

[Shri Inder J. Malhotra]
country. If there had been elements in the Congress Party which were responsible for furthering this kind of philosophy, I condemn that element in my party also. As my hon. friend pointed out, the basic responsibility for the partition of the country lies on the philosophy of communalism. That is why the two-nation theory was established. Now after 25 years we have rectified that mistake, and that two-nation theory has been buried in Bangla desh.

SHRI ATAL BIHARI VAJPAYEE : It has been replaced by a three-nation theory.

SHRI INDER J. MALHOTRA : Shri Joshi was brought up in the atmosphere of RSS. So, he always keeps a closed mind.

SHRI JAGANNATHRAO JOSHI : I am proud of what I did there.

SHRI INDER J. MALHOTRA : In fact, if only the RSS propagates let the human mind be open, not like the mind of Shri Joshi, who is not prepared to listen to anything else.. (*Interruption*)

SHRI JAGANNATHRAO JOSHI : You have all closed your minds and given the whole monopoly to one single individual.

SHRI INDER J. MALHOTRA : I am therefore hopeful that with the establishment and development of Bangla Desh, the foundation of secularism will certainly gain more strong ground not only in our country but in Bangla Desh also. I am also hopeful that with this development it is bound to have an effect on that part also which today remains as Pakistan. There also it is going to have its impact.

In the end, I would again urge upon the Government not to lose more time to take legislative measures. I know and I realise that legislative measures are not enough. This will not be the end of the matter. Other measures will also have to be taken. But let us make a beginning. Let us try to apply our mind to this problem of communalism which is existing in the country.

Once again I am very grateful to my hon. colleagues who participated in this

debate and extended their support to the Resolution. Since Government has given a solid assurance, a promise, to come with the legislative measure in this very session, I seek the permission of the hon. House to withdraw the Resolution.

MR. CHAIRMAN : There is an amendment, No. 3, moved by Shri M. C. Daga. I shall put that amendment to the vote of the House first.

Amendment No. 3 was put and negatived.

MR. CHAIRMAN : Now, has the hon. Member the leave of House to withdraw the Resolution ?

SOME HON. MEMBERS : Yes.

The Resolution was by leave, withdrawn

17 33 hrs.

RESOLUTION RE ESTABLISHMENT
OF TWO MORE STEEL PLANTS
DURING FIFTH FIVE YEAR
PLAN

SHRI BANAMALI PATNAIK (Puri) ;
Mr. Chairman, I beg to move the following Resolution :—

"This House recommends that the Government of India should take immediate and effective steps to establish two more steel plants during the Fifth Five Year Plan to create increased potentialities in the production of steel and development of iron ore and that the first plant be established in Orissa and the second in Madhya Pradesh for reasons of the techno-economic feasibility and comparative backwardness of these areas."

While moving this Resolution, I might give the background of this Resolution. In the year 1959 the State Government of Orissa requested the National Council of Applied Economic Research to undertake the techno-economic survey of the State. Broadly speaking, the objective of the survey was to make an appraisal of the various currently available as well as poten-

tial; material resources of the State and to assess the prospects of economic and industrial development of Orissa based on the above resources and other complementary factors, such as, transport, power, manpower etc., necessary for the effective utilisation of those resources.

Orissa is an outstanding example of a State which despite rich endowments of natural resources has remained extremely backward, and so also Madhya Pradesh. The *per capita* income is perhaps the lowest compared with the all-India average.

Till the beginning of the Second Plan, there was no steel plant in Orissa even though the iron ore deposits of the State were estimated at 8000 million tonnes, the largest figure in all-India. The productivity per worker both in factory and non factory was lower than the average for many other States as well as for India as a whole.

Even today, the State's economy is by no means strong. Transport facilities are even now highly inadequate. The interior of the State having large mineral resources is particularly isolated from other areas due to lack of transport development.

In the Second Five Year Plan, two important steps were taken, one, the establishment of Rourkela Steel Plant and the other was the completion of the Hirakud Dam Project. That has accelerated the growth of industrial potentiality. The irrigation and power potential of the State has resulted in large expansion of the State's industrial output and set the pace of further industrialisation.

Here, I would like to quote a portion of the Report of the NCAER which says :

"The strong push to the growth of State's economy will come from the establishment of another Steel Plant at Bonairgarh and other metallurgical and metal based industries. If this development takes place, then over the decade of 1961-71, the industrial output of Orissa should increase eight-fold—the major contribution coming from mineral based industries."

This is the recommendation of the NCAER Report. Today, we are in 1972. This report was submitted in 1962. But in the course of the last 10 years, no steps have been taken in that direction. Only hopes have been aroused in the minds of the people of Orissa that another Steel Plant will be established there.

