integrity of India will bend all their energies to find a way out of the present situation. So, much is at stake. So much, therefore, is demanded of us all.

DEMANDS FOR GRANTS (GENERAL), 1985-86

Ministry of Steel, Mines and Coal — *contd.*

[English]

SHRI AMAL DATTA (Diamond Harbour): A number of hon. Members before me have spoken of the production of steel and coal in any country being the index of the country's progress. There is unanimaty also in the view that India is not producing the amount of steel which is required and which is warranted by India's economic development to-day.

Going through the statistics which have been presented in the Annual Report of the Steel Ministry, it seems that in all the integrated steel plants which include one plant only in the private sector, we have a capacity of 11.4 million tonnes now which is going to be increased to 14.5 million tonnes when the current expansion and modernisation programmes are completed.

Yet out of this 11.4 million tonnes we are able to produce only 7.48 million tonnes. That is not the end of the story. Out of this 7.48 million tonnes—this figure is for 11 months only—we have not been able to sell one million tonnes of steel although an equal quantity we had to import from abroad. That means a very serious mis-matching of production. The product that we require to be produced by the steel industry is not being produced. We are producing something else. There may be two reasons for that. First, may be originally the production was planned in a certain way which is no longer required. It has to be updated. Second, the production planning although somewhat in error becomes worse by the fact that some of the steel plants are trying to increase their production by going in for heavier sections so that they produce more and can say that we have achieved 60 to 70 per cent capacity of production. If they try to produce the right type of items which will be sold in the market their production figures will be less. On account of these reasons we are unable to sell 1 million tonnes of steel whereas on the other hand we are importing 1 million tonnes.

One can say that some of these items are of very high grade steel which our integrated steel plants are not yet able to produce but we have a capacity of nearly 5 million tonnes in the mini steel plants. The mini steel plants are used all over the world not for the purpose of producing ordinary steel but for the purpose of producing special alloy and other kind of steel. If we know what our market requires why cannot we get our mini steel plants produce the steel which is needed. Either we have not done proper demand survey or if we have an idea what the market wants at least we have not made any effort to see that our steel units produce right type of material which the country requires.

Sir, the growth of the steel industry has been misreable. Everybody has agreed that we require much more steel. What has been our growth? From 1 million tonnes of steel before the Second Plan started we will be reaching a level of 14 million tonnes after expansion

[Shri Amal Datta]

programmes are completed. That is in the big integrated plant sector. We have another 5 million tonnes capacity in the mini steel sector. During the Second Plan when we started the integrated steel plants the planners envisaged 75 million tonnes of steel production in 2000 AD whereas by that year we will be producing 20 million tonnes as now envisaged. That will be our installed capacity. Even if we are able to produce that much shall we be able to sell all of it at the present price. The price has been enhanced to such an extent that we are pressing ourselves out of market. Our engineering industry is suffering because with this kind of prices they are not able to compete in the world market. It is necessary to see what is the reason for this high cost of steel in the country. Is it because of higher cost of energy or other factors?

Sir, all the countries have been able to ensure that the amount of coal required in steel making goes down. Have we been able to do that? What is the coke ratio, namely, the amount of coke required to produce one ton of steel?

16.00 hrs.

It is 800 to 1,000 KG of coke in this country whereas in Japan, Korea and other countries it is only 450 to 500 KG., just half of what is required in India. Now this has not happened in one day in those countries. It has happened over a period of time. We should have gone on continuously improving our steel mills so that the amount of coke used comes down and down. But we have done nothing, since we put up the integrated steel plants in the late 50s and in the 60s. In 70s we put up the Bokaro steel plant. By that time we should have known that in the world over, steel plants are designed to use much less coke. But we have not taken advantage of that. And now we are at a stage where we require certain very high amounts to be spent on modernisation. This is what is happening. We not only have to expand the capacity of the steel plants to be able to sell the steel, but, we will have also to bring down the price—if not in absolute terms, at least in comparative terms—so that with the increase in prices generally the price of

steel also does not increase any more. Already it has increased quite enough for this country to suffer all along the line. The whole gamut of industries are suffering. They have to survive and expand if we are to compete in the world market.

Speaking about steel and coming from West Bengal, I cannot but mention about the harm that freight equalisation policy has done to that part of the country. Not only West Bengal, but other States like Bihar and Orissa are also affected by this. This freight equalisation policy started from the late 50s. But it is not helping the eastern region. If you want to distribute iron and steel all over the country at the same price, you can do so, we have no objection. But you should ensure cotton, limestone and other commodities to us at the same price at which they are sold at the place where they are grown or mined. But that idea was not accepted by the Government. Ultimately we have been forced to demand that this freight equalisation policy must be altogether given up. We request the hon. Railway Minister to see that this freight equalisation policy is ended so as to help the eastern part of our country. In Howrah and Calcutta, at the applicable rate, the freight of one tonne of steel would be Rs. 90 whereas under the freight equalisation policy, Rs. 490 per tonne has to be paid for steel. In some parts of the country freight equalisation means giving a subsidy to the freight which would otherwise have to be paid. This freight equalisation policy should go. We request that decision on this should be taken as quickly as possible.

16.03 hrs.

[SHRI VAKKOM PURUSHOTHAMAN
in the Chair]

Many people have stated that they congratulate the Prime Minister for bringing together all the three departments namely, Steel, Mines and Coal. It has been said that lot of constraints will be removed and so on. Many people have congratulated the two Ministers as being very dynamic. I just reserve my congratulations till a later date because I believe that the proof of the pudding is in the eating. Some years

later I hope to be able to congratulate the Ministers as well as the Prime Minister for this decision. I will do so if improvements are shown.

Incidentally I may mention that while we have been able to increase our production from one million tonnes in 1955-56 to about 8 million tonnes now, we have been just stagnating between 8 to 10 million tonnes for the last few years. But China, during this period, increased its steel production from below one million tonnes to nearly 40 million tonnes. Our achievement has been nowhere near that of China.

Now achieving the targets does not depend on whether the Prime Minister puts all the three subjects under one Ministry and the Minister in charge being dynamic. We have to see the system under which we are operating them. That system has to change. There is no accountability, there is no system of proper accounting even. We do not care what is the raw material consumed in our steel industry compared to what is consumed in the steel industries in other countries and we do not try to bring down the consumption of inputs. Not that process as are unknown to us, they are very much known to us. But we do not see that these are actually implemented. Why do we not do that? We do not do it because there is no accountability. When the General Manager finds that there is going to be a loss, they just come to the Ministry and say that the price of steel has to be increased. Now, the price of steel is increased and automatically either the loss is minimised or there is profit as in this year. Now, having increased the price of steel in February on an average of Rs. 600 per tonne, there has been a gain, in the value of steel lying in stockyard, there is, about one million tonnes of steel in stocks whose value has gone up Rs. 60 crores and because of this SAIL was able to show a profit of Rs. 25 crores or so as published in the newspapers. The Minister should be able to give the correct picture as to whether this is due to good and efficient working or due to increase in price of steel which was lying in stock.

Sir, the hon. Minister has said somewhere—I am referring to Mr. Sathe—that we have to introduce 'Tisco culture' in our steel industry. I have an objection to this kind of expression 'Tisco culture' because introduction of a private sector culture in the public sector is not a correct approach. I did not expect from the Minister who is known to be a supporter of public sector such a statement. If Tisco has good accounting and good management, they ought to be introduced in the public sector, but Tisco like other private enterprises have something more than that which I do not want to be introduced in the public sector. I do not want these cultures to be introduced in the public sector.

In the field of coal, one or two things I want to mention. Sir, recently royalty on oil has been increased. Now, oil is a product of nature for which nobody can take credit. But, nevertheless, the State Govt. is barred from making use of it, it has to be paid compensation in the form of royalty. The royalty on oil has gone up, nearly three times. It has been increased from Rs. 61 per tonne to Rs. 185 per tonne. Now, the increase in royalty on coal in ten years is Rs. 1.50 per tonne although the price of coal has gone up from Rs. 30 per tonne to more than Rs. 300 per tonne. We have made a demand for increase in royalty on coal and I would request the hon. Minister to look into this matter and see what he can do. Being an advocate of public sector, I would also request him that he should see that there is workers' participation in the management at all levels, not merely inducting one worker in the Board of Directors which will meet once in two months or three months, but at all levels in Joint Works Committees, Production Planning Committees, Personnel Planning Committees, Perspective Planning Committees and also in Financial Control Committees so that rampant corruption which is responsible today for loss in coal and steel can be eliminated completely.

[Translation]

*SHRI R. JEEVARATHINAM (Arakonam): Mr. Chairman, Sir, I rise to

[Shri R. Jeevarathinam]

say a few words on the Demands for Grants of the Ministry of Steel, Mines and Coal for 1985-86.

