

SHRI S. M. BANERJEE : We don't regard you simply as a Post Office. You are the highest man here. When you say something, it is final.

12.59 hrs.

*DEMANDS FOR GRANTS, 1971-72—Contd.

MINISTRY OF STEEL AND MINES—Contd.

MR. SPEAKER : The hon. Minister will reply now.

THE MINISTER OF STEEL AND MINES (SHRI MOHAN KUMARA-MANGALAM) : Mr Speaker, Sir, there can be no doubt that steel is the life blood of any modern nation. Nothing can be built in our country, nothing of any significance without steel. Whether it be a major industrial complex costing hundreds of crores of rupees or a hydro-electric station or some small agro-industrial establishment in the village or a sports stadium, nothing can be built without steel. We all know, therefore, that it is on our steel industry depends to a very large extent, perhaps to a decisive extent, the future of our country's economy and of our country's industry. That is why I think large number of Members have participated in the discussion on the Demands of the Ministry of Steel and Mines. There can be no steel without iron ore, no steel without coal, no steel without manganese and therefore it is but right that these two departments of the Government should go together and I am conscious—acutely conscious, I must say,—that, to a decisive extent, the work of this Ministry will determine the future of Indian economy. I know that the hon. Members who have participated in this debate are equally conscious of this and I share with them their concern about all the obvious weaknesses in the development of our steel industry over the years.

13 hrs.

I can assure Mr. H. M. Patel that there is no complacency on this side of the House, that we do regard very seriously the responsibilities that have been placed on us and we do appreciate that in the heart of the development of the Indian economy lies the development of steel. Are we going to get over the difficulties that we have been facing, man-made difficulties etc ? There is no doubt there have been

difficulties for which the Government cannot and does not want to or does not try to escape responsibility. Are we going to get over these difficulties ? I do assure this House that we do understand how serious the position is and we shall make every effort to see that a new direction is given to the development of the steel industry in our country.

May I first of all take up a subject which has been raised by several hon. Members ? This is : What is our perspective ? What is the future of Indian steel ? We expect, by the end of this decade, by 1979-80, to reach very hardly 19 million tonnes of steel. This is based on particularly the expansion of Bokaro right up to 5.5 million tonnes or so, Bhilai going up to 4 million tonnes and the expansion possibly also in Durgapur and Rourkela. All these are under discussion because there is a compulsion to expand and we do not propose to standstill when the nation is expecting that our Steel production should be able to take our economy forward, as it must. Now, this means, of course an enormous investment. From some where round about Rs. 2,000 crores to day in both the public and the private sectors, we have to rise up to about Rs. 5,000 crores by 1980 and perhaps more depending upon the mid-term appraisal that we are making of the Fourth Five-year plan, and even beyond that we have to think already.

That is why, in relation to the points raised by hon. Members—for instance, Mr. Panda said about Orissa,—we are studying them very closely because we know that our present targets will only take us to somewhere like 19 to 20 millions by 1979-80 and also we know that beyond 1980 we will have to expand at least to a rate somewhere in the region of 2 million tonnes a year. And, if we are to achieve this 2 million tonnes a year, that means virtually we must be able to build a new steel plant every year.

Hon. Members know that the gestation period or rather the load time, as it is called, in regard to steel plant is somewhere in the region of 6 or 7 or 8 years. It depends upon the complicated problem of the actual product-mix that we put into the steel plant. Obviously, if we are to expand beyond 1980 at a proper speed then we have to start planning

from now on and I can assure the House that we are planning and we do hope that we will be able to decide on the location of new steel plants in the course of the next 6 months to one year.

I know it is an ambitious programme, in fact, it is a gigantic programme that we have got before us. We do not certainly underestimate the task that lies before the Government and before the country. And, I know also that in the House and in the country there may be considerable scepticism about our capacity to implement this programme, because as many of the hon. Members from both sides of the House have pointed out, there are not a few occasions when we have made promises in the past and where we have failed. We have put targets before ourselves and we have not reached them, and, therefore, it would be best now if I turn to the actual position of HSL, the premier public sector organisation in our country, what its achievement has been in the past year and what we are planning for the future of that organisation. The production in HSL in 1970-71 was probably somewhere in the region of 1,69,000 ingot tonnes less than in 1969-70. That is a sorry admission and it is unfortunate that I have to come before the House and say this today. But there are a few silver linings around also. In the Bhilai steel plant, the production has gone up from 1,859,000 tonnes to 1,940,000 tonnes. Utilisation of the capacity was in the region of 77 to 78 per cent. But, unfortunately, in Rourkela, it has gone down by 66,000 tonnes to 57.7 per cent capacity utilisation, and in Durgapur even further by 1,84,000 tonnes, and the present figure is 634,000 tonnes, that is only 39 per cent, the lowest figure since 1962-63. What is the reason for this? In fact, what is the most important reason for this?

My hon. friend Shri K. C. Halder can easily dismiss it by saying that it is a combination of the corrupt bureaucracy and corrupt contractors and corrupt private capital. I wish it were so simple and so easy. Unfortunately, it is a much more difficult and a much more serious task that faces us, namely to identify clearly the reasons for our failures and to take concretely the necessary steps which can improve the position. It is easy to use strong language and to use general terms of abuse and denunciation. It is more difficult, and that is

the task of the Government, and I am sure the House also will help us in this, namely to solve these problems and to achieve our targets. It is more difficult to locate the problems, the crucial problems, to find out what they are and to solve them so as to take ourselves forward.

The principal reason, or I would say, one of the principal reasons for our failures in steel production has been that over the years we have failed to provide adequately for preventive maintenance. We have neither really organised efficient maintenance teams which can look after preventive maintenance, that is to say, which can prevent something happening even before it happens. That is one weakness. On the other hand, we have not had sufficiently well-organised, what may be called shock teams, which can be pushed in as soon something does happen. In both these areas, we have been weak. That is in fact what we have learnt during the last two or three years, and I think that we are now beginning to improve in this area. We know that we have not done things as well in this area as we should have, and we know it because to take one simple example, in Durgapur in 1964-65 and 1965-66, we went up to something over a million tonnes, so far as production was concerned, and we did it, if I might use a slang expression, by flogging our coke ovens and flogging them in such a way—there was a British general manager at that time—that we are still paying for the weaknesses of that time, because if you push a thing, whether it be a car or whether it be any other mechanism, whether it be a steel plant, or anything else, if you push it too far, if you try to drive it too fast, necessarily you have to pay, particularly if your maintenance organisation is not as good as it should be. If Bhilai has been doing better, there is no doubt that it is because we have had better maintenance there than in the other plants. But at the same time, we are as it were to day paying the price very heavily for not paying adequate attention to maintenance in the past. The reason is that our plants are now getting old, and naturally, the older a plant gets, the more the maintenance problems become crucial. No doubt, I know what is passing between Shri Piloo Mody and Shri H. M. Patel there; they must be talking to teach other about the TISCO and the IISCO, I am quite sure....