Steel is a basic industry on which the nation's progress depends. Carlyle has said that the progress of the country is judged by the quantity of iron produced by the country.

He has said : "The nation which gains control of iron soon acquires control of gold."

The late lamented Jawaharlal Nehru, the founder of modern India said that he would apply two tests to judge the progress of any country. He said :

"I apply two tests for judging the progress of the country, one, the position of women in the country and the other is the amount of iron, steel and electricity that the country produces."

If these two tests are applied, then we find that India is much backward.

If we look at the world crude steel production, we are perhaps the lowest in the matter of crude steel production. U.S.S.R.—119.7 million tonnes; U.S.A.—118.6 million tonnes; Japan—88 million tonnes; West Germany—40 million tonnes; United Kingdom—23.8 million tonnes; France—16.6 million tonnes; Italy—17.4 million tonnes and India—6 million tonnes. If we look at the figures of pig iron production, we find, U.S.S.R.—81.6 million tonnes; U.S.A.—86.6; Japan—58.1; West Germany—33.7; United Kingdom—16.6; France—18; and India—7.4 million tonnes. But India is the fourth largest country in the world which possess the mineral resources. Why this backwardness ?

If we compare the *per capita* consumption of steel in various countries, we find, U.S.S.R.—428 Kg.; U.S.A.—685; Japan—494 Kg.; West Germany—579 Kg.; United Kingdom—422 Kg.; France—359 Kg.; Italy—225 Kg. and India—11 Kg. These

[Shri Banamali Patnaik]

figures relate to year 1968. Now, after 4 years, that is, in 1972, the production must have increased so also population has increased much faster than the production of steel. Now, it might be even less than 11 Kg now.

Then, as regards production of ore, the figures are Andhra Pradesh 109,000 tonnes, Bihar 5342,000 tonnes, Madhya Pradesh—5743,000 tonne, Mysore—2814,000 tonnes, and Orissa—5994,000 tonnes. The iron ore that we are producing is much more than what we need. We are exporting iron ore to the extent of about Rs 74 crores worth a year. Among the mineral resources of Orissa the important are, iron ore, manganese, limestone, dolomite, which are necessary for the production of good iron, steel and alloy. When this report was presented before them, the Government of India appointed a committee went into the details. They had appointed Dastur and Company. They submitted a report and on the basis of that report and other factors, Government of India decided that three steel plants should be set up, one Visakhapatnam, one in Hospet and one in Salem. Then, of course the people of Orissa were very much disappointed. It is not necessary that all these industries should be located in one region. They should be dispersed. We are not against setting up industry in other places. But we want that considering the backwardness of the two regions, Madhya Pradesh and Orissa, two more steel plants have to be established. We need more steel plants if we want to increase our steel production, if we want to increase the *per capita* consumption of steel. Whatever steel we are producing and whatever we have planned is not sufficient, we have to go much faster ahead. We have to take bolder decisions. Even these two steel plants are not sufficient. We should have five or ten more steel plants so that India can be self-sufficient in steel because from hair pin to battle field, for everything, we need steel. For industrial use, steel is necessary. Without steel no progress can be there, no industry can be established, there cannot be development in agriculture. From various points of view, steel is necessary. We have sufficient raw materials. We have power and we have the other necessary materials for production of better type of steel. Why should we not use them? The only question is about

finance. When Government of India decided on this, the Orissa Government appointed Dastur and Company to help Government of India to prepare a feasibility report. Dastur and Company have submitted a feasibility report to the State Government and they have recommended three places which would be the cheapest from all India point of view. The planned steel production is only 19 million tonnes, including the Bokaro steel plant and the three steel plants which are now proposed—if they go into production by 1980. Even then it should be insufficient. There will be shortage. The demand also may increase. Having two more steel plants with two million tonne capacity each is a very small measure, it is a very minor measure compared to our demand. From that point of view I must demand this. Dastur and Company have submitted three more sites—Nayagarh which is ore based, Bonagarh which is also ore-based and Paradeep which is port-based. The cost of materials from Nayagarh is the cheapest compared to other places. At Nayagarh it will be about Rs 270 per tonne for pig iron, whereas in Paradeep it may be a little more. But it is cheaper than Rourkela or Durgapur or Bokaro or Bhilai. That is because of nearness of the iron ore. The transport cost will be saved. Besides there is enough of water in those localities. If it is Nayagarh there is the river Baitarani, if it is Bonagarh, we have the river Brahmani at Paradeep there is river Mahanadi. Similarly, if you take the case of Madhya Pradesh, near Baladilla there is river Indravati. Baladilla ore is the richest in India. That is supplied to Visakhapatnam steel plant. Of course, the Visakhapatnam steel plant can use it. Even then, there is sufficient ore which can sustain two more plants in Baladilla area in Madhya Pradesh.

