

The House may now stand in silence for a short while to express its sorrow.

The Members then stood in silence for a short while)

RE : EIGHTH CONFERENCE OF
COMMONWEALTH SPEAKERS AND
PRESIDING OFFICERS

[*English*]

PROF. N. G. RANGA (Guntur) : Mr. Speaker, Sir, may I have a minute? May I congratulate you on behalf of all Parties in the whole of the Parliament on the excellent opportunity we are going to have by holding the Conference of Speakers of Parliaments all over the Commonwealth over which you are going to preside?

We are surely conscious of the privilege that we achieve through you, Sir.

MR. SPEAKER : Thank you. It is the privilege of all of you, Sir.

PROF. MADHU DANDAVATE (Rajapur) : Why was this secret concealed from us so far?

MR. SPEAKER : It is the eldest of the family who divulges the secret.

[*Translation*]

It has already been included in the Bulletin.

ORAL ANSWERS TO QUESTIONS

[*English*]

Proposal to Establish Nickel Project at
Sukinda in Orissa

*470. SHRIMATI JAYANTI PATNAIK : Will the Minister of STEEL AND MINES be pleased to state :

(a) the extent of import of nickel during the last three years and the cost thereof ;

(b) the extent of nickel-ore available at Sukinda in Orissa ;

(c) whether a proposal for establishment of the first nickel project in the country at Sukinda in Orissa is under consideration of the Union Government for a very long time ; and

(d) when this project will be established and the reasons for the delay ?

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT) : (a) to (d) A statement is given below.

Statement

(a) The extent of import of nickel during the last three years and the cost thereof is indicated below :—

Year	Quantity (Tonnes)	Value (Rs. in lakhs)
1982-83	4086	2003.83
1983-84	4351	2156.97
1984-85	16302	9800.00

(b) The nickel ore reserves in the Sukinda area of Cuttack District (Orissa) are estimated at 154.50 million tonnes with 1.05% nickel content.

(c) and (d) Sanction was accorded for a 4,800 tonnes per annum nickel extraction plant, based on the ore deposits in Sukinda and based on indigenous technology in April, 1974. The technology, when tried out on a pilot plant scale, did not yield satisfactory results. It, therefore, became necessary to evaluate the available data. This was undertaken with the assistance of the Canadian International Development Agency. The evaluation brought out the need for additional exploration, laboratory and pilot plant test work before a feasibility report could be prepared. Offers received indicated that the cost of carrying out further studies would be about Rs. 48.71

crores. Indications are that the project would require massive Government subsidy. In view of the severe constraints on resources and the adverse economics of the project, it is not being pursued.

SHRIMATI JAYANTI PATNAIK : Mr. Speaker, Sir, Nickel is a strategic metal. Orissa State is the only State where the strategic metal nickel ore resource are found in Sukinda area of Cuttack district. The Minister has informed that a huge amount, Rs. 48 crores was required to carry out further studies and hence the project is not being pursued.

It seems from the Minister's reply that instead of achieving self-sufficiency in this regard, we will go on importing this strategic metal for all time to come. The Minister has stated that we are importing this metal. In 1984 four times that of the previous year. It has increased 4 times and the amount also increased 4 times. A large amount of foreign exchange is being drained out from the public exchequer. It is already said that the project is uneconomic, according to the Minister. If it is uneconomic on the part of the Government will the Government, which is delaying the project for such a long time, from 1974, allow the public sector to carry on the project so that without any loss to the public exchequer, this strategic metal will be manufactured in the country for the purpose of industries like aircraft defence, steel etc. ?

SHRI K. C. PANT : First of all, with regard to the figure for 1984-85, I might say that the comparison with the earlier figure is not like to like. The import in 1984-85 covers primary and secondary nickel, whereas the previous two years indicate only the primary nickel. So, it is not like to like comparison.

The basic point of the hon. Member is correct in so far as the import of Nickel is concerned. We import all our nickels from abroad. Nickel deposits are only found in Orissa and, therefore the Government had decided, in fact, to go ahead with this project in 1974. There was an Indian company which tried to develop a know-how and the pilot plant was constructed. After the pilot plant study was made, it was found

that this did not yield the results expected and therefore that had to be dropped. Thereafter, the Government approached the foreign companies and experts in the field and it is one of them who came to the conclusion, after a study, that this is totally unviable economically. Then also, the Government pursued this. But subsequently, when it came to the investment of Rs. 48.71 crores — not for the plant but — for further study before the plant could be set up, then it was found that it was too costly and it has been shelved. It has not been "dropped". "Shelved" is the right word.