SHRI PILOO MODY (Godhra) : I would like to correct the overwise Minister and his cynicism. I just turned to Shri H. M. Patel and said incidentally that flogging was not a slang.

SHRI MOHAN KUMARAMANGALAM : The only difficulty is that in relation to a matter like this, what goes on in Shri Piloo Mody's mind not be transferred to Shri H. M. Patel.

So, far as other plants are concerned, there is no doubt that over the years they have accumulated certain experience which they have been able to use, but so far as we are concerned, we are new in the job. Though we have technical engineers from both TISCO, and IISCO, we have to confess that in maintenance in the past we have failed, and it is this that we are trying to pay the maximum attention to. Whether it be Rourkela or Durgapur or Bhilai, we have been giving special attention to the maintenance organisation, and we hope in the near future we will be able to improve the position.

PROF. S. L. SAKSENA (Maharajanp) : How many years?

SHRI MOHAN KUMARAMANGALAM : I do not think anybody would want me to give guarantees in matters like this. It is better you watch whether there is any improvement or not, because to fix a period and then to fail does not take us anywhere. This is a long-term affair. I can only say that we are conscious of this very serious weakness. Unfortunately, our indigenous manufacture of refractories has not been as good as we would like it to be, and therefore we have had to go in for quite substantial imports. All these things we are trying to do so that we can bring up our maintenance to the highest standards.

We have taken a decision in principle to start a refractories plant in the public sector and preparations are going on rapidly. This should fill up a long-existing gap which has been preventing us from reaching a real, good level of performance in the plants.

Equally serious is the question of our relations with labour. I do not want to say that it is labour that is responsible. We do not get anywhere by trying to apportion responsi-

bility in that way, because, in the last analysis, we have to appreciate that good management should also enable to deal with labour. We have been taking steps during the last year, very important steps, not only for the steel industry but also for our economy as a whole. The setting up of the Joint Wage Negotiating Committee last year composed of representatives of the workers and management, which was not a wage board as has been done in the past, was looked upon with considerable scepticism both by the representatives of labour and employers but still on the initiative of the Government, this committee was set up. I think you are aware because I have mentioned this in my announcement about the inclusion of two representatives of the workers in the Board of Management of Hindustan Steel, that it consists of representatives of the main organisation, viz., INTUC, AITUC and Hind Mazdoor Sabha, and the six recognised unions of the six different plants are represented. In effect, you have got what may be called the trade union movement in our country represented inside the Joint Wage Negotiating Committee. They were able to hammer out an agreement on wages covering the entire steel industry in our country, which will last till August, 1974. This is not a small matter. Government attaches the highest importance to the fact that we have achieved this.

We have also decided that this Committee should take on broader responsibilities for the future. Not merely should it be responsible for the implementation of this agreement relating to wages and terminal benefits, but also, we hope, they will be able to assist the Government and the industry in relation to our production problems. We are also very conscious of the fact that inside every plant it is very necessary to change the atmosphere.

It is necessary to bridge the gulf between the workers on the one hand and the management on the other and one of the principal methods by which we hope we shall be able to bridge the gulf is by setting up, at every level inside the plant production committees or consultative committees—give them whatever name you will, that is not important—in which both the workers on the one hand and the management on the other will be represented. We hope that bringing these committees into existence—they already exist in some places,

it is not as if they are completely new—we shall be able to involve the workers themselves much more in the actual process of decision-making. These are not nam-ke-waste committees, just to make people believe that something is happening; these are committees which are genuinely intended to enable workers themselves, who know so much about actual production, who know what pinches when it comes to the shop floor, to participate in what may be called decision making process itself. Unless we are able to push the decision-making process lower and lower down and unless we are able to involve the entire personnel, as it were, of the plant, whether they are officers of workers, in the actual working of the plant and make them feel that they have the responsibility for the working of the plant, unless we are able to do that, I do not think we shall be able to solve one of the most important problems I would call—weaknesses in our steel plants.

It is not a question of shifting on the responsibility to labour; hon. Members on the other side need not feel that it is my attempt—not at all. It is a question of trying to work out—I would welcome their assistance if they would be prepared to give it—methods by which we are really able to enthuse the entire personnel starting from the general manager and ending with the workers right down at the base, and to see that all of them are imbued with a single sense of determination to see that our steel industry is able to serve the needs of our nation. That is our object; that is what we are doing and that is what we intend to do in the future.

I must at the same time mention to the hon. Members that it would be wrong for us to forget that while there have been management weaknesses—we do not deny it, we are trying to improve them—there have also been—may I use the expression—on the side of the leaders of labour, a certain irresponsibility in their attitude towards the importance of the steel plants and steel production in our country.

It is no joke that during the last year out of Rs. 20 crores or so which possibly will be the loss in Durgapur, something like Rs. 11 crores had been lost entirely due to what may be called labour trouble. What is this labour trouble? More often in Durgapur it is due to

events which have nothing to do with Durgapur steel plant. It is assertion of what may be called political intervention in the affairs of the Durgapur steel plant. And mind you, every single bandh that takes place in Durgapur steel plant causes harm to the plant for the future also. It is an industry which cannot just be turned on and turned off like a tap; it demands that the coke ovens, blast furnace and steel melting shops must be kept at a temperature of something like 930 to 1200 degree centigrade. If work stops in these places, what happens? The temperature drops; immediately the equipment is injured.

This also has been one of the very important cause for the weakness in Durgapur. Why is it that Durgapur is 39 per cent, Bhilai 77 per cent and Rourkela 57 per cent? Surely the management is the same; basically it is the same thing? the Chairman is the same; the general managers all come from the same tribe; my friend Mr. Halder was abusing them as corrupt officials, bureaucrats. I say that the basic reason why there is this difference is because you have this competition in what may be called acquisition of political influence by the different trade unions that exist in each one of these plants. Multiplicity of trade unions has been one of the most important contributory causes—multiplicity of unions in which the leaders of the unions are not interested in the plant or in steel production but are interested in preserving their own political influence in that particular plant. That is all they have bothered about. I do not say it is only the union of the political party or the union of the political complexion of my hon. friend Shri Halder that is responsible. Not at all. It is a common—one may even say it is a universal disease, and that is why I say let us all examine our own consciences and see what we have ourselves contributed in these different areas to the difficulties that the steel plants are facing today. It is very easy to point a finger of accusation against the other man, and I do not deny that so far as the management is concerned, there have been serious weaknesses. But, at the same time I do not think that it can be denied that so far as the labour trouble is concerned, what I would call, an attitude of indifference, an attitude of refusal to see the importance of this valuable equipment—thousands of crores of rupees that have been spent, of our people's money—an attitude, I

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would say, of callous indifference also prevails in certain circles in our country today. I think we have to fight against that attitude also. We have to fight and see that everybody develops at least an approach of responsibility, to use the mildest of expressions, towards this valuable property that has been entrusted into the hands of officers and the workers of Hindustan Steel today. (*Interruptions*)

DR. RANEN SEN (Barasat) : Is it not a fact that sometimes the management of Hindustan Steel connives at the inter union rivalries and jealousies and they are mainly responsible for the state of affairs there ?