The only difficulty is about refractories. We are deficient in refractories. We are not producing sufficient refractories and there also of good quality. Bokaro steel plant is being delayed because of this. Sufficient steps should be taken to have more refractory factories so that steel production can go on smoothly.

Cheap land is available at all the three sites recommended by Dastur and Company. For these three sites they have also given three alternatives.

and for each alternative they have also given the comparative costs. Compared to the other sites as also with the other plants they stand a good comparison. They have compared the costs per ton. In TISCO it is Rs. 1342 per ton, in IISCO Rs. 1131, in Rourkela Rs. 2264, Bhilai 1441, Durgapur Rs. 1721, Bokaro Rs. 4460. This is from the report submitted here in the Parliament and they have compared it with the investment cost per ton and it is Rs. 4460 per annual ingot ton for Bokaro, it will be Rs. 4560 for Paradip. It compares favourably with that of Bokaro. The Rourkela, Bhilai and Durgapur are pre-devaluation costs and the plant that offers some basis for comparison in Bokaro. It would be cheaper and the inputs also would be cheaper and it will add to our national income.

The ere-based Nayagarh location for Orissa Steel plant is very favourably placed in respect of raw materials. The ton-km of raw materials moved per ton of hot metal is : TISCO—506, IISCO—610, Rourkela—627, Bhilai—1,101, Durgapur—783, Bokaro—773, Vijayanagar—2813, Visakhapatnam—2635 as per the report of the Dastur & Company which also prepared the report for Vijayanagar and Visakhapatnam plants and for Orissa steel plant—for Nayagarh it is 528 and Paradip—1200. These are the three places in Orissa. Of course, I have no feasibility report before me nor the State Government of Madhya Pradesh has got the feasibility report. The same mines which supply lime-stone and dolomite to Baidadilla may supply to the Orissa steel plants as also to the Madhya Pradesh plants. The establishment of the steel plant is not only in the interest of any particular area but it will employ a considerable number of technical men. In the Fourth Five Year Plan report you have said more employment will be created for the technically qualified men. How are you going to find them employment? It will not be possible unless you set up big industries like steel plants. Giving them unemployment dole will not help solve the problem and it will not also be in the interests of the country. We have a large number of technical manpower which can be utilised and if you do not set up more big industries like steel plants, this unemployment problem will remain with us. Therefore, the Minister-in-charge should carefully consider setting up of two more steel plants and he may

may announce that in the course of the next 10 or 15 years we are going to have more steel plants. I admit it is not possible to have a steel plant immediately. It will take seven to eight years for a steel plant to up from the date of announcement. Even in the case of Vijayasagar steel plant or the Hospet steel plant or the Visakhapatnam steel plant which have been announced, they will take quite some years to come up because so many things have to be done. Only pilot studies have been completed. Project has to be established and machines have to be ordered and they have to be installed. So, it will take several years. But the lime lag itself is a different factor. Meantime we have also progressed by preparing a feasibility report. We will not lag behind. It is only boldness that will pay. It is from that point of view that I request these two steel plants should also be taken up along with the other plants in the South.

MR. CHAIRMAN : Resolution moved:

"This House recommends that the Government of India should take immediate and effective steps to establish two more steel plants during the Fifth Five Year Plan to create increased potentialities in the production of steel and development of iron ore and that the first plant be established in Orissa and the second in Madhya Pradesh for reasons of techno-economic feasibility and comparative backwardness of these areas."

SHRI SURENDRA MOHANTY
(Kendrapara) : I beg to move :

That in the resolution,

add at the end,—

"after considering the feasibility report submitted to the Central Government by the Government of Orissa in respect of location of new steel plant in Orissa."(1)

SHRI CHINTAMANI PANIGRAHI
(Bhubneshwar) : Mr. Chairman, Sir, I am glad that we have been able to have the discussion today in this House on this subject. This is the aspiration of the people of Orissa for a long time. During the last, that is, Fourth Lok Sabha, this question had been discussed threadbare in this House more than once.

[Shri Chintamani Panigrahi]

I am happy and grateful also to the House, to you, and to all the Members here, that in the Fifth Lok Sabha, in the second year, we are now able to take up this Resolution again. We hope that perhaps within two years at least the promises that have been made before this House in the Fourth Lok Sabha will be fulfilled. I am sure the promise made then will be fulfilled by our present Minister who is keen on pushing forward the bold steel programme for the country in the coming decade. I am sure the aspiration of the people of the Orissa will be fulfilled. I have no doubt about it.

I would now like to bring to the notice of the hon. Minister certain points of the discussion we had in the Fourth Lok Sabha and the assurance that the Hon. Minister Shri Bhagat gave to the House.