Steel is the basic raw material for the industrial development of the country and that is why steel production is in the Public sector. Only when steel is in the core sector, we will be able to capture the commanding heights of the economy. In full realisation of this imperative necessity, the former Prime Minister Pandit Jawaharlal Nehru established steel mills in public sector in different parts of the country. After him, we have not been able to put up such large steel mills. Now there has been population explosion. There is continuous demand for steel in public sector enterprises and also in private sector industries. I would like to request the hon. Prime Minister and the hon. Minister of Steel, Mines and Coal that bearing in mind the growing requirement of steel, large steel mills should be set up in the country. When this is undertaken, it must be ensured that the requirement of Tamil Nadu and other Southern States is given due consideration. Surveys should be undertaken there and such large steel mills should be set up there.

I am sure that the hon. Minister would look into this and do the needful in this regard.

Sir, the Neiveli Lignite Corporation is functioning profitably. In 1985-86, this Corporation is expected to generate Rs. 70 crores internally. If this target is to be achieved, then all uneconomic and wasteful expenditure should be curbed. If this is not done, then the lignite price will have to be raised; alternatively, the arrears of payment to the tune of Rs. 100 crores due from Tamil Nadu State Electricity Board should be collected vigorously. At any rate, I suggest that the price of lignite should not be enhanced. Similarly, the electricity tariff should also not be hiked up.

I would like to refer to another important problem. The Neiveli Lignite Corporation has acquired 128 hectares of land so far, and 42 hectares of land are yet to

be acquired. Unfortunately, a purposeful rehabilitation programme has not been implemented for the benefit of people whose land has been acquired. They are suffering in the absence of livelihood. I want that the hon. Minister should look into this and implement a rehabilitation programme for the good of these people. The prevailing market price of land must be paid to those whose land will now be taken over, besides providing them alternative livelihood. There is one Paravanan Canal. This should be strengthened and widened so that the waste water can be taken through this canal for irrigation purposes. In the interest of generating more electricity, the Government of Tamil Nadu have sought the approval of the Ministry for third mine-cut in Neiveli. I request that approval should be given for third mine-cut in Neiveli.

Thousands of workers here are under labour contract system. They are being exploited. They get the daily wage of Rs. 5 or Rs. 6/-. I take this opportunity to suggest that the Neiveli Lignite Corporation should allocate separate funds for the welfare of workers and their wages should also be raised.

You know, Sir, that coal has to come by sea from northern collieries to Tuticorin Super Thermal Power Station. There is inordinate delay in the transportation of coal by sea. The situation has worsened to the extent that the coal has to be rushed to the Power Station for that day's requirement. At least one month's stock of coal should be available with Thermal Power Stations. Unfortunately even the day's requirement of coal is not available. This hampers the generation of power. I wish that the hon. Minister bestows his personal attention in this regard and ensure that power generation is not hampered for want of coal. Similarly, the requirement of coal for Ennore Thermal Station should also be met adequately and expeditiously and for this purpose effective coordination must be established with the Railway Ministry. There is another reason also for referring to this aspect. It is authoritatively learnt that Coal India is reducing its production of coal because of the growing stock-pile

of coal at the pit-heads, running to several lakhs of tonnes. When there is coal scarcity in different parts of the country, we should not cut down coal production. We should have a proper plan for the movement of coal to the required centres of production. The Coal India should undertake a purposeful supply management programme, instead of cutting down coal production.

The large steel mills are located in northern States. The industries located in the adjacent areas are able to get steel at comparatively lesser prices than those industries located in southern States, where the coal has to reach through wagons. In order to give advantage of price of steel to industries in Southern States, the Government is implementing the freight equalisation scheme. Concessional freight rates are given for this purpose. It is understood through authentic sources that freight equalisation scheme is being scrapped. If this is done, then the small industries in Southern States will be decimated. I seek the good offices of the Minister of Steel for the continuance of freight equalisation scheme for the survival of small industries in South. I also suggest setting up of steel stock yard in Tamil Nadu for ensuring regular supply of steel to rolling mills in Tamil Nadu and adjoining States.

According to 1985-86 Annual Report of the Ministry, substantial stocks of coal are on stock. When this is the prevailing position, permission has been given to the Government of Tamil Nadu for the import of a lakh tonne of coal from Australia. This is primarily due to inadequate transport facilities. The Railway Board and the Department of Coal should work in unison in national interest and ensure that the requirement of coal in Tamil Nadu is supplied without interruptions.

With these words I conclude my speech.

*SHRI C.K. KUPPUSWAMY (Coimbatore): Mr. Chairman, Sir, I thank you very much for giving me this opportunity

to participate in the discussion on the Demands for Grants of the Ministry of Steel, Mines and Coal for 1985-86.

My parliamentary constituency, Coimbatore, is the industrial hub of Tamil Nadu. In Coimbatore District, several lakhs of workers are working in industrial units and textile mills. There are several hundreds of small foundries in Coimbatore. The basic input requirement for these foundries is steel and coal. Unfortunately, there is no assured supply of steel and coal for them. Their production is impeded several times because of non-availability of steel and coal. Hence I take this opportunity to request the hon. Minister of Steel, Mines and Coal that adequate quantities of steel and coal should be supplied to Coimbatore. In order to ensure this, I suggest that a coal stock-yard and a steel stock-yard should be set up in Coimbatore. Then only there will be uninterrupted supply of steel and coal to the foundries and other engineering units in Coimbatore.

I would refer to the black granite mines in Dharmapuri, Salem and other adjoining districts. This black granite is in great demand in foreign countries. Unlike the marble, which is in white, granite stones are available in multiple colours also. We have been earning foreign exchange by the export of black granite stones. Several lakhs of workers are eking their livelihood in these mines. Unfortunately, the Government of Tamil Nadu have closed these mines. The workers are struggling for survival. The country is losing valuable foreign exchange. I demand that the Central Government should take over these black granite mines and give livelihood to lakhs of workers.

As I would not like to repeat the points raised by other hon. Members, I conclude my speech by stressing once again the urgent necessity for setting up a coal stock-yard and steel stock-yard in Coimbatore for ensuring supply of coal and steel to foundries and other engineering units in Coimbatore.

* The speech was originally delivered in Tamil.

[Translation]

SHRI LAL VIJAY PRATAP SINGH (Sarguja): Mr. Chairman, Sir, I rise to support the demands for grants relating to the ministry of Steel, Mines and Coal. Our country is a developing country and with a view to speed up the pace of development further, it is necessary that all the departments under this Ministry be provided with adequate funds.

In this connection if we look towards, the Ministry of Steel, we find that it is a Ministry which has to serve every major and minor industry in the country. Steel is required in every sphere of industrial field whether it be the motor car industry, the Aircraft industry, the Railway Coach or wagon manufacturing unit, or the spare parts manufacturing units or any other units. Steel, has, therefore, got an important place in the developmental phase of our country. It is a matter for happiness that effective steps have been taken in this direction.

If we look towards our past, we find that there used to be only one or two big steel plants in which steel was produced. One of them was the Tata Iron and Steel Company and the the other one was the Indian Iron and Steel Company and they produced 10 million tonnes and 3 million tonnes respectively. Fortunately we have made tremendous progress in this direction and we have been able to meet most of our requirements of steel with the steel produced within the Country, but it is a matter of concern that a huge quantity of costly steel is still imported by us from the foreign countries. A large quantity of such steel is produced in the country for which there is no proper market. I would like to draw the attention of the hon. Minister towards this and request that we should lay emphasis on production of such steel which is consumed more in our country.

So far as provisions under various heads of this Ministry are concerned, I would like to say that despite limited resources and financial constraints, commendable efforts have been made by him. It is also commendable that suitable allocations have been made for Bokaro, Bhilai, Rourkela, Durgapur and other steel plants.

Regarding Mines Department, I would like to say that the allocations made in the budget for this year are proper and are less -as compared with these made last year whenever there is lesser need. This effort is also to be appreciated, because in the national perspective it becomes necessary to make allocations only in public interest.

So far as the coal industry is concerned I represent a district where there are a large number of collieries. In my view there is need for streamlining of this industry.

Mr. Chairman, Sir, if we look towards the past we find that there was stagnation in the production of coal and every year approximately 100 million tonnes of coal was exploited, but it is a commendable thing that we have taken a lot of steps to increase the production of coal and now, we have achieved a capacity of extracting 147 million tonnes of coal. Mr. Chairman, Sir, most humbly, I want to draw the attention of hon. Minister to some important issues. Due to paucity of time, I do not want to go into the statistics. I am helpless in that, but I would certainly say that in spite of the huge production of coal in our area, the local people are not supplied with coal. I would like to request the hon. Minister to make some arrangement in this regard. Another point has been made here emphatically with regard to coal that the people sell their permits to another person at double or treble the price and thus misuse them. I want that the hon. Minister should take some effective steps to check this malpractice.

Mr. Chairman, Sir, now I want to draw the attention of hon. Minister, to some serious issues. As you know, a huge quantity of coal is produced around our Sarguja area, but due to lack of coordination between the Railways and the Department of Coal, I find that a large quantity of coal either remains untransported or it catches fire. I want that the hon. Minister should pay sufficient attention to this aspect also and take effective steps. We should develop such a system that whatever coal is produced is put to use or is consumed.

It is also a matter of concern for us that we cannot produce enough coking coal in our country. This is unfortunate for the country. We should produce enough coking coal indigenously and should make efforts to remove the difficulties being faced in its production.