SHRI MOHAN KUMARAMANGALAM : It is not a fact. I am not prepared to accept it as a fact. (*Interruption*). It may be that on occasions, a management mistakenly considers that it will be helpful to it if one union is against the other ; it may be. But that is wrong. But that has nothing to do with the irresponsibility of calling a strike here, and therefore, for political reasons, regardless of the safety of the equipment of the plant, I say with all the force at my command,—they indulge in such things, and this is one of the things that really harms the plant. Even today we are suffering from it. Any day, when a strike takes place like that (*Interruption*) No, Sir. I am not prepared to give way everytime. Let me finish. I have listened to them for six hours. Let them allow me to finish my speech in my time of one hour. I have listened to all the adjectives that they have used ; they were almost the same adjectives that are being used every now and then. Let me finish.

MR. SPEAKER : Order, please.

SHRI MOHAN KUMARAMANGALAM : So far as I am concerned, I am clear that we have to fight against this attitude of irresponsibility, because it harms one of the most important industrial areas in our country, and if we do not fight against it, there will be no steel industry in our country in the future. Let us all understand that this is what may be called the jewel of our nation ; it is here that the battle of India's future is going to be fought and won. It is there alone that we will be able to choose for our country and show to the generations that will come after us that here it is that we built a steel industry of which

the whole world can be proud.

If we look at it like that, and if we do not begin from there, and then fight against everything, what happens ? Yes ; managerial weaknesses, corruption, all this—I am with you—but simultaneously can you also not develop an attitude of respect, of seriousness to this mighty industry that we want to see flourishing inside our country ? That is my appeal to the hon. Members. (*Interruption*).

SEVERAL HON. MEMBERS : rose—

SHRI R. S. PANDEY (Rajnandgaon) : You should be proud of industrialising Durgapur. They are the modern temples of democracy.

SHRI MOHAN KUMARAMANGALAM : I am grateful to Shri R. S. Pandey for reminding me of Pandit Jawaharlal Nehru's expression, that these are the temples of modern India, but they are not treated as temples by many of us in our country. We do not look upon them with that feeling of pride, with that feeling of respect that we should have if we really are to build up Indian industry. This is so far as the question of labour is concerned. (*Interruption*)

MR. SPEAKER : May I request you not to disturb the House ?

SHRI S. M. BANERJEE (Kanpur) : You are the *pandas* of these temples,

SHRI R. S. PANDEY : The people of Bengal should be proud of the fact that we have given Rs. 500 crores to them in order to build it. (*Interruption*)

MR. SPEAKER : Order please. The Minister has not said anything offensive. He has only made an appraisal.

SHRI R. S. PANDEY : Every Bengaler must be proud that this plant was given in order to improve the economy. You have destroyed it.

SHRI S. M. BANERJEE : Sir, may I tell Mr. Pandey that it was Shri Atulya Ghosh who created trouble at Durgapur ? It is known to everyone, (*Interruption*)

SHRI K. S. CHAVDA (Patan) : Mr. Banerjee mentioned Mr. Atulya Ghosh's name. He is not here to defend himself. (*Interruptions*)

MR. SPEAKER : You cannot use this forum for all these things. When you spoke, the minister was listening patiently.

SHRI PILOO MODY : Inter-union rivalry has started.

MR. SPEAKER : Those who cannot listen patiently may kindly go for their lunch.

SHRI MOHAN KUMARAMANGALAM : Sir, my friend said, I should not provoke. I have no desire to provoke anybody. But sometimes truth hurts. When my good friend, Mr. Halder, used the strongest expressions against the managements, I did not get provoked. I listened to him silently, so that I can reply later. Why can't they show the same courtesy to me? India is a free country and ours is a free Parliament. Each one is free to say what is in his mind. Why should I not speak the truth as I see it? You may see it differently. But there are many outside the four corners of this House who will admit the truth of many things I am saying now.

My friend, Mr. Mody, wants me to spend an equal amount of time on managerial mistakes. But I was not dealing with the workers' contribution. I was dealing with the contribution of persons who use the workers, if I may use that expression, against the interests of our nation and of the steel industry. Let us face facts. It is true we are in a bad plight. The cumulative loss of the steel plants comes to Rs. 172 crores, not a small amount. We do not expect profits now. But we have reduced our losses from Rs. 40 crores in 1967-68 to Rs. 10 crores in 1969-70. I think it will be still less in 1970-71. We have paid back Rs. 65 crores of loans by 1970-71. I think it was Mr. K. N. Tiwary who talked of over-capitalisation. I do not think really there has been over-capitalisation in that way. But we are facing some difficulties. We have paid a very substantial amount towards depreciation—Rs. 408 crores till 1969-70 and Rs. 67 crores in 1970-71. Then, interest on loans also is very large—Rs. 170 crores till 1969-70 and Rs. 26 crores in 1970-71. We have spent Rs. 87 crores on township. All these are, if I may use the expression, on the plus side. But we have got to improve. Even in relation to inventories, we have been improving. Our position is far better today than it was a couple of years ago. From something like over 6 months, we have come down to

somewhere in the region of 4½ months or so. I think the position is gradually improving. The original target, so far as the Committee on Public Undertakings was concerned, was that if you have six months, it would be reasonable. We are well below that, and so far as that area in our management is concerned, there is an improvement.

I am playing as it were on a difficult wicket, because HSL is in difficulties. I want to say to this House, we do not deny these difficulties and mistakes. But we are trying to identify what they are, so that we can take adequate steps for the future. That is why I am dealing one by one with the points raised by hon. members in the course of the debate. One of our Members, I think, it was Shri Tiwary, also asked what we were going to do about the surplus labour, how much was the surplus labour and what we proposed to do about it. Our assessment is that out of about 60,000 workers who are working in the works Departments of the three steel plants—I am not talking about ministerial staff—workers, somewhere in the region of 2,500, are surplus, not more. In fact, our position regarding employment of workers is better, that is comparatively, for every tonne of steel capacity, we are employing less workmen than in the private sector. I am not making a virtue out of it, because in the private sector the plants are old and so on and so forth.