SHRIMATI JAYANTI PATNAIK : Sir, the Minister's reply is not satisfactory. He has already said about the foreign companies. I must say that our nickel ore is a low grade one with 1.05% nickel content. Therefore, why will the other countries bother to find out a new technology for our nickel ore ? They are having high grade, i. e. 4% nickel content.

In this situation, what will be our plan of action and whether any UNIDO assistance will be sought, as generally they do help the developing countries in such fields ? If not, will the Government consider this aspect and try to take steps to exploit this valuable resource ?

SHRI K. C. PANT : Sir, as I explained earlier, it is not as though the Government went to the foreign experts straight-away. First we gave full opportunity to the Indian company to develop the know-how and after they had tried to develop the know-how, the pilot plant was established. Ultimately when it did not work satisfactorily, it had to be given up. We did not start with that.

Secondly, CIDA assistance was taken for a Canadian firm to pursue the study. Not UNIDO but CIDA assistance was taken in the matter.

SHRI JAGANNATH RAO : Do not the reserves at Sukinda nickel ore justify setting up of a unit there ? Apart from cost, because their technology is not yet perfected in India, even it is not worthwhile to pursue this project because, the raw material is available in India.

SHRI K. C. PANT : In fact, that is the reason why this Project has been pursued all these years, (a) as the lady Member said, nickel is an important metal and it has certain strategic applications ; and (b) because we have 154.5 million tonnes of nickel, certainly low grade, but still it is our own nickel. But there is certainly advantage in developing it. But the cost has to be kept in mind. It has to be economically viable. *(Interruptions)* You cannot start a Project knowing full well that it is going to be a white elephant. This is the problem. Yet, I did say that it is not a question of abandoning it altogether. We should keep an eye on it. At the moment, I do not think, considering the constraint of resources, we can find money for it. *(Interruptions)*

**Conservation of Foreign Exchange and
Pervention of Smuggling Activities Act**

***471. DR. PHULRENU GUHA :** Will the Minister of FINANCE be pleased to state :

(a) whether some persons have been detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act during the current financial year ;

(b) if so, the details thereof ; and

(c) the grounds of such detentions ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :
(a) to (c) : A statement is given below.

Statement

(a) and (b) During the Period April, 1985 to November 1985, 554 persons have been detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

(c) These persons have been detained with a view to preventing them from acting in any manner prejudicial to the conservation or augmentation of foreign exchange, or with a view to preventing them from smuggling goods, or abetting the smuggling of goods, or engaging in transporting or concealing or

keeping smuggled goods, or dealing in smuggled goods otherwise than by engaging in transporting or concealing or keeping smuggled goods.

DR. PHULRENU GUHA : In the statement it is stated that 554 persons have been detained during April, 1985 to November, 1985. I would like to know how many of them were convicted and what is the minimum and what is the maximum punishment given to these people.

SHRI VISHWANATH PRATAP SINGH : The number of convictions from 1st January, 85 to 31st October, 85 out of court decisions of 876, 682 have been convicted.

PROF. MADHU DANAVATE : 682 are men of conviction !

SHRI VISHWANATH PRATAP SINGH : 78.75% have been convicted which is a very high rate of convictions, about 79% conviction.

DR. PHULRENU GUHA : My second part of the question is not answered. I wanted to know what is the minimum and what is the maximum punishment given to them.

SHRI VISHWANATH PRATAP SINGH : That will be made clear in the court. That will require court validity because out of 682, I have no data how much each got conviction.

DR. PHULRENU GUHA : My question was quite simple ; maximum and minimum, whatever may be.

SHRI VISHWANATH PRATAP SINGH : I will supply it.

DR. PHULRENU GUHA : My second question is from which frontier of our country smuggled goods enter into India and what type of goods are smuggled and from which country, goods are smuggled.

I would also like to know whether Government is contemplating to make the smuggling law more stronger.