

13.54 hrs.

**MINISTRY OF STEEL, MINES AND HEAVY ENGINEERING**

**Mr. Deputy Speaker:** The House will now take up discussion and voting on the Demands for Grants under the control of the Ministry of Steel, Mines and Heavy Engineering.

Hon. Members who want to move cut motions to these Demands may send to the Table slips indicating the numbers of the cut motions which they want to move, within ten minutes.

**DEMAND NO. 79—MINISTRY OF STEEL, MINES AND HEAVY ENGINEERING**

**Mr. Deputy-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, 1965, in respect of 'Ministry of Steel, Mines and Heavy Engineering'."

**DEMAND NO. 80—GEOLOGICAL SURVEY**

"That a sum not exceeding Rs. 3,24,84,000 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, 1965, in respect of 'Geological Survey'."

**DEMAND NO. 81—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF STEEL, MINES AND HEAVY ENGINEERING**

"That a sum not exceeding Rs. 35,13,40,000 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, 1965, in respect of 'Other Revenue Expenditure of

the Ministry of Steel, Mines and Heavy Engineering'."

**DEMAND NO. 136—CAPITAL OUTLAY of the MINISTRY OF STEEL, MINES AND HEAVY ENGINEERING**

"That a sum not exceeding Rs. 1,26,37,92,000 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, 1965, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering'."

**Shri Morarka (Jhumjhunu):** Before you call upon any hon. Member to speak, may I make one submission? As you know, 5 hours have been allotted for the discussion of the Demands of this Ministry. This Ministry is a very important Ministry, and it controls three major Departments, and the time given for the discussion of its Demands is disproportionately small. Every year, 8 hours are usually given, and during this year, a new Department has also been added on to it. Therefore, a little more time than usual should have been allotted for the discussion of these Demands. But, instead of that, to our great disappointment, we find that only 5 hours have been given.

My information is that apart from the hon. Minister who would be replying to the debate, the Deputy Minister and the Parliamentary Secretary also would take part and intervene at various stages. That would mean that the time left for Members on this side as well as on the other side would be very small. I do wish that the junior Ministers do take part in this debate, because they hardly get any chance to take part during the whole year, and we do want to hear their views also. I do not want that they should in any way be elbowed out.

So, I would humbly request you to increase the time allotted for these Demands at least to 7 hours.

**Shri Rameshwar Tantia (Sikar):** Eight hours.

**Mr. Deputy-Speaker:** Last year, the Ministry of Industry was also combined with this Ministry, and that has already been discussed separately.

Anyway, let us proceed with the discussion. It is not going to be concluded today. I shall convey the wishes of the House to the Speaker.

**Shri K. C. Pant (Naini Tal):** The wishes of the House may be ascertained right now.

**Shri Morarka:** The wishes of the House are there, and the extension of time may be made right now.

**Mr. Deputy-Speaker:** That cannot be done without notice. Government also will have to be consulted.

**Shri R. S. Pandey (Guna):** I would request that you may take the decision right now, so that those Members who want to speak may go through their files and prepare and they may get an opportunity. I think you should take the decision right now and allot at least 8 hours for the discussion of the Demands of this Ministry.

**Mr. Deputy-Speaker:** We shall see.

**Shri Indrajit Gupta (Calcutta South West):** As my hon. friend Shri Morarka has just said, not only from the point of view of allotment of time, but from every other point of view, it is obvious that this Ministry as it is constituted at present has a very strategic and fundamental role to play in the struggle for basic industrialisation of this country. From that point of view too, I would, of course, support Shri Morarka's plea that much more time and attention should be given to a discussion on the work of this Ministry.

The reports which we have with us do not strike a sufficiently confident note about the perspectives of development on those sectors which are the responsibility of this Ministry.

I am referring particularly to the question of this battle for steel. The battle for steel, I believe, is the hub and the very core of our struggle to take the country forward on the path of basic industrialisation. It is true that we are told that for the fourth Plan, a production target of 17 million tons approximately has been laid down. At least, that is the recommendation of the steering group which has said that besides the expansion of the existing private sector plants, we should attempt to construct, apart from Bokaro, no less than four other steel mills in the public sector, two for the production of steel, one for tool and alloy steel and one for ferro-alloy steel.

14.00 hrs.