So far as the 2,500 surplus workers are concerned, we hope, we will be able to assimilate them without much difficulty as we expand our steel plants particularly in Bhilai.

SHRI D. N. TIWARY (Gopalganj) : These workers have been there for the last so many years in the hope that they will be absorbed in future expansion. You have been footing the bill for a long time.

SHRI MOHAN KUMARAMANGALAM : I appreciate the point that you are making, but we are not going to push them out; these 2,500 workers continue to work. What I was saying is that we hope to assimilate them and therefore reach a rational level of employment on the basis of the expansion of the plants.

Now just to give you accurate figures about inventories, from 6.21 months in March, 1969, we have come down to 5.4 in March, 1970, and

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at the end of the third quarter of 1970-71, it was down to 4.9. So I think, there is improvement, so far as this is concerned.

Now let me go to one of the small points, but very important one. Shri Chandrakar raised the question of crisis in the Bhilai Steel Plant as a result of what has happened in the coke oven recently. It is not a small matter. The hydraulic main of coke oven battery No. 2 got choked and there was a crack also in the sludge box of battery No. 3. I do not know what all this means, but I have myself seen both these. This is a very serious matter and our engineers have been able to establish a diversionary line on the basis of which we are proceeding, though the pushing of coke ovens has really come down in June this year. We hope that within another month we will be able to get back to normal. We know that it is a pretty tough job.

Now let me take the question of prices, that is to say of distribution. I think, so far as Hindustan Steel is concerned, there is nothing much that I would like to say. I know very well that all the Members of this House, whether on this side or that side, are anxious to see that there must be a real improvement in Hindustan Steel. I can assure you that both the management and Government are conscious of the weaknesses and we are trying to do our best. That does not mean that we have done everything that should be done, that does not mean that there are no weaknesses in so many areas including the areas of maintenance, but that does mean that we have got very important programmes particularly in relation to maintenance and in relation to provision of refractories, in relation to import of certain vitally needed equipments on the basis of which we hope we will be able to make progress.

SHRI PILOO MODY: What about ministerial interference?

SHRI MOHAN KUMARAMANGALAM: I can assure Mr. Mody that so far as I am concerned I do respect autonomy. Having been at the receiving end of an autonomous corporation one time, I prefer to continue to have same principles that I thought correct at that end.

Some Members have criticised the position

so far as open market prices are concerned. They have been a little exercised over the comment made in the annual report that prices have fallen. I can appreciate what they feel. At the time when we wrote the report, the prices had fallen in certain ranges. For instance, cold rolled sheets, were about Rs. 3,000 per ton compared to the stock yards price of Rs. 2,000 odd though it actually came down to somewhere near Rs. 2,300 in March/April this year. We know that there is a black market price or the open market prices are far above the prices at which steel can be got directly from the steel plants or through the stock yards. But I would appeal to hon. Members to see the position in its proper perspective. After all something like 85 per cent of the production of finished steel is supplied directly to actual consumers, including small-scale industries corporations, at the Joint Plant Committee prices, and not at the open market prices at all. Now if through these different consumers it reaches what may be called the open market and then it is sold at enormous prices, all I can tell the hon. Members is this. Firstly, we do not allot steel to anybody unless he comes as it were through an authorised sponsoring authority, which may be governmental or semi-governmental, that is how we allot steel; by "we" I mean, not government but the Joint Plant Committee and the Steel Priority Committee. Secondly, it is extremely difficult to stop people misbehaving after getting their allotted steel though we are trying our level best to stop it. In May this year we have set up offices of Assistant Regional Controllers of Iron & Steel at Madras, Bombay, Calcutta and Delhi whose duty it would be to exercise some vigilance in this area and we hope this will improve the position. All of us know that when there is scarcity and when a thing is in high demand, whatever may be the steps that you take, however rigid may be the controls you seek to impose, there will be leakages here and there and also corruption. One does not have, therefore, to live with it, but one learns to fight with it, which is what the government at the moment is trying to do.

Then, as you know, we have taken away from the billet re-rollers the freedom which they had to sell what they re-roll in the market. So, 4 lakhs to 5 lakhs tonnes of steel material is being diverted from May 1971 from what

may be called the open market to supplies at regulated prices through the billet re-rollers committee. But I know and you know that ultimately the only solution is increasing the production of steel. Ultimately, the only solution is bring up to the same level the demand on one side and supply through production on the other. That is the last answer which we must give, if we are really to do anything in this sphere of distribution.

Now let me go on to Bokaro. So far as Bokaro is concerned, we are confident that the blast furnace will come up by December 1971. We are not going to revise that date and we hope we will be able to pull it off—the first stage of 1.7 million tonnes by March, 1973, the second stage of 2.5 million tonnes by March, 1974 and 4 million tonnes by the end of 1975. This is the programme and we hope to be able to achieve this programme. There has been significant improvement in the progress at Bokaro in the last one year. Though we have got a very tight schedule in Bokaro, I think the management will be able to keep to it. I do not think I need give this House details of tonnage etc. every month. But I can assure you that there has been improvement.

So far as the cost is concerned, from Rs. 670 crores in 1966 it has gone up to Rs. 758 crores, an increase of Rs. 88 crores. Out of that, Rs. 60 crores is due to the increase by HEC of their prices. The rest is due to increase in price of raw materials, escalation in statutory wages and so on. Whenever there is any cost increase we will be sorry, naturally, but I do not think we should be worried too much about that increase in cost.

Then there is one other matter. I think it was my good friend, Shri Mody, who raised the question of the calcining plant.

SHRI PILOO MODY : Do not make rash statements.

SHRI MOHAN KUMARAMANGALAM : How could I? When Shri Mody raises a point, naturally it is bound to be a weighty point, a point which is very very weighty. I am very careful about the weight that should be attached to the point.

He said that if an order for calcining plant had been placed on the AOC; Bokaro Steel would have saved a sum of Rs. 75 lakhs. The

correct position is the Bokaro Steel Plant accepted the offer of M/s. K. C. P., a firm of Madras in December, 1968 for the construction of this calcining plant against an open tender in which AOC also participated and the decision of the Board of Bokaro Steel was taken strictly and in accordance with the recommendations of the Indian Consultants, Messrs. Dastur and Co. That is the position. The consultants recommended acceptance of the offer of Messrs K. C. P. as it was technically acceptable and was also lower in price by about 10%. The recommendations of the consultants were approved by the Board in December 1968 before a Letter of Intent was issued. Subsequently two memoranda had been submitted by AOC. These memoranda were considered by the Board but in pursuance of the earlier decision, the Letter of Intent had already been issued to M/s. K. C. P. These are the facts so far as that is concerned.