Mr. Chairman, Sir, another important thing which I want to say through you is that our technology has not been developed to the extent it ought to have been. For instance, the proposal for Russian and Czech technology for utilizing slurry was discussed and there was a proposal to import this technology from there. We should pay attention to all these things. Today, our coal industry is very vital for Madhya Pradesh. It should make further progress and contribute to the progress of the entire country.

So far as the question of employment is concerned, corruption is still rampant in this respect and we must remove it. While we do a lot for providing employment, we have to ensure that employment opportunities in every field in our area are properly managed. For that purpose, you can coopt public representatives as members in the management. There is a need to evolve a system under which no official in the Government could indulge in corruption.

There is a question of payment of compensation to the people in our State. From these demands, it is seen that a big amount has been sought for the payment of compensation. But, unfortunately a large section of the people is deprived of compensation. The land of some people cannot be transferred to W.C.L. only because of their being Adivasis. There is some legal hitch in it. As a result of this, they are deprived of employment opportunities also under the rules of W.C.L. I want to draw the attention of the hon. Minister to this also. The rest of the things, I leave to the hon. Minister.

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Steel, Mines and Coal.

Undoubtedly, steel is the foundation of industries and no success can be achieved in developing countries in the matter of industrialisation without steel. The Central Government have set up many industries in this sector in the past years and also acquired many companies in 1980. These companies have not utilized their full capacities to meet the needs of the country.

It is reported that due to shortage of power and coal and difficulties in rail transportation, production in Rourkela and Bokaro steel plants has been adversely affected.

I would like to congratulate the hon. Minister of Steel and Mines on maintaining liaison this year with the authorities like, Coal India, Damodar Valley Corporation, State Electricity Boards and the Railways responsible for supplying major inputs, with a view to solving the problems relating to supply of inputs.

It is heartening that as per the figures published by the Directorate General of Commercial Intelligence and Statistics, about 28 lakh tonnes of steel valued at Rs. 1009.9 crores were imported during the year 1981-82 whereas during 1983-84, only 5.7 lakh tonnes of steel valued at Rs. 249.56 crores were imported.

I am of the view that if these steel companies utilize their full production capacity, perhaps there will be no need for import and thus a huge amount of foreign exchange will be saved.

All Public Sector Companies are continuously incurring losses worth crores of rupees. It includes all big companies, in which a large amount of foreign capital has been invested, such as, to Bhilai Steel Plant, Durgapur Steel Plant, Raurkela Steel Plant, Bokaro Steel Plant, etc. I am sorry that I have to draw the attention of the hon. Minister towards falling production in prestigious steel plants of Bhilai, Durgapur and Raurkela, as the total production in these plants this year has been 54.12 lakh tonnes of steel ingots as against 60.55 lakh tonnes last year. Although, this production is 101 per cent of this year's target, yet it is 11 per cent less as

[Dr. Chandra Shekhar Tripathi]

compared to last year's production which is not justified at all.

Sir, similarly, in the Bird Group of companies, the Orissa Mineral Development Corporation Limited incurred a loss of Rs. 20.84 lakhs in 1984. Kalanpur Development Company Limited incurred a loss of Rs. 23.08 lakhs, Scott and Sexby Limited Rs. 22.95 lakhs, Kumardubai Fire Clay and Silicia Works Ltd. Rs. 139.31 lakhs, Bisara Store Lime Company Ltd. Rs. 56.46 lakhs, and Stern Investment Limited incurred a loss of Rs. 3.08 lakhs, whereas the Tata Iron and Steel Company, a private sector company has reported a profit of Rs. 18.96 crores for the period April to September, 1984.

Sir, the big industries of public sector enjoying all facilities and having monopoly are continuously incurring losses to the tune of crores of rupees and the process of levying taxes on the common people to make up for this loss does not seem to be justified, because it will certainly lead to inflation and rise in prices. I want that the hon. Minister should give special attention to salvage the public sector from this loss, so that the economy of the country could be strengthened. Therefore, my suggestion is that Government should at once stop all royal extravagancy, such as officers staying in five star hotels, holding meetings there, making payment of telephone bills to the tune of lakhs of rupees, frequent foreign jaunts and the expenditure being incurred in providing luxuries to the officers. It would be better to establish a direct link between production and amenities,

I also find that during the year under review, 1,481 accidents were reported in these companies of which 23 were fatal. Safety measures in these companies should be strengthened to reduce the number of accidents to the minimum.

Sir, it is the intention of our Prime Minister, Shri Rajiv Gandhi that regional imbalances should be removed in the field of development. I am sorry to point out that a step-motherly treatment has been meted out to Uttar Pradesh in this Budget. I want that the hon. Minister should

announce the setting up of a heavy Steel Industry in Uttar Pradesh, which is the biggest State of the country and make efforts to see that a situation of industrial unrest which could adversely affect the production does not arise in the current as well as coming years.

Sir, tin-plated brass utensils of Muradabad are famous throughout the country and a large quantity of these utensils is also exported which earns foreign exchange for the country. The manufacturers there do not get timely supply of coal at present and consequently they are forced to buy coal at very high prices due to which their units are on the verge of closure. I would request the hon. Minister to take effective steps in this regard so that the utensil industry is not forced to close down and the people engaged in it are not deprived of their livelihood and the amount of foreign exchange being earned therefrom maintained,

With these suggestions, I once again support the demands for grants of the Ministry of Steel, Mines and Coal.

[English]

SHRI K.RAMAMURTHY (Krishnagiri): Mr. Chairman, Sir, I rise to support the Demands for Grants under the control of the Ministry of Steel, Mines and Coal. I am joining with my other colleagues in congratulating the hon. Prime Minister for clubbing these three major Departments in one Ministry to facilitate in removing the bottlenecks and constraints for the smooth functioning of these three Departments. These three Departments are very vital and are a live wire for our country's progress. I also congratulate the new Ministers who have taken over charge of these vital sectors of our economy.

First of all, I would like to say about steel. As Shri Amal Datta has pointed out, we had begun our steel production with one million tonne. Now we have increased the production stage by stage and nearing self-sufficiency. This is not a small achievement and we should thank the broader vision of our late Panditji for his involvement in the public sector.

and for establishing these huge steel plants in the country. Though the production has increased, it is not to the extent of the installed capacity. I request the Minister to concentrate on this vital point and see how far these public sector steel units have achieved their installed capacity.

Somebody here has referred to TISCO. TISCO is in private sector and they do not have any special job to do, whereas the public sector undertakings are to do social justice to the country, they have to fulfil some social obligations. For this purpose, we have earmarked certain categories of items to be produced in some public sector steel mills and certain other categories for other mills, though by doing this we may incur losses also. If we allow the public sector steel plants to have their own way of profit-making, then some of the essential steel items will not be available to the vital sectors of the country. So, we cannot compare these public sector steel plants with TISCO. That is the argument I want to put forth. TISCO may go in for some special items of steel which are going to earn profit for them but we cannot earmark those sort of things for our public sector steel plants. If profit motive alone is the consideration, then, I am afraid, we may not be able to supply the essential steel items to the vital sectors like defence production etc.

Secondly, I must congratulate the workers and the management of the Salem Steel Plant and also the Steel Authority of India Ltd. for having achieved the production target and for earning Rs. one crore as profit. This is not a small achievement. Why I am referring to this is because as per the project report, the Salem Steel Plant was not at all expected to earn this profit at this stage. But it has not only achieved the target but also made a profit of Rs. 1 crore. I would request the hon. Minister Shri Vasant Sathe to take this into account because we have turned the table. Now we are demanding a second Senzimir mill at the cost of Rs. 50 crores. So far the Salem Steel Plant has been producing 32,000 tonnes per annum and if you invest another Rs. 50 crores for the expansion of the Salem Steel Plant, the production will be doubled. The Govern-

ment should at least consider it in this light.

Some of my friends here have mentioned that the Salem Steel Plant was envisaged as an integrated steel plant, but now it has resulted into a steel rolling mill. This is partly true. Therefore, in order to brush away this type of impression, I would request the Hon. Minister to come forward and announce the second Senzimir mill for the Salem Steel Plant which is going to double its production. It will cost only Rs. 50 crores.

Another point which I would like to mention here is that after every three or four years the National Joint Negotiating Committee of the Steel industry is having bipartite negotiations and they are arriving at an agreement. Previously the decision-making power was at the hands of the Steel Authority of India Limited, but I now find that this power has been taken away by the Government. In such a situation the bipartite negotiations will have no use at all. Therefore, this power should be reverted back to the SAIL enabling them to arrive at agreement in the matter of workers' demands.