As you know, steel has become the symbol of strength, progress and advancement of the new scientific age. Whatever I am going to say today before the House is not only in the interest of Orissa. What is in the interest of Orissa is certainly in the interest of the whole nation at large and the interest of the entire country in future years. I would like to quote what Mr. Bhagat said on the 30th July 1970, in his first statement to the Calling Attention Notice of ours. Mr. Bhagat assured the hon. Members as follows :—

"Honourable Members and the people of Orissa may rest assured that full consideration will be given to the facilities in Orissa and in other States in the future programme of development of steel industry in the country."

When the Members were not fully satisfied with this generalised kind of a remark, then again, on the 6th of August, 1970, in reply to another Resolution which came up in the Rajya Sabha, he said, and I quote :

"Therefore, what is relevant in the context of this strong feeling in Orissa is that some more machinery and processing for site selection should be started. On that I can assure the Member that in the site selection process during this Plan..."

he meant the Fourth Plan—

"...we will certainly include Orissa and Orissa's case will be considered along with others."

Here too, Members were not satisfied and they asked Mr. Bhagat at least to make a little more categorical type of statement to assuage the strong feeling of the people of Orissa on this issue. I am grateful to Mr. Bhagat that he was kind enough to say this and I quote him. He said :

"For Orissa, site-selection will certainly be considered and that process we will start in the Fourth Plan. This assurance I can give."

This question came up on the 11th November, 1970 in the Lok Sabha once again and Mr. Bhagat had to say this and I quote him.

"Since then, . . ."

—that is, since the establishment of the Rourkela steel plant, the first steel plant;

"...the advantages of locating a steel plant at one of the other sites in Orissa. . ."

—that is, these were the three sites cited by Dastur and company,—

". . .and also of expanding or duplicating the plant at Rourkela have been under Government's consideration."

Then he said :

"In this process,—which will have to be a continuous one,—the advantages of locating a second plant in Orissa either at Rourkela itself, to take advantage of the considerable infra-structure that has already been created there, or at another site, will certainly be considered along with the advantages of alternative sites in other States. In fact, this consideration will have to be accorded during the Fourth Plan itself in order that a decision can be taken in time for creation of additional capacities for steel during the Fifth Plan period."

Again, when the Members asked him to be a little more categorical on the statement, he gave this assurance :

"I can assure the House that in giving consideration to this matter, the advantages which Orissa has to offer will not be over-looked ?".

Then, there was a question on the 30th March, 1971. We have been trying to pursue the hon. Minister and the Government as frequently as possible because that is the rising aspiration of the people of Orissa.

MR. CHAIRMAN : Keeping in view the limited time, he may just refer to the dates, so that the hon. Minister could consult the relevant papers.

SHRI CHINTAMANI PANIGRAHI : Therefore, I am giving this. Then, I would refer to the question which was answered on the 30th March, 1971, because we have been following it up ever since the Second Lok Sabha, in the Third Lok Sabha, in the Fourth Lok Sabha and again now in the Fifth Lok Sabha we have started it. In answer to my question on that day, the hon. Minister said :

"The question of projection of demand for steel during the next ten years is at present under examination of the Government. Only after the additional capacity of steel required to be set-up is assessed, location studies can be taken up in different States.",

that is, in all the States where those studies were to be made. Again, the Planning Commission set up a team to study the backwardness of the State from which you, Sir, come and the State from which I come, namely Bihar, Orissa, West Bengal and Madhya Pradesh and Uttar Pradesh, especially the 26 districts which were completely backward during the last 25 years of development. The Planning Commission had prepared a report on 'South-Eastern Region Resources Study'. I do not know

why they have not tried to publicise this report and why the Government have not placed this report on the Table of the House. That report was prepared so that all these areas could benefit from the studies made.

In that report, they have said that this region has an area of 1,35,000 square miles and a population of 34.9 million of whom 45 per cent belong to the Scheduled Castes and Scheduled Tribes. This region produces 75 per cent of the country's mineral output.

May I continue on the next day ?

MR. CHAIRMAN : No, I want to call another Member today. He should finish in two or three minutes.

SHRI CHINTAMANI PANIGRAHI : Since you are not giving me much time, I shall try to hurry up.

Recently, Messrs. Dastur and Co. have made their recent studies where they have shown that from all considerations, namely locational advantage, cost, even raw materials etc. the ore-based region of Nayagarh is the best site for a steel plant, so far as all-India plants are concerned. I would again try to bring to the notice of the hon. Minister.

MR. CHAIRMAN : The hon. Member may please continue on the next day.

BUSINESS ADVISORY COMMITTEE TENTH REPORT

THE DEPUTY MINISTER IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI B. SHANKARANAND): I beg to present the Tenth Report of the Business Advisory Committee.

18 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, April 24, 1972/Vaisakha 4, 1894 (Saka)