Now, I take up the Heavy Engineering Corporation. Of course, everybody knows, it is not in a happy state of affairs. Production has been at a very low level of utilisation—somewhere in the region of 23% and in the Mining and Allied Machinery Corporation even less. But we are now quite clear that certain definite clear-cut steps have to be taken to improve production. Hon'ble Members will appreciate that Heavy Engineering Corporation is an organisation in which everything that goes in at the beginning is different and everything that comes out at the end is different. It may rightly be called a huge jobbing institution. Therefore, production progress control is vital and it is a fact that we have not reached any reasonable level in relation to production progress control. We are taking steps and we hope within another six months we will get it under control.

Secondly, cost accounting is crucial as in HEC each product has to be accurately and differently costed and, therefore, you have to have cost accounting organisation in the Heavy Engineering Corporation. There again we have been lagging and lagging behind and we hope to be able to make improvement in that end.

For both these also, computerisation is vitally necessary. It will not displace any workmen but it is crucial. These are matters which are certainly very important if one is to keep control of the progress of each one item. If the

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computer is brought into the picture then immediately you will get radical, if not qualitative, improvement in the working of HEC. The question of re-organisation and strengthening of the management of HEC has also been raised by Mr. Ghosh. It is a fact that we have been considering this for quite some time. Mr. Ghosh implied certain statements about the reason why we are making changes.

We are not making changes in that way. I would like to make it clear that the present Chairman of the Corporation is not being replaced on account of, what has been termed by Shri Ghosh, the politics of the place. The present Chairman is continuing as such. But what is contemplated is to strengthen the top administration by the addition of more functional directors. A technical director, which is a new post, has already been appointed. Similarly, a whole-time managing director is due to join any time. These steps will help to improve inter-plant coordination, efficiency in effectiveness of the top management and accelerate also improvement in production arrangements with regard to which I made a few remarks a little earlier.

So far as the employment of local people in HEC, raised by Shri Horo, is concerned, out of 19,372 workers in HEC, 3,268 are from, what may be called, the displaced families, that is, families that had been displaced as a result of the construction of these works. 2,654 families were displaced out of which 1,868 families have one or more members of the family employed and we hope that we will be able to employ the 786 remaining families soon.

I do not think that we are lagging behind in giving places to local workers in the area. We do want to implement faithfully Government's policy that to the maximum extent possible persons living in that area, the local people, should be given preference.

Shri Horo also made certain remarks about the township and said that it is in a very bad state. I do not say that it is ideal. But as he knows—and he knows it probably much better than I do—5,861 buildings are permanent and they are really good; 4,886 are temporary and they are not so good. We have not got enough

money at the moment to be able to improve them. But if HEC has better days, I think, its workers also will have better days and it is time first that we ensure that HEC itself does have better days.

Then, let me very briefly deal with one or two points about Tungbhadra. I think, it was Shri Basappa who raised it about Tungbhadra and said that sufficient provision had not been made for shifting the location of the Tungbhadra works though we had decided to do so and also in relation to the expansion of the works. He is not right in his fears because we had set apart Rs. 107 lakhs in the Fourth Plan for doing these things and we are determined to do these. We know that Tungbhadra cannot survive and progress unless we are able to shift and also diversify and expand it.

Then, so far as the new steel plants are concerned, I had mentioned already earlier in the course of the day—I hope, hon. Members were present then, though it was not a part of this debate—in answer to Dr. Rao's question about Hospet, what we are planning to do. But I would just very briefly say that our preparations for the construction of these three plants are going ahead quite smoothly now. I do not anticipate any difficulty in keeping our targets. The feasibility or techno-economic reports are going to be ready. The one for Salem, of course, will be ready earlier, that is, I think, by the end of August and for Visakhapatnam as well as Hospet by November. The product-mix also for these is now under discussion and will be decided any moment. The plant areas have been demarcated and so far as the Salem one is concerned, land acquisition has also started.

Shri Krishnan had mentioned that we should expand the production from 250,000 tonnes to 500,000 tonnes and that would be useful for the various small industries in Salem District. I think, he must have omitted to appreciate that it is alloy steel that we are going to manufacture and produce in the Salem plant and certainly 250,000 tonnes of alloy steel is not going to be consumed in Salem District but is going to be a contribution to our national wealth along with the production of the alloy steel plant in Durgapur and

other alloy steel plants in our country. So, to push it up to 500,000 tonnes is actually going to carry it too far when this plant is for alloy steel and special steel. I hope, he will appreciate the point of view of our Government. I think, his State Government itself entirely appreciated this. The railways have commenced preliminary work for marshalling yards and the work in general is proceeding very fast.

There are just one or two points that I would like to mention before I finally close. One of them is the question of research and development. We are really worried.

AN HON. MEMBER : Nothing about mines ? You are Mines Minister also.

SHRI MOHAN KUMARAMANGALAM : I am coming to that. I think, I have still some time. I hope, Sir, you will give me another 15 to 20 minutes.

SHRI R. S. PANDEY : Say something about mini-plants.

SHRI MOHAN KUMARAMANGALAM : How can I say something about everything.

So far as the setting up of the Research and Development Board is concerned, this is something very important and we have been investigating for the last one year whether we should not set up a Research and Development Board, what is called an R and D organisation, for the steel industry in our country. We have lagged behind in this. That is why our technology also sometime stands to lag behind. We have received a report from the Study Group that was set up to study it and we have decided that such a Board will be set up, information and documentation centres as well as various technical divisions that will cover production of iron and steel industry and its main inputs. The scheme is at the final stage of consideration. The expenditure will be shared by the integrated steel plants both in the public and private sector and also will be helped by Government with recurring and non-recurring grants.

As regards the work that the Central Engineering Design Bureau is doing in the building of Indian steel plants, I have no doubt that the C. E. D. B. has developed into an effective design organisation capable of doing major work in the field of design and detailed engineering.

The hon. Members are aware of the fact that two Agreements have been signed, one with the United Engineering Corporation in 1968 and the other with U. S. S. R. in 1969. These Agreements have really improved the work of the C.E.D.B. and they have been entered into on the initiative and with the approval of the Government. They have, in our opinion, completed a major part in transforming the C.E.D.B. into an important and effective instrument for planning and building of new steel plants.

Finally, a word about the Hindustan Steel Works Construction Ltd. The hon. Members mentioned it and I do think it is important to mention its role. The work in Bokaro is being taken up by this organisation, a public sector organisation, doing extremely effective and good job. We hope this organisation will build steel plants of the future. Already, base offices have been established at Salem and Vizag and it is our intention to encourage specialised divisions in the Hindustan Steel Works Construction Ltd. who will, by more experience in the area, become first-class specialists in building blast furnaces, coke ovens, steel melting shops and rolling mills, and so on. This, according to us, is the only way by which we can implement our major steel expansion programmes on the basis of our own efforts and our own experience.