With regard to mines, the difficulty now is that the mine leasing is being vested with the State Governments. There are two types of minerals in the mines—minor minerals and major minerals. As far as the major minerals are concerned, the Government of India is giving the power for renewal of licences or of licensing of mines to the State Governments. The State Governments are not adopting uniform policy in this matter. For example, in Tamil Nadu, a cement industry which has applied for renewal of licences for its lime-stone mines, has been given only three year's extension. In such a situation how will the cement industry be able to run smoothly? Therefore, the policies should be uniform. The Government of India should come forward and notify some of the major industries which involve major minerals and such industries should be given at least twenty years of licensing or for renewal of licences. They are not even differentiating between the public sector and the private sector undertakings. The State Government takes it as a tool to

[Shri K. Ramemurthy]

threaten the industrialists for some extraneous and political reasons and they victimise these people whenever they want to do so. This question must be taken into account and the Government of India should come forward and advise all the State Governments that the renewal of licences or issue of licences should be not less than a period of twenty years at least for major industries.

Now I come to another point about the licensing of minerals and metals in and around the large industries. The State Government is giving licences to small holders of mines ranging between two acres and four acres. As a result there is a mushroom growth of small licence holders. In such a situation how will the large scale industries thrive? They are not able to have enough mineral resources or deposits as a result of this system. I had raised this point in the Seventh Lok Sabha and the then Industry Minister, Mr. Tiwary had assured that wherever there are major industries, fresh licences to the small mine owners will not be given in and around twenty kilometres of such industries. But in Tamil Nadu, particularly in the cement industry, I find that the Tamil Nadu Government is giving mushroom licenses to small mine owners. The result is that the cement industry is now at the verge of closure there, because the industry is facing acute shortage of raw materials. This is an important point and the Ministry should be seized of the situation.

Next I come to the coal mines. As has been demanded by my colleagues here, the Neiveli Lignite Corporation, which is another public sector unit is earning a profit, thanks to the Central Government for having sanctioned the second mine cut in Neiveli. And now exploration is going on for the third and fourth mine cut. This is very vital. You know, even in the month of January the people of Tamil Nadu are facing 50 per cent of the power cut. That affects the industrial growth, that affects even the basic structure of our living. NLC is the only source of power for us, apart from the thermal and other hydel projects. This Neiveli Lignite Corporation is the only

source of energy for Tamil Nadu for overcoming the bad power situation in Tamil Nadu. So, the third and fourth mine cut should be sanctioned by the Government of India in respect of this Neiveli Lignite Corporation.

There are two points regarding Neiveli Lignite Corporation. In NLC whatever power they have generated, that is being linked to the National Grid. Even though the NLC is situated in Tamil Nadu, Tamil Nadu is given lower priority. What I insist is that the entire power generated by the NLC should be given to Tamil Nadu. I am not talking from the parochial point of view. But in view of the shortage of power in Tamil Nadu, that should be done.

Another point is that the cost of the unit of power supplied to Tamil Nadu is very high. That will suck the blood of the Tamil Nadu Government. So, there must be reduction in the price per unit of power supplied to Tamil Nadu.

Another point which I would like to mention is about my constituency. The Geological Survey of India has already surveyed the area of Chigargunta and Mallappakonda. These are the two places in Andhra Pradesh. The gold mine is situated in the trijunction of Karnataka, Andhra and Tamil Nadu. Now, for want of gold reserve deposits, the Kolar Gold field is facing depletion of the deposits of gold. From Andhra and Tamil Nadu they can take whatever deposits are available in that area for temporarily melting in the Kolar Gold field, which should be allowed. The melting area is situated in Karnataka, the mine is situated in between Tamil Nadu and Andhra. In this respect some justice should be done to Tamil Nadu by constructing the colonies, by constructing the quarters, by building a township at Veppanapalli in the Tamil Nadu, which is hardly two or three kilometers from the gold mine. So, I demand that exploration of gold deposits in my constituency should be expended and production should start immediately.

Another point is, there were some zinc deposits in Mamandur which were explored

by the Geological Survey of India. It was discovered that there were some zinc deposits in Mamandur in the Chingleput district. But it was abandoned afterwards. So, I insist that further exploration of zinc deposits in and around Mamandur area in Chingleput district of Tamil Nadu should be undertaken since there is ample scope of availability of huge zinc deposits.

With this, I support the Demands for Grants.

[Translation]

SHRI SALAHUDDIN (Godda) : Mr. Chairman, Sir, I fully support the Demands for Grants in respect of Ministry of Steel, Mines and Coal. At the same time, I would like to highlight certain points connected therewith.

[English]

Steel and mineral resources are the basic requirements for the all-around development of the country.

[Translation]

History of steel begins from 1907 when Jamshedji Tata set up a steel plant at a place named Sakshi in 1907. I would like to tell that at that time London Stock Exchange had refused to purchase shares of Tata Company. This roused patriotic sentiments in the Indian people and they purchased complete shares of the company overnight. I want that national sentiments should become a moving force behind Indian industries but along with it the interests of the workers should also be taken care of. The living conditions of coal mine workers are pitiable. It appears as if they are living in hell. Their houses neither have the facilities of privacy nor even of ventilation. Only one door is provided in them which serves the purpose of ventilation also.

I would also like to point out that there is great difference in the prices of coal at mines and in market. The prices of coal increase manifold after reaching the market. I, therefore, request the Minister of Coal to bring radical changes in the coal distribution system so that the gap between the

prices of coal at mines and those prevailing in market can be minimised.

I come from Santhal Pargana. It is tribal area and number of adivasis there is very large. In 1973, when coal industry was nationalised, 30 to 40 collieries were nationalised at that time. There was a company named O.P. Santhalia. It was also nationalised in 1973, but it is unfortunate that they could not be commissioned from 1973 till date and the workers of that company were rendered jobless. Hence, I would request the hon. Minister that arrangements should be made to commission these 30 to 40 collieries and the workers rendered jobless should be provided employment. It is a great injustice to them. If O.P. Santhalia Company was not in a position to work, it should not have been nationalised. When it has been nationalised, it becomes your duty to provide employment to those workers, who were rendered jobless. Besides, I would like to point out that these collieries are located near the railway line and 'A' grade coal is produced in them. Keeping in view the facts that they produce 'A' grade coal, they are located near the railway line and they were nationalised in 1973, why they are not being commissioned? These collieries are located in Santhal Pargana, where Santhals live. These people are being exploited and are being subjected to injustice by not commissioning the collieries. I would like to know from the hon. Minister what steps have been taken to open these collieries. Similarly, special attention should be paid towards Jayanta Colliery and Vaiskapi Colliery, which are located in Deoghar district, and arrangements should be made to open them early.

I highly appreciate the steps taken by government for the development of steel and coal industries. These industries have played a historical and glorious role in the development of the country.

With these words I conclude and thank you for allowing me to speak.

*SHRI HARIHAR SOREN (Keonjhar) : Mr. Chairman, Sir, I rise to support the demands for Grants in respect of the Mini-

*The speech was originally delivered in Oriya.

[Shri Harihar Soren]

stry of Steel, Mines and Coal. The departments like steel, mines and coal are very important. When allocation of funds is made for these departments, it should be in keeping with the various programmes to be undertaken by these departments. I have gone through the demand documents and found that the amount allocated to this department is highly insufficient. The various development programmes proposed to be taken up by these departments cannot be completed with this amount of allocation.

Many hon. members have given a number of suggestions for the improvement of the performance of our public sector steel plants. While speaking on the demands, I would like to draw the attention of the hon. Minister towards some very urgent issues pertaining to my State. I hope the hon. Minister will attend to those problems and do the needful.

Sir, we have got a public sector steel plant at Rourkela in Orissa. Many people from all over Orissa and outside are working in that steel plant. But the number of employees from Scheduled Castes and Scheduled tribes is very small. I urge upon the Minister to provide more employment to ST and SC candidates in that plant. At least the posts reserved for scheduled castes and scheduled tribes should be filled up by candidates belonging to these communities. Sometimes on the plea of non-availability of candidates from SC & ST the reserved posts are filled up by general candidates. This practice must be stopped forthwith.

When the establishment of the steel plant was taken up, many people living at Rourkela had to vacate their land. They had been living there for many generations. But they were displaced due to the location of the steel plant at that place. At that time an agreement was reached between the steel plant authority and the affected people. Under the agreement the affected people were to be provided jobs in that steel plant. But it is regrettable that this agreement has not been implemented. I request the Minister to see that at least one person from each affected family is

provided suitable employment in that steel plant. Necessary directive should be sent to the steel authority of India Ltd., to take some early steps in this regard.

Sir, Govt. of India had taken up the programme of modernisation and expansion of steel plants during the 6th Plan. Funds had been provided to different public sector steel plants for this purpose. The expansion of Rourkela steel plant was also taken up. But the expansion programme has not been completed so far. The further expansion of Rourkela steel plant is very necessary. It should be started very soon. There is also greater need for the modernisation of Rourkela steel plant. Immediate measures should be taken to modernise it. I hope that the modernisation programme will be completed by the end of the 7th Plan. Proper fund allocation should be made for this purpose.

New, I would like to speak a few words about the second steel plant proposed to be set up in Orissa. Daitari was selected as an ideal place for the establishment of steel plant. All sorts of infrastructural facilities are readily available there. The people of Orissa have been demanding the setting up of the second steel plant at that place. The Government of Orissa have pursued this matter at the Union Minister's level on different occasions. If a steel plant is set up at Daitari, it will provide employment to many unemployed educated youths of the State of Orissa. The local people most of whom are SC & ST will get suitable employment in that proposed steel plant. Therefore, I appeal to the Minister to expedite the implementation of this proposal.