SHRI D. N. TIWARY : What about setting up of a Board for saving the workers from the whims of the management ?

SHRI MOHAN KUMARAMANGALAM : I have been thinking about it. But I hope you will appreciate that it is very difficult to give an answer to that just within 24 hours.

There are problems and, if you will permit me, we can discuss them in detail later. But very briefly, I would say, the difficulty is that you are really putting something above the management in its day to day work. The Chairman and the Board of Directors can always deal with any matter. It is not as if a decision of the General Manager is final. But there is a certain thing called autonomy as mentioned by my hon. friend, Mr. Piloo Mody and other Members also on other occasions. Autonomy does mean that we should not appoint a number of different authorities to deal with the decision of the management. After all, if an injustice is done, the law does

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provide a remedy. If he is a workman, the Industrial Disputes Act gives a remedy so far as the worker is concerned. So far as the officer is concerned, if it is a question of the officer, I think, we can rely on the Chairman and the Board to do justice to the officer. In any case, I will look into it and see what can be done about it.

Finally, so far as mini-plants are concerned, I would like to make one thing very clear and that is that we do not look upon mini-plants as an answer to the steel shortage in the country. That is not the idea. The steel shortage is in the region of 1 million tonnes. *(Interruption)* The production of these mini-plants will be only 300,000 tonnes, all put together. Even if these six plants come into operation by 1973-74, they won't fill up the gap. That is one aspect of the matter. These are not plants in the sense we talk about integrated steel plants. I have repeated this many times. Unfortunately, hon. Members some times do not read it, if I may say so with all respect. So, one thing is that these are plants with electric furnaces on the one hand and using scrap on the other. They are plants which have been in existence right from 1946 itself. These are plants which are different to-day only because you are going to have continuous casting and even so far as continuous casting is concerned, two plants are already in existence in our country. One is the Canara Workshops, South Kanara and the other is the Mukunda. There is nothing very new and I would beg hon. Members to appreciate that this is part of the same policy that has been followed earlier. It will in no way, in no way, undermine the decisive position occupied by the public sector in our steel industry and progressively from year to year, 1979-80, we are going to reach a position from 55% which the public sector to-day occupies to 79%, despite these mini-plants. Far from weakening the position of the public sector, on the contrary, the position of the public sector is going to become more decisive in the years to come.

SHRI D. K. PANDA (Bhanjanagar) : The Minister has repeated the same facts which have already been published in the paper and also in the Rajya Sabha. Our specific question was—some of us have raised it—whether it is a part of the integrated plant or whatever

be the definition, when one can be started in the public sector, why others were allowed to be in the private sector. That was the specific question.

SHRI MOHAN KUMARAMANGALAM : I will answer the specific question immediately.

The hon. Member knows that there are many areas of industry in our country where both public and private sectors are operating. If you look upon this area, that is to say, the area of steel being produced, the steel ingots or steel castings being produced from electric furnace with the use of scrap is one such area. That is the answer. You may differ. But it has been so in the past and we don't think that we should take up these three or four mini plants as Central public sector plants. If the States come forward, we will give them every encouragement.

So far as my friend, Mr. Sat Pal Kapur's allegation regarding Punjab is concerned I can assure him that we will look into the matter and if the terms and conditions have been violated, there are several possibilities available to us to be able to take remedial action. But, I can assure you...*(Interruptions)*.

So far as the mines are concerned...*(Interruptions)* Let me take up the points one after the other...*(Interruptions)* May I seek your protection, Sir? I know he is not going to be satisfied because he does not want to be satisfied.

Let me take up the other points now. So far as the mines are concerned, I know the most crucial question is the one that has been raised by Mr. Panda and also by other members like Mr. Damodar Pandey, Mr. Krishnan and others and that is the question of nationalisation.

SHRI D. D. DESAI (Kaira) : Mini plants do not produce steel.

SHRI MOHAN KUMARAMANGALAM : That is entirely accurate. They do not produce steel. But they may produce steel castings and forgings on the one hand. They may produce billets on the other. But they do not fall in the same category as the integrated steel plant as my friend, Mr. Panda, says...*(Interruptions)* I am repeating myself and he is also repeating himself. So, let us leave it as that.

14 hrs.

So far as nationalisation of coal mines is concerned, I know that this is a very serious matter. We know and it has been acknowledged that whether in the private or public sector, the conservation of the metallurgical coal is one of the most important tasks facing our country. We are conscious of the fact that we have to take proper steps. I can assure hon. Members that we are looking into the matter as to what is the best way, and I can assure this looking is not going to be looking for ever. I can appreciate that they may doubt the truth of my statement because we have been looking at it a little too long but I promise you that before the House assembles again a decision will be taken. A decision will be taken about what is the best method by which we can conserve our reserves of metallurgical coal.

SHRI PILOO MODY : If you are there, we accept the assurance.

SHRI MOHAN KUMARAMANGALAM : I am speaking on behalf of Government, not on your behalf and therefore I am not responsible to you. We shall certainly see to it that in the decision which we take, we will be able to justify that decision in the eyes of the House, as being the correct decision, in the matter of conservation of metallurgical coal. It is a fact that metallurgical coal, in large quantity, is in private sector. Something like 2374 million tonnes are in organised private sector. The other figures are : 1149 in NCDC, 886 in what may be called, captive sector, Tata and IISCO, and unorganised private sector 1833—all in million tonnes. 2374 million tonnes are in the hands of the 6 biggest mining companies. There is no difficulty in admitting this point. I can only say, I agree with all the hon. Members who have raised this point, that there is a certain urgency about this matter, and we shall look into it. And I am sure, we shall come with a satisfactory solution as to how effectively we can preserve our coal resources and utilise them best.

Then, certain points were raised about the implementation of the Coal Wage Board Award. It is true that a number of collieries, 156 of them, have not implemented the provisions of the Coal Wage Board Award. Some of them have partially implemented.

AN HON. MEMBER : Non-implementation number comes to 600.

SHRI MOHAN KUMARAMANGALAM :

We can compare our figures later, not now. The total number of collieries comes to only 737. I don't know how anybody can say 600 as not implementing it. The figures are : Fully-implemented 125 ; partially implemented 476 and not implemented, 156. We think we would be able to take steps in relation to coal industry that will ensure that justice is done to coal mines as a whole.