Then I would like to say something about mines. As you are aware, Orissa is rich in minerals. Large number of iron ore, manganese, bauxite, graphite, chrome ore, and mica mines are located in Orissa. The mining industry plays a vital role in the economy of the State.

I come from Keonjhar district, in Orissa. This district has a number of iron ore and manganese mines. High grade iron ore, mainly of export quality is

available in this district. But due to lack of proper rail transport facility the mine-owners and other transporting authorities are facing serious difficulties in transporting the ore to Paradip port for export purposes. Thousands of tons of iron ore mined from different mines and brought to Banspani are accumulating at the pit heads. On completion of the construction of Jakhapura-Banspani railway line, the iron ore and other minerals can be transported to Paradip port by rail on shorter distance. The transport cost of Mineral and Metals Trading Corporation can be reduced. Therefore, it is necessary to complete the construction of Jakhapura-Banspani rail link. I request the Minister of Steel, Mines & Coal to establish proper coordination with the Ministry of Railways and see that this railway project is completed at an early date.

Secondly, I suggest to the Minister of Steel Mines & Coal to keep proper contact with the Minister of Commerce who can contribute a lot for the development of the iron mines located in Keonjhar, Mayurbhanj and Sundergarh districts in Orissa. Sir, the iron ore available in these districts is in great demand in the international market. MMTC is the sole channelising agency for exporting iron ore. As the iron ore available in these districts is in great demand in iron ore importing countries, the MMTC should increase the procurement of iron ore for export purpose from those mines. This will be possible, if proper coordination is established between the department of mines and MMTC.

17.02 hrs.

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

Sir, many iron ore mines have closed down in Badampchar, Goru Mahishani and Suleipat areas in Mayurbhanj district, Orissa. Thousands of workers, most of whom are SC & ST engaged in those mines have been thrown out of employment due to the closure of those mines. Therefore, I request the Minister to open those mines once again.

I would like to draw the attention of the Minister to another important problem,

That is regarding the problem of non-captive mines in Orissa and Bihar. The public sector steel plants were procuring iron ore from those mines. But since the last two years they have reduced the off take of iron ore. The decline in the off take of iron ore by the public sector steel plants from their non-captive mines has caused a great uncertainty in the functioning of those mines. This has resulted in large scale retrenchment of workers who were earning their daily bread from those mines. So, I request the Minister of Steel, Mines & Coal to direct the public sector to increase off take of iron ore from their non-captive mines.

My speech will remain incomplete if I do not speak about the coal mines in Orissa. There are many coal mines located in Talcher, in Dhenkanal district and Ib valley areas in Sambalpur district. Besides, the recent exploration has revealed huge deposits of coal near Gopalpur in Sundergarh district. The Talcher Coal mines are under the control of Central Coal Field, Ranchi whereas the Ib valley coal fields are managed by western coal field, Nagpur. Proper attention has not been given to the development of the coal mines located in Orissa as those mines are under the administrative control of two different coal companies. For the development of the coal mines in Orissa, it is very much essential to bring all those coal mines under the administrative control of one subsidiary company of Coal India Ltd. Its head office should be established at Bhubaneswar.

Lastly, a word about gold mines in Keonjhar. The Geological Survey of India had undertaken survey in some parts of Keonjhar and found deposits of gold near Telkoi. I request the hon. Minister for the exploitation of gold deposits discovered in that area.

Sir, thank you very much for having given me the opportunity to take part in the discussion on the demands for grants pertaining to the Ministry of Steel, Mines and Coal. Once again, I support the demands wholeheartedly and conclude my speech,

[English]

SHRI KAMAL NATH (Chhindwara) : Sir, we are discussing today Demands for Grants of a very crucial Department and I will come straight to the point. I will confine myself mainly to the coal sector in which, I have been involving and applying myself for the last several years.

There has been in the past on the floor of this House, in the press and otherwise, reports about pithead accumulation of coal. This is because of shortage of wagons or due to some other reasons. Now it is said that it has disappeared. I do not want to talk about pithead accumulation of coal. I want to talk about pithead accumulation all right, but pithead accumulation of stones and rubbish which I have seen myself is a part of the stocks of the various coal companies. This is personal assessment. This is not based on figures or statements which have been made. This is based on what I have personally seen in my own district. In my own district, I have seen that the stock figures of coal are not represented only by coal but there is a substantial amount of stones, rubbish, and boulders which have nothing to do with coal. Now, if this is not coal, let us recognise the fact and let us say that this is not coal, and that we have made a mistake. If our facts, our accounts, our stock position, is wrong, let us recognise this fact. Let us not continue beating the same drum that this is coal because certainly we can see what coal is. I can recognise what coal is and coal is not stones and rubbish and garbage. No amount of persuasion, no amount of statements by the Government, by the Minister on the floor of this House or on any forum, is going to convert stones and garbage into coal. This is a point to which we must apply ourselves and the Government must apply themselves.

For the last five years, to show increased production, we have shown increased stones, increased rubbish and increased garbage. Let us admit that we have made a mistake in measurement and let us correct our stocks of coal. It is very important that we do this.

The next point is that the procedures and patterns and methods we follow in mining are so antique that workshops have to be put up to manufacture spare parts to deal with the antique methods of mining! There is some collaboration with the British or the Germans for mining, but it is only in a small way that it is being done, and nothing more happens. About these antique methods of mining, we have to do something. We have to get on to the modern methods of mining and get the maximum yield not only from every human being but also from every rupee also. We have to get the maximum mileage from every rupee and the maximum mileage from every man-hour in a coal-field. We are not getting the maximum mileage from any outlay whether it is man-hour outlay or rupee outlay. It is imperative that we must get the maximum mileage. I think, the Government should make an effort to have a phased programme of modernisation of the coal-mining process. We are going down to 2000, 3000, 4000, 5000 feet. All the lifts which are being used—I have used them myself—are antique. If they were abroad, they would be put in a museum. These are not safe for the workmen; these are good for nobody. We have to make a phased programme and do it in five years or even more. We may not be able to do it overnight. There is the constraint of resources; I understand. But let us say that we are going to do it in the next five years: these mines we are taking up this year, these mines we are taking up in the next year, these we will be taking up in the Seventh Plan, let us say that these we will take up even in the Eighth Plan—there is no harm. But let us make at least a phased programme, let us give ourselves a direction, let us give those people in the coal mines a direction. Let them know that there will be some light at the end of the tunnel, that some time, they themselves may not see it but at least their children will see modern methods of mining.

Over the years a very strange and anomalous situation has developed. There is a thing called 'indicated reserves'. In the

statistics we see 'indicated reserves'. Then we see another thing called 'prospected reserves'. We have the Mineral Exploration Corporation, we have the CMPDI doing boring. What does 'indicated reserves' mean? It means, to my knowledge reserves found by sample tests. We have got some of the most phenomenal and substantial indicated reserves, and these indicated reserves remain only indicated reserves. They are not converted into prospected reserves. The extent to which they are converted to know reserves or prospected reserves is the extent of production annually. Every year, year after year, we are in the same situation. That means, if we have 'X' amount of prospected reserves, the figure 'X' remains constant. We must at least know what we have. We must get close to knowing what we have. For that, all our indicated reserves, whether they have been found by GSI or any other authority, must be converted into prospected reserves, so that we as a nation know that these are our coal reserves. In the future, in the Twenty-first Century, every country will be dependent upon its energy surplus. And coal is going to be one of the major sources of energy. Let us establish that we have one of the highest or the largest per capita energy reserves in the world. But we cannot establish this; even if we take oil into consideration, even if we take the nuclear power into consideration, we cannot establish this until the time we have done prospecting to prove that our indicated reserves are, in fact, reserves which are mineable reserves, which can be converted. It is very important because all economic strategy, whether it be of the World Bank or any other international institution over the next two decades will depend upon the energy surplus of a nation, will depend on the per capita consumption of energy, will depend on the per capita surplus of energy in a country. So, it is imperative that we act on this now and we make a cohesive plan. I got this done in my district five years ago; the Mineral Exploration Corporation did the boring.

Now they are coming out with some results. These results are given to the coal company concerned. Unfortunately, the coal company concerned takes the results, store them up and they put it in

some mines. It accumulates white ants. I do not know what happens. But it is not converted into prospected and known reserves. It is not converted into figures which can lead to production or into producible mines..

SHRI AMAL DATTA : When we go into the 21st century, perhaps the recovery method will improve.

SHRI KAMAL NATH : I am talking of prospecting. We have to correct this method we have been following. We have to change our own pattern. We have to change our own style and this system of only prospecting a small quantity year to year is erroneous. We must have prospecting and we must be able to establish our proved reserves and not depend entirely on indicated reserves.

Then there is the linkage of various mines. Every mine is linked either to a thermal station or to a production outlay. Whether it goes to the bazaar or whether it goes to a thermal station, this linkage is not the Gita or the Bible. This linkage cannot be a static concept. There is a Linkage Committee of the Government of India. This Linkage Committee is continuously at work on this process of linking and de-linking and re-linking because today, for example, the Koradi thermal station is linked to various coal mines. It is not necessary that it should be so for the next 20 years. There are new mines which are being started and new coal is being found. So we have to find the most economical source and the most economical route of energy. So the linkage has to be a continuous process. What is happening is that once the linkage is done and once a thermal station is linked to a particular coal mine, in perpetuity it remains so linked. Just to cite an example, coal from Chhindwara goes to Gujarat and all the way it goes to Ropar in Punjab. Then whereas coal for Koradi which can come from Kamptee which is just 20 km. away, the coal from Kamptee goes 200 km. away. But for Koradi it comes from 100 km away. This is an absurd situation. We are thereby straining our transport resources. To start with it is uneconomical. We have to have a total review of the linkage of coal mines with the thermal

[Shri Kamal Nath]

stations in the light of new coal beams found and in the light of new production etc.

There is a lot of property which the coal mines when taken over were being used but not being used now. There is a lot of buildings and houses of the various coal companies which are not used at all. My suggestion in this regard would be that they may be handed over to the State Government. Let the State Government convert them into more useful things. There are bungalows and big buildings which are not used by the coal companies. There is an enormous expenditure incurred by the coal companies on these bungalows and buildings for maintenance. They are not used at all. Either the coal companies can start a college or they can open a hospital or they can utilise them for opening schools. They do not start anything because they have no transportation facilities. There is no bus service or it is too isolated. That being the case, the coal companies can perhaps hand these over to the State Government and the State Government can put them to a better use. Some sort of a commercial arrangement can be worked out.

There has been the talk of mafia-mafia in the coal belt. There is and we recognise this. Then there are also coal fields which have not had any historic mafia, but the growth of mafia is taking place. Where the mafia is being crushed—in the Eastern Coal Fields and in the Central Coal Fields it has only been diverted to places where there was no mafia.

So, we have to see that these mafia activities do not get diverted to areas like Madhya Pradesh or Maharashtra. This problem was in Bengal and Bihar. Bengal and Bihar mafia is transferring itself to Maharashtra and Madhya Pradesh. How does it start! It starts because of wrong procedures adopted like selling coal from the pit heads. So, the mafia takes control of it. I have sat and discussed myself at the coal-fields with the managers there. They are totally threatened. So, we have to think of changing our policy. Mafia is only a law and order problem. We have to change the procedures of marketing and

transportation so that mafia cannot come into grips with this.

MR. DEPUTY SPEAKER : Please conclude.

SHRI KAMAL NATH : Sir, a word about employment. I have brought it up in various communications with the Ministry. Employment today in Coal Department is given only, wholly and solely if money is paid. I have a personal experience about it. A villager came to me from my constituency and said that he wanted a job. I asked the concerned officers in the coal-field to help him. I got a reply from the manager saying that there are certain procedures and that he does not fulfil or comply with such and such thing. That man came to me and said if I could give him Rs. 3000/- I will get a job. He don't need my letter. I gave him Rs. 3,000/- and he got a job. This relates to Kanhan and Pench area. A police case was started. An inquiry was held by the government. Two officers of Western Coal Fields were arrested. What has happened? Nothing. So, this is a very serious situation that when the government and the peoples' representatives on the one hand want to ensure that this does not happen all this effort gets negated because no one today gets a job in the Coal Department without paying money. In conclusion I would like to say that we must ensure that this type of corruption does not take place.

SHRI MOOL CHAND DAGA (Pali) :
Mr. Deputy Speaker, Sir,

'The Steel Authority of India has increased steel prices between Rs. 750 to Rs. 1100 a tonne because the losses for the year 1982-83 on a sale of Rs. 3100 crore were over Rs. 300 crores, in spite of 5 increases in the last six years, that is, from Rs. 3,000 to Rs. 5,000 and now it is over Rs. 6,000. Coal India has increased the prices nine times between 1975 to 1983 on turnover of Rs. 1600 crores. There is a loss of Rs. 190 crores.

The biggest sufferer of any price increase are the small scale industries as they have a number of commitments at fixed prices and they also hold no stocks

for want of funds. If TISCO can earn profits and pay a dividend of 20 per cent we are surprised as to what is wrong with other public giants. The only remedy is to make them 'public' instead of bureaucratic, to control the price spiral and mounting losses, year after year'.

[*Translation*]

The money of the country is being squandered. But why is this happening? The Chairman of the Authority says :

[*English*]

The main reasons why the public sector steel industry cannot reduce its costs are (i) excessive manning : the steel plants in India carry three to four times as many men as the plants in the western countries or in South Korea do for their operations ; (ii) arrears of modernisation and technological updating are enormous ; (iii) the public sector steel plants not being vertically integrated like Tata Steel, have little control over their costs as the prices of coal and energy are the result of administrative decisions by external sources.

[*Translation*]

What are the reasons for this loss and who is accountable for this? Nobody is accountable. Which of the steel plants in the country among Bokaro, Rourkela, etc. is earning profit? No plant is earning profit. You are not making improvement in the functioning of existing plants. On the other hand you want to set up new plants. But who is responsible for this loss?

Same is the position in coal sector :

[*English*]

At the 52nd annual general meeting of the Industries and Commerce Association, Dhanbad, held on March 29, at the Association Hall, Mr. P. K. Agarwalla observed in his presidential address that 'the nationalised coal sector has failed in its duty for which it was established. It has failed to give suitable types of coal to the iron and steel industry of the country,

resulting in the import of coal, at huge cost. It has failed to keep the prices under control, as can be seen from the astronomical increase in the price, from time to time. I feel that such an increase in the price cannot be justified'.

[*Translation*]

So, the conditions in coal sector are also not good. You do not maintain any coordination. Coal authorities will say that railway wagons are not made available and steel authorities will talk about shortage of power. You make huge investment in setting up of these big projects. Thereafter, who is going to listen such things from you.

Same is the condition in mines. You are not following the safety rules in mines properly. A large number of workers have been affected by not observing the safety rules. Just now, a mention has been made about mafia gang and theft of coal. Thermal Power Station people say that coal supplied to them is sub-standard. Coal is not supplied to them in time because there is no coordination between one Ministry and the other. The situation in steel and coal sectors is deteriorating day by day. You claim that you are making strenuous efforts. If you go into the prices of coal you will see that they have increased manifold after nationalisation of coal mines. Due to these circumstances, a large number of forests have been denuded for firewood purposes. Had the coal been within the easy reach of the consumer, the forests would have been saved. You are responsible for this. Hence, I want that while giving the reply, you should cover all the points raised in the debate. You should also enumerate the steps proposed to be taken to ensure proper implementation of safety rules to protect the workers.

With these words I conclude.

[*English*]

MR. DEPUTY-SPEAKER : There are a few more Members yet to speak. Now, the Minister of State in the Department of Steel is going to intervene. Afterwards, they can speak,

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : Mr. Deputy-Speaker, Sir, one should be grateful for small mercies.

[*Translation*]

SHRI DAL CHANDER JAIN (Damoh) : Mr. Deputy Speaker, Sir, will it serve any purpose if the Members speak after the Minister has replied ?

[*English*]

MR. DEPUTY SPEAKER : He is only intervening in the debate. Final reply to the debate will be given by Mr. Sathe tomorrow.

SHRI K. NATWAR SINGH : I am merely intervening with regard to the steel sector. A detailed reply to the debate will be given by my distinguished senior colleague, Shri Vasant Sathe, some time tomorrow and he will deal with all the aspects that have been raised here. So, Sir, one should be grateful for small mercies. Our distinguished colleague from West Bengal has said that he would reserve his congratulations in regard to the performance of Mr. Sathe and myself. We are grateful to him that he has not outright condemned us. That is a very good gesture.

SHRI AMAL DATTA : Why do you say so ? I have said that people have praised you unnecessarily, but I said that I would reserve my praise. This kind of remark is not called for from you.

SHRI K. NATWAR SINGH : I have not said that you have condemned us. I am merely saying that I appreciate your reserving congratulations. Do you think that my saying so is wrong ? Mr. Deputy-Speaker, Sir, we have heard with very great respect the speeches made by the hon. Members and the interest that they have taken in the working of the Ministry is very heart-warming. Before I deal with some of the important questions raised here, I will, with your permission and the permission of the House, make a few preliminary remarks.

This is the first time after many years that the House had had an opportunity of discussing the Demands for Grants to

the Department of Steel. I welcome this as it gives us an opportunity to benefit from the views of the hon. Members on this vital sector. I am aware that the performance of the steel sector in the past has left room for improvement. SAIL incurred substantial losses in 1982-83 and 1983-84. There were a number of reasons for this. Input costs rose faster than prices, and in 1983-84 stocks of steel with the plants rose to extremely high levels as a result of which they had to curtail production.