So far as Mineral resources are concerned, these are important areas for building a nation's future. There are vast mineral resources. Although we got independence over 20 years back, the speed with which we have been proceeding for geological mapping of our country has been rather slower than can be justified by the needs of the actual process, but we are correcting this Rs. 13.58 crores is what they spent in the Third Plan. Now they are getting Rs. 38 crores in the Fourth Plan. Large number of geologists are being recruited. Altogether 3572 posts in the GSI have been sanctioned in 1970-71, not geologists alone, but of technical and non-technical staff and this is a good number.

AN HON. MEMBER : Madhya Pradesh is full of mineral resources....

SHRI MOHAN KUMARAMANGALAM :

Why Madhya Pradesh alone ? The whole of India is full of Mineral resources. Andhra Pradesh has very rich mineral resources. I can assure Mr. Prasada Rao that we are having detailed investigations. Actually, the position, so far as Agnigundala is concerned, is that it has very good copper deposits, and we have sanctioned two schemes there, Rs. 35 lakhs each for implementing exploration-cum-production, going hand in hand, and we hope that based on the results of these investigations, Hindustan Copper will be able to go ahead much faster in carrying on large-scale mining in these projects. So far as the Ramagiri gold deposit is concerned, we may find something there, we think that in Andhra Pradesh we may be able to mine asbestos also ; that is not definite, but the mineral occurs in Cuddapah.

So far as Orissa is concerned, we are carry-

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ing on our investigations for iron ore, coal, manganese, and chrome. Orissa is possibly one of the richest provinces so far as minerals are concerned. So far as Sukhinda nickel is concerned, because nickel is one of the most important things in our country which we lack, it is a project in which we have already got the report from the Indian consultancy organisation for the production of 4800 tonnes of nickel. That is being processed and we hope that we shall be able to go forward quickly to actual production. Of course, it will take some years, but we shall go ahead as fast as we can.

Rajasthan and Madhya Pradesh are very rich in mineral deposits, but I do not want to go into details now, for lack of time. Now, I would like to deal with certain other points.

AN HON. MEMBER : What about Tamil Nadu ?

SHRI MOHAN KUMARAMANGALAM : So far as Tamil Nadu is concerned, the hon. Member knows that the most important investigations we have made have been in iron ore in the Kanjimalai on the one hand and the existence of lignite in Neyveli. Apart from that, the deposits at the moment are not of as rich a level as we find for instance in Orissa and Madhya Pradesh. The fact that I come from there cannot change the amount of minerals that could be found in that State.

Shri K. D. Malaviya had raised a very important question regarding the question of the air-borne mineral survey. I quite appreciate what he had stated. He was anxious, as I understood him, that this should become more of a national endeavour, eliminating foreign collaboration and using particularly the resources of Defence. The position is that we have taken the assistance of the Bureau of Geological and Mining and Research in France, which is, as it were, a public sector organisation in France. This is for the next 26 months. During that period, we hope to be able to train up our own personnel and to operate it as a national organisation which will be able to carry out in future such air-borne mineral survey. It has served us quite well in the past, and I think that quite a lot can be done in the future if we organise it more effectively.

SHRI K. D. MALAVIA (Domarganaj) : This process of training started long ago. I

only wanted to draw the attention of the hon. Minister so that he might go into it and see that this is expedited. There is nothing very much to be learnt, and our boys can pick it up very quickly.

SHRI MOHAN KUMARAMANGALAM : I have taken note of what the hon. Member has said, and I can assure him that we shall try to speed up the process of nationalisation of the air-borne mineral survey to the maximum extent possible, and I am sure he will also remind me if I forget about it or sleep on the question.

He had also asked me a question about geo-chemical methods. We have actually been using them, and there is a deposit which we have discovered in Pular Parsoni in Maharashtra, entirely on the basis of the use of geo-chemical methods. Geo-chemical technology is important, and we hope to use it increasingly in the future.

It is true that in non-ferrous metals, we are still very short. A number of hon. Members have raised this point. We are short in zinc, aluminium, copper etc. In aluminium, we hope to make up in the next two years or so and we have come quite a distance towards it. But so far as zinc is concerned, and so far as copper is concerned, with all the efforts that we are making for expanding, and we are expanding fast, even in 1973-74, we shall be far short of our demand. But I can assure this House that every effort is being made to put the Khetri project now on its feet, and I am confident that with the reorganisation that has taken place in the last two years, we shall be able to show some proper results in Khetri. I am also very confident that so far as Hindustan Zinc is concerned and the Udaipur project is concerned, they are making good progress and will really do a good job for our country.

It was Mr. Prasada Rao who raised the question of a Mining Finance Corporation. We know that financing of mines is now a simple affair, and therefore a study was made of the establishment of a Mining Finance Corporation. It took some time and we came to the broad conclusion that it might be useful to set it up. But the Finance Ministry suggested

that instead of doing that immediately, we might work it out through a special cell for mining in the IDBI, and that is what is being done at present. We want to give it a fair trial. If it works and we get enough money to finance mining in future, it is good enough. If it does not work as we anticipate, we will have to think in terms of a separate Corporation.

So far as iron ore exports are concerned, I can assure hon. Members that we are giving every attention to this. At Present we have reached 20 million tonnes. In 1973-74 it goes up to 31 million tonnes and in 1978-79 it goes up to 56 million tonnes. That includes, of course, one of the most ambitious schemes that we have got for the use of modern technology, that is the use of the kudiramukh low grade iron ore in South Kanara, beneficiating to bring it up to 65 per cent iron content and then taking it down by pipe line in slurry form and putting it into the ship for export. There are very few people who have experience of it, but we hope that with our own engineers getting trained, we will be able to effectively build up a major money-earning export organisation in the field of iron ore by doing this.

Let me deal very briefly with the points made about the Amjore Mines by Shri Sharma, Shri Damodar Panday and Shri Painuli. They said that it should be developed and the import of sulphur should be avoided. I do not think anybody would disagree with them. Today the acid plant capacity is 200 tonnes and the supply of pyrites is also 200 tonnes. Therefore, we are going to step up the supply of pyrites according to the increase in the acid plant capacity, but unfortunately it is impossible, unless we import some amount of sulphur (because of the high quality of sulphur needed), to manage with this. The daily acid output in 1973-74 will be 1,280 tonnes and the sulphur requirement will be 445 tonnes, and imports will have to be 187 tonnes. What we will get from pyrites is equivalent of 258 tonnes of element sulphur and the foreign exchange saving per year will be Rs. 2 crores. I think that is a sufficient justification for us to import sulphur in order to be able to keep our acid plant working at optimum capacity.

So far as Mumoorie Rock Phosphates are concerned, Shri Painuli is right when he said

that we have had to close down the operation. That is because it was in the initial exploration stage, and we have to work on the actual report. The pyrites Corporation is actively considering its development and is going to make a report on this, on the basis of which we will take a final decision.