However, I am happy to inform the House that in 1984-85 SAIL expects to make a profit. The exact amount would be known when the accounts are finalised. This has been achieved partly through more realistic pricing, partly through improved technical performance and better working capital management. The first quarter of this year from January to March, 1985 has shown a ten per cent increase in production over the first three months of 1984. For the year as a whole, 1984-85 has shown an improvement in SAIL's production and capacity utilisation. Production in 1984-85 was 5.3 million tonnes for SAIL including IISCO which showed a growth of 11 per cent over last year. Capacity utilisation was 73 per cent as compared to 66 per cent in 1983-84. There was also an improvement in the technological performance of the plants also and a significant reduction in the coke rate was achieved in 1984-85.

This is only a small beginning. We are fully aware of the problems which affect the integrated steel plants in this country and we have already initiated steps to deal with them. Hon. Members are aware that we had called a Steel Round Table meeting to provide a forum for consulting experts on all aspects of the steel industry, in particular, on the steps that are necessary for improving the performance of our steel plants. As a follow-up, we have appointed five Action Groups to give us specific suggestions for being taken up for implementation on a priority basis. We expect to get their reports within the next few months.

SHRI AMAL DATTA : Sir, let him lay these papers on the Table; he is reading.

SHRI K. NATWAR SINGH : If you want, I can, but I am referring to these notes, because I wanted to be accurate. There are so many facts and figures.

For the next year, we plan to increase steel production in SAIL plants by 13 per cent to 5.96 million tonnes and to raise capacity utilisation from 73 per cent to 79 per cent. Bhilai and Bokaro are expected to reach a capacity utilisation of 89 per cent and 87 per cent respectively. We are also paying greater attention to the improvement of raw material inputs and better techno-economic performance of the plants.

As Members are aware, three out of the five public sector steel plants are old and need modernisation. We have drawn up schemes for modernisation of Rourkela, Durgapur and IISCO. A decision on the investment in respect of these schemes would be taken as soon as the 7th Plan allocations are known. These schemes will lead to an increase in production from these plants, bring down costs and improve their profitability.

However, we do not intend to depend only on modernisation for improvement of the performance of these plants. We are proposing to take steps to introduce more effective accountability for performance at all levels so that good work can be suitably rewarded and bad performance appropriately dealt with. The gospel of accountability involves the right to hire and fire. This creates its own perils in our democratic system. However, I am quite clear that unless accountability can be effectively introduced and managers given the freedom to manage, it will not be possible to bring a substantive improvement in the performance of the steel industry. This is a matter to which we are addressing ourselves on a priority basis.

As important as introduction of a proper system of accountability is the issue of management labour relations. I am happy to say that industrial relations in the steel sector have been extremely cordial over the last few years.

The National Joint Council for Steel has proved to be an effective forum for discussions and resolutions of issues pertaining to management labour relations. One of the significant developments in the functioning of this Council has been the joint commitment to improve productivity in the steel plants. The Joint Committees have actually been examining the working of different plants with a view to bring about improvements in productivity. We have received the fullest support from national level trade union leaders in our efforts to improve the working of the steel industry and steps have been initiated with their cooperation to bring about improvements through reduction of restrictive practices and so on.

The overall availability of finished steel during 1984-85 was 9.25 million tonnes. Of this, 7 million tonnes was contributed by the main producers and the balance by secondary producers such as mini-steel plants, rerollers and imports. In 1985-86, we expect this to increase to 9.92 million tonnes and by the end of the 7th Plan, the availability of finished steel will rise to 13 million tonnes. Of the additional production during the 7th Plan, SAIL including IISCO will be contributing as much as 2.5 million tonnes. The mini-steel plants contribute a little over 2 million tonnes of saleable steel production and can certainly do more if they are assured of adequate supply of power. Certain concessions have been given to them by way of lower excise duty etc. so as to enable them to improve their production and contribution to the national kitty.

In an industry like steel, research and development plays an important role in reducing costs and increasing productivity. This is particularly important considering the problems that we face in the quality of coking coal supplied to steel plants. We are in the process of implementing a scheme for partial briquetting of coal in Bhilai and for coal dust injection. Both of these will help in the conservation of coking coal. We are also planning to undertake pilot projects for the production of steel through the KR and INRED processes both of which are based on non-coking coal and low consumption of power.

[Shri Natwar Singh]

Apart from improvement in the production process and the conservation of coking coal, SAIL has also developed new types of steel which enabled us to reduce imports.

I am confident that steel will continue to play a dominant role in the industrialisation of this country. Now, Sir, I will take up some of the important points that have been raised by hon. members.

[Translation]

SHRI DAL CHANDER JAIN : The hon. Minister may kindly let us know the reason for steep rise in prices of iron.

SHRI K. NATWAR SINGH : If you allow me to speak, I shall state the position in regard to the prices of iron also.

[English]

During 1984-85, the main producers had to increase steel prices twice. Part of the increase went to the Engineering Goods Export Assistance Fund, the JPC Fund and for the freight equalisation fund. The producers were forced to increase prices on account of the fact that they were not recovering the increases in their costs of production. In 1984-85, the cost of coking coal had increased 18 per cent over the previous year, similarly the cost of boiler coal and purchased power had gone up by 12 per cent and 10 per cent respectively. Members will appreciate that no core industry can remain healthy if it does not cover its cost of production. The present steel prices cover the present costs of production and will enable the steel industry to grow from strength to strength.

Now Sir, the impact on the wholesale prices index is expected to be 0.4 per cent. We do not visualise a price rise in steel for the the next twelve months, unless something very unexpected occurs in economic terms which would compel JPC to consider a rise. But our expectation is that another price rise is unlikely during the next twelve months.

Now with regard to the price that is prevailing in the country, I agree that it is high. But in answering a question sometime back, I had mentioned that it compares fairly well with the price of steel in other countries, specially in the industrialised countries.

Sir, with regard to Visakhapatnam Steel Plant, Shri Murthy has raised some questions about the displaced persons.

Now, the figures are as follows : The total employment potential in the plant is around 12,000 because the plant is going to be very modern, and we have labour saving devices. The total number of displaced families is 25,000. You will appreciate that employment to all these families is not possible, though we will do our very best to accommodate as many as we can.

PROF. N. G. RANGA (Guntur) : In how many years will you do it ?

SHRI K. NATWAR SINGH : As of today, it is expected that by the end of the decade the plant may be nearing completion. It may take a year or two extra. We are having a meeting shortly after this, this evening with the Prime Minister to discuss matters relating to the plant.

The number of contract labour varies between 25,000 and 30,000 during the year. DPS' employment is around 4,000 to 5,000. The hon. Member has also mentioned the question of land. He said that 75,000 acres were being acquired. If I may respectfully say so, he said...

SHRI S. M. BHATTAM : I said 5,000 to 10,000 acres.

SHRI K. NATWAR SINGH : Did you say so ? I will correct it. The land requirement for the original project was 27,455 acres. On review, this is being brought down to 23,638 acres. The figures for the other three plants are : Bhilai 33,771 acres; Bokaro 30,984 acres and Rourkela 32,568 acres. Private land to be acquired—14,035 acres. We have already acquired 12,503 acres. The balance to be

acquired is 1,532 acres. The remaining 9,600 acres is Government land.

With regard to production and imports, one hon. Member had a comment, and he said that SAIL was producing the wrong type of steel which led to a stock of one million tonnes with SAIL, while large amounts of imports were taking place. I am afraid his calculations are not based on facts. As on 1-4-1983, SAIL had only a stock of about half a million tonnes, despite a much higher production over the previous year. These stocks are a bare minimum for the country, and are evidence of the fact that SAIL's production has been oriented to the market needs, and imports have not been excessive, because if excessive imports had taken place, there would have been a much higher stock with SAIL.

Now, a point was raised about the distribution policy of the Salem Steel Plant. The distribution policy of the Salem Steel Plant is not inequitable to any category of buyers, and it follows the normal commercial practice of allowing higher discounts for greater off-take. The discount varies from 1% to 5%, depending upon the quantity of monthly off-take. Similar discounts are offered to other producers of stainless steel also. So, no exceptions are made at Salem.

The objective of the discount scheme is to retain the customers and encourage them to buy large quantities from the Salem Steel Plant. As a result of this scheme which was introduced in September 1983, the stocks of finished products have come down, while sales have gone up considerably.

Now, with regard to the observations made by hon. Members on Vijaynagar and Daitari, my senior colleague when he speaks tomorrow, will be dealing with them at considerable length. All I want to say is that with regard to both these plants, the commitment of the Government and its basic position on them remains unaltered. The difficulty is with regard to the resource, with regard to finance and to supply of power. I do not want to go into the dis-

cussion that took place the other day here with regard to the supply of power; but our experience with successive Karnataka Governments has not been particularly happy. Even for Kudremukh, sufficient supply has not been made available; and if you want figures, I have the figures with me. Even though Government of India had financed Chakra Diversion scheme to the extent of Rs. 68 crores, there were severe power cuts last year. In 1983-84, 84-85 and even today we have been informed that only six million units of power per month will be available against the requirement of double the quantity. Similarly, for the Bhadravati Plant there is a power shortage from 25 per cent to 50 per cent. Nevertheless, will we do our best to get the necessary funds in the Seventh Plan for these two projects.

A question was raised about the employment of Scheduled Castes and Scheduled Tribes. If hon. Members go through the figures given in the Report, they will find that every possible care has been taken to cater to that requirement. As far as possible, jobs are made available to them.

An hon. Member mentioned that there was wasteful expenditure in some areas of the steel industry. I am grateful to him to mention this. Although he spoke in terms of crores of rupees, I may say so, it is an exaggeration. Wherever we find that there is excessive expenditure, I personally look into it. As soon as I took charge of this Ministry, I issued an office order that there would be no travel from 1st January to 1st June unless it is absolutely essential. And foreign trips have been reduced to the minimum. Similarly, expenditure in various plants has been curtailed to the minimum.

SHRI JAGANNATH PATTNAIK (Kalahandi) : Pandit Jawaharlal Nehru rightly described our steel plants as the modern temples of India. In the modern era, this is the basic unit on which our economy largely depends.

Many Members have given many valuable suggestions. I only want to draw the attention of the Minister to the fact that we are importing about 15 grades of different steel. At present all the design

[Shri Jagannath Pattnaik]

parameters of these different grades of steel are at our command because the Ranchi Research Laboratory and other national laboratories have devised a new technology. So, we should diversify production in our steel factories and we should produce all these grades of steel instead of importing them from abroad.

In my State of Orissa, there is the Rourkela Steel Plant. Most of the time it is running on loss. Its capacity is not being utilised fully. All the time the explanation of the management is that it is due to lack of power, high ash content of coal and difficulty in getting railway wagons. Its capacity has been reduced to 65 per cent in ingot steel. Some of these difficulties might be there. But the main reason behind this loss is leakage. Secondly, there are cooperatives formed by the trade unions. Instead of giving contract to them, they are giving contract to the private contractors. With the result on the one side, we are incurring losses and on the other, labour is not getting the benefit because the lion's share is taken by the intermediary. So, this should be looked into.

So far as coal is concerned, as you know, Sir, in my State, that is Orissa, the largest deposits of coal are available in the Ib River Valley. New deposits of coal are being found in Talcher and Ib River Valley. There is a big deposit of coal in a place known as Gopalpur. So, I would urge upon the Minister to take up the matter with the Department of Power to instal a super thermal power station there which will be of great service to the nation and which will help in industrial and economic development of the country.

In many districts of Orissa like Kalahandi, there are many deposits of bauxite and other rich minerals. So, the Geological Survey of India should take up all those areas so that many new areas for bauxite and other rich minerals may be available.

With these words I support the Demands.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Deputy-Speaker, Sir, I

rise to support the Demands for Grants under the control of the Ministry of Steel, Mines and Coal as presented by the concerned Minister. It is an important Ministry as it is directly connected with the development of the nation. Pandit Jawaharlal Nehru, our first Prime Minister and the architect of the modern India, had rightly realised and felt the importance of steel in the nation-building task and also for the economy of the country wedded to democratic socialism, and he decided to have steel mills in public sector with foreign collaborations. But, Sir, I am constrained to observe that the health of the steel mills in the public sector is not very sound, rather their functioning is very much unsatisfactory. The picture is very dismal. The Demand of the Steel Department is being discussed in this august House today when to me it seems that the things are in a mess so far as this industry is concerned. Very recently we have experienced a spell of rise in prices of steel. If I remember correctly, within a short spell of last six years, the prices of steel have been revised upwards three times. In 1979, the price was somewhat around Rs. 2,000 per tonne but today it is nearabout Rs. 6,000 per tonne. When the price of steel, which is of utmost importance to the nation building task, goes up, naturally it has its impact in different fields. So, the state of affairs prevailing in the steel mills is definitely a challenge to the Government and particularly to our Minister and the Minister of State in the Department of Steel. Of course, it is gratifying that they are taking some reformatory measures to bring the functioning of the steel plants back on the right track. About the production cost of steel, our Minister of State, a little earlier, tried to justify the action of the authority concerned. But I do not think it is fully convincing. I do not mean to say that it is absolutely not convincing but it is not fully convincing.

It is rather intriguing a mystery to that when production cost of steel in public sector undertaking goes up very high the production cost of the TISCO, a private sector undertaking does not go up. Is it going up proportionately? The hon. Minister should reply it was not so.

I congratulate our Minister for taking so many measures to improve the health of the steel plants, but much is still to be done. It is a challenge to him and to the Government. As I said earlier, Pandit Nehru had great expectations from the steel plants; and as we are wedded to democratic socialism if public undertakings behave erratically and bear huge losses what will happen to the economy of the country? This is the fundamental point. Therefore, this has to be taken note of by the Government and by the Minister very seriously. Many reasons have been enumerated by many speakers for the ills in the industry. First of all what is lacking is the sense of belonging on the part of the managers of the steel plant and the ideal relationship that should exist between the management and the workers in many of the projects is not found there. Of course, the Minister said for the last two years this relationship has been cordial. It might be that there may not have been major strikes, but with regard to the Rourkela and some other Steel plants I dare say that their relations cannot be called satisfactory and cordial and there is scope for improvement.

Again in regard to the pilferage, I think it is a common knowledge that there is a large-scale theft going on in every steel plant day in and day out, whether it is Rourkela, or Bhilai, or Bokaro, or any other steel plant. I am not exaggerating it but I know it is being done somewhat in connivance with some people in authority there. This has got to be checked ruthlessly. The sense of belonging has to be fostered in the management and the workers which is very important and necessary for the overall improvement of the working of our steel plants.

Now, I come to the genuine demands of my State-Orissa. I would first like to speak about the establishment of a new steel mill at Daitari.

This has been a dream for the people of Orissa and I do not know when it will be translated into action. With a token provision of Rs. one crore only in the Budget how long the people of Orissa can wait? Orissa, as I have said in this House on earlier occasion is a State rotting in

poverty although God has given her abundant natural resources. This is again a challenge not only to the Orissa leadership, but also to the national leadership. The foundation stone of this project has been laid much before. But in fact it is not at all progressing and the hon. Minister while answering a question in this House some days before was telling that power crisis is there. Of course, power crisis is there not only in Orissa, but almost every where in India. We are passing through acute power shortage in many states and that cannot be the reason to delay the working of the project. We have to have some captive power plants in such circumstances. We must have an integrated approach to the development programme not of coal or steel in isolation, but steel plants and other things together. Enough of coal is there in Orissa as the previous speaker, mentioned. Huge coal deposits are there in Orissa in Ib valley of Sambhalpur district and Talcher area of Dhankenal. Coal has been found in more than 200 metres depth and width in the valley recently. Such huge coal reserve is something unique in the whole of the world. A super thermal power station should be set up both in Ib in Sambhalpur district and Talcher in Dhankenal district. Besides we can have captive power stations in the steel plants. In Orissa there should not be one steel plant only; it can rightly justify establishment and setting up of two more steel plants. Today we are discussing this demand when steel is not available in many places and that is why I say it is a challenge to the Government. In many towns including my native place Sambhalpur town steel is not available. Because there is non-availability of steel many re-rolling mills have stopped functioning, as I understand that is, the Hiraud re-rolling mill, a unit of IDC, has stopped functioning because of non-supply of steel from the Rourkela Steel Plant. This is the plight. Now, I request the hon. Minister, through you, Sir, that expeditious and concrete steps should be taken for starting the work in right earnest with regard to the new steel plant at Daitari in Orissa.

MR. DEPUTY-SPEAKER : Please conclude. Already you have taken 12 minutes.

SHRI SRIBALLAV PANIGRAHI : You insisted that I should speak even after 6 P.M. That is why I am continuing my speech.

MR. DEPUTY-SPEAKER : Even then, time allotted to you is only 10 minutes. So, try to wind up.

SHRI SRIBALLAV PANIGRAHI : About coal, I have one point to make. Although we have huge deposits of coal, in two areas Ib in Sambhalpur district and Talcher in Dhankenal district, Ib is controlled by the Western Coalfields Division from Nagpur. The headquarters of the Western Coalfields is located at Nagpur. So, it controls Ib coalfields from Nagpur. Similarly Talcher is controlled by the Central Coalfields with headquarters at Ranchi. The result is that local people do not get employment and even when the coalfield is being expanded, adequate compensation is not being paid to those whose lands are being acquired. So, I request that a separate coal Division should be formed with these two coalfields taken together with its headquarters in Orissa for the proper functioning of the coal fields and the development of the area.

Another thing is, nearly NELCO is coming up and the rate of compensation for the land acquired for this project is higher than our coalfield rate. Therefore, adequate compensation should be paid to those whose land is being acquired by the Coal India Authority keeping the NELCO rate in view.

Local employment should also be ensured to the inhabitants of the area. Otherwise, dissatisfaction would be mounting up there.

Before I conclude, I would request the hon. Minister, through you Mr. Deputy-Speaker that there are lot of mines and coal-fields in Orissa. The work in many areas is yet to be begun. I would request the Minister to get the work expedited.

MR. DEPUTY-SPEAKER : The House stands adjourned to re-assemble at 11.00 A.M. tomorrow.

18. 11 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, April 12, 1985/Chaitra 22, 1907 (Saka).