Finally, I would like hon. Members to appreciate that in the area of non-ferrous mining we have really been lagging behind. The history of our country in the British days was such that the emphasis was almost entirely on coal. Even the training of engineers was only confined to coal mining either in Dhanbad or Banaras, wherever there was any faculty. So, really we are very backward in our engineering skills in the field of non-ferrous metallurgy, whether it be zinc, copper, lead or even aluminium. We have to recognise that we have to go a long way before we can catch up with the advanced technology in these areas. So, Government is seriously thinking how we can develop an effective design organisation in this area also. One of the methods by which we can do this is that, in every area where we have foreign collaboration, which we must have because of our backwardness in technology, we associate Indian technologists more closely with the development of that technology, build up a design institute in the area of non-ferrous metals which will really deliver the goods in the future. The expansion of non-ferrous metals is on a very rapid scale now and therefore the need for competent engineers is also very necessary. We are confident that our engineers can come up to the mark if only we give them adequate opportunities and training. So, our aim is to develop as fast as we can the design institute as, for instance, the engineers India Limited who in the field of oil refineries have established a name for themselves even internationally. That will enable us to really expand our non-ferrous metal industry as fast as we can.

I thank the hon. Members for the large numbers of suggestions which have been made by them. I assure them that if I have not been able to refer to them in the course of my speech, it is because of lack of time. I shall certainly pursue the official records of debate with care and see what steps should be taken and what suggestions I can adopt.

I am conscious of the fact that the portfolio

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entrusted to me is a very difficult one. I am conscious also that perhaps it is a very decisive one, whether it be the field or labour or it be the public sector or whether it be the field of metals that have been entrusted to my care. I am sure that with the support of the Members of this house we shall be able to achieve something creditable in the coming years so as to be able to make the Ministry of Steel and Mines contribute something of which all of us can be proud in the future.

MR. SPEAKER : I shall now put the cut motions to vote.

SHRI D. K. PANDA : One very important question should be answered. The hon. Prime Minister has made a statement that there should be expansion of steel production in the country.

MR. SPEAKER : It is quite late now ; he may resume his seat.

SHRI D. K. PANDA : Will the hon. Minister consider Orissa in the Fourth Plan—Orissa which is the first in the 28 sites selected by Datur and Company ?

MR. SPEAKER : No, no. I am putting cut motions to vote.

SHRI MOHAN KUMARAMANGALAM : We shall meet outside.

SHRI N. SREEKANTAN NAIR : My cut motions are 41 to 46.

MR. SPEAKER : I put all the cut motions to the vote of the House.

All the cut motions were put and negatived.

MR. SPEAKER : The question is :

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper including the sums already voted 'on account' for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of Demands Nos. 78, 80 and 137 relating to the Ministry of Steel and Mines".

The Motion was adopted

MR. SPEAKER : The question is :

"That a sum not exceeding Rs. 9,32,99,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of Demand No. 79 relating to the 'Geological Survey'".

The Motion was adopted.

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND No. 78—MINISTRY OF STEEL AND MINES

"That a sum not exceeding Rs. 56,16,000 including the sums already voted 'on account' for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Ministry of Steel and Mines'."

DEMAND No. 80—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF STEEL AND MINES

"That a sum not exceeding Rs. 17,07,61,000 including the sums already voted 'on account' for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Other Revenue Expenditure of the Ministry of Steel and Mines'."

DEMAND No. 137—CAPITAL OUTLAY OF THE MINISTRY OF STEEL AND MINES

"That a sum not exceeding Rs. 1,50,00,52,000 including the sums already voted 'on account' for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay of the Ministry of Steel and Mines'."

DEMAND—No. 79—GEOLOGICAL SURVEY

"That a sum not exceeding Rs. 9,32,99,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of

March, 1972, in respect of 'Geological Survey'."

14.18 hrs.

MINISTRY OF FOREIGN TRADE

MR. SPEAKER : The House will take up discussion and voting on Demand Nos. 33, 34, 35 and 124 relating to the Ministry of Foreign Trade. Four hours have been allotted for this Demand. The Minister of Parliamentary Affairs is willing to accept two hours more ; from four hours to six hours. I hope you agree. (*Interruption*). You always agree for extension of time.

Hon. Members who wish to move their cut motions may send their slips within 15 minutes with the serial numbers.

DEMAND NO. 33—MINISTRY OF FOREIGN TRADE

MR. SPEAKER : Motion moved :

"That a sum not exceeding Rs. 37,74,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Ministry of Foreign Trade'".

DEMAND NO. 34—FOREIGN TRADE

MR. SPEAKER : Motion moved :

"That a sum not exceeding Rs. 73,44,94,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Foreign Trade'".

DEMAND NO. 35—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF FOREIGN TRADE

MR. SPEAKER : Motion moved ;

"That a sum not exceeding Rs. 5,19,45,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972 in respect of 'Other Revenue Expenditure of the Ministry of Foreign Trade.'"

DEMAND NO. 124—CAPITAL OUTLAY OF THE MINISTRY OF FOREIGN TRADE.

MR. SPEAKER : Motion moved :

"That a sum not exceeding Rs. 2,25,87,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay of the Ministry of Foreign Trade.'"

SHRI M. K. KRISHNAN (Ponnani) : Sir, on these Demands for Grants for the Ministry of Foreign Trade, I wish to speak in Malayalam. I am happier today than on an earlier occasion, because the Deputy Minister in this Ministry can understand me without any interpretation.

14.20 hrs.

[Mr. DEPUTY-SPEAKER in the Chair]

*Sir, today morning, in this House, there was a discussion on a Calling Attention Motion regarding trade contract with Great Britain. From that debate we were able to understand the policy of this Government on export trade and how it is connected with policies of this Government in regard to other matters. Our financial policy, our foreign policy and other policies are closely related to our policy in regard to foreign trade.

I want to point out two or three important things about our foreign trade and the policy followed by this Government. This Ministry has published a report for 1970-71 in which the achievements and claims of this Ministry in regard to foreign trade are described. The Ministers claim that in 1970-71 the balance of trade deficit in foreign trade has decreased. They also claim that much progress has been made in our foreign trade. In one sentence they made this claim, but if you read the following eight or nine pages you will realise the hollowness of this claim. On page 12 of this report there is a paragraph which describes the difficulties faced by our foreign trade. There they say :

"The *f. o. b.* unit prices fetched by a number of our export products, *e. g.*, jute manufactures, handloom cotton cloth, iron ore, manganese ore, mica, raw cotton, fish; E. I. tanned hides and skins, chrome tanned, sugar and tea also declined because of adverse trading conditions abroad."

These are important matters in which we do

*The original speech was delivered in Malayalam.