Now, this aggregate target of 17 million tons is, of course, very heartening in the sense that if it is achieved, if we are capable of achieving it, it would certainly represent quite an important breakthrough; it would be quite a leap forward actually—if we can achieve it. The Minister will tell us whether the Steering Group's recommendations are final or not, in the sense that Government has considered them and taken any decision in that regard. But I am concerned at the moment with the question of whether all this additional capacity which is being planned is really going to be in the public sector or not. I want the Minister to make this quite clear because the policy that we are going to pursue in this battle for steel has, in my opinion, been sufficiently clearly stated previously in the name of Government. But apprehensions have been created, recently at least, in the public mind by certain utterances and statements made on behalf of Govern-

ment, not by the Minister of Steel perhaps but by other spokesmen of Government notably by the Finance Minister. There is a tendency to suggest some sort of dilution or modification of the previously announced policy that all new steel units should be in the public sector. I do not know whether they will be under the purview of the recent indications that the participation or entry of private capital, particularly private foreign capital, should be permitted in such basic sectors. We would like to know whether this apprehension has any foundation or not regarding the new plants which are visualised for the Fourth Plan. I cannot forget that when this great struggle for Bokaro was going on, we were told continually by many people in this country, particularly by those to whom the public sector is an anathema, that unless Bokaro is given a new orientation, unless at least a part even of equity capital in Bokaro is made available for private participation, we will not get assistance from anybody. These prophets of doom have spread quite a web of propaganda of this type throughout this country when those negotiations were still going on, when it was not certain whether US assistance would be forthcoming or not. The Government was being pressurised, in my view, to retreat from the policy of public sector steel projects by raising this bogey of foreign assistance not being forthcoming unless such a retreat took place. But I think events have belied these fears. Once the Government stated quite firmly that Bokaro would be in the public sector, has there been any dearth of offers of foreign assistance, technical assistance and assistance for providing equipment? As far as my knowledge goes, perhaps the files of this Ministry have got quite a sheaf of offers pending with them from various foreign countries. Perhaps the Minister would throw a little light on it when he replies, because it is important to realise that we are now in a phase, in an era, when this bogey that development of basic industries

in the public sector acts as a scarecrow to foreign assistance is over now. It is quite clear that people are there willing to assist us, provided they know clearly and unequivocally that the Government is going to stand by its policy of developing this sector in its own hands and under its own control. That is the reason why we would like to have an assurance about the additional plants visualised by the Steering Group also for the Fourth Plan.

I also welcome the decision taken to entrust the preparation of the project report to Messrs. Dastour and Co. I see it as a welcome step towards more and more reliance on our own indigenous skill and technical know-how. I hope when the question of provision of equipment comes for Bokaro, there too, the Government will leave no stone unturned to see that all possible indigenous sources are also tapped.

About this, there is only one other point I would make. There is a report appearing in the press that in order to meet the needs of Bokaro, that is, the needs in respect of water supply—as everyone knows, a steel mill consumes a vast quantity of water—there is a proposal to construct a fifth dam under the DVC system across the Damodar at Tenughat. I do not know whether this is a fact or not, and if it is a fact, whether it is under consideration of Government. I would be sorry if there is no adequate co-ordination in this matter between the Ministries of Irrigation & Power and Steel because there are likely to arise out of this some tensions and contradictions which may prove unfortunate for the fate of Bokaro also in the long run. It seems the State Governments of West Bengal and Bihar have for long been expressing apprehensions about the construction of a fifth dam across the Damodar out of the fear that such construction might reduce the flow of water to the lower regions and affect agriculture, particularly the production of food in West Bengal and Bihar, as also aggravate the pro-

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blem of the Calcutta Port, which, as you know, has been mentioned here many times. Now a report has appeared which gives an indication that this matter is now almost approaching finalisation. I would request the Minister not to leave this entirely to the Ministry of Irrigation and Power. Though technically it may fall under that Ministry's province, the two Ministries will have to co-operate very carefully and very closely on this matter and act also in consultation with the two State Governments concerned. We wish that both the possible undesirable developments may be avoided, namely, that the dam may be built without taking into account the possible adverse repercussions on water supply and irrigation potential of Bengal and Bihar, and also that something may happen which may later on result in a state of affairs when the Bokaro steel mill is completed but unable to go into production because there is no adequate water supply. I apprehend that this is quite a complicated problem and hope that in planning this particular matter will be looked into with great care and timely steps taken.

Now a few words on the question of steel decontrol, which has been quite a basic departure from the old policy for the first time after many many years. I do not know whether it would be uncharitable on my part to suggest that the timing of the announcement—about ten days prior to the meeting of the Aid India Club—was meant to create any impression abroad or to sort of make India's image abroad, as it were, more presentable to foreign countries, particularly of the west, where they are saying that they do not like too many policies of control pursued by this country—or the timing of the announcement was just a coincidence.

I have no time to go into a detailed discussion of the Raj Committee's recommendations or the way the Ministry has reacted to them. But there is

a seeming contradiction which I am not able to resolve. The items which are in short supply, pig iron, steel flat products and so on, are, we are told, kept under control because they are in short supply. That is logical, on the face of it. But the Raj Committee has said, as far as I have understood from its report, that the basic reason for advocating decontrol is that the present system of control has failed, and that the only stage at which that control operates is the primary stage, the initial stage, when the producers of steel actually make their first transactions. In all subsequent stages, from the businessmen, traders and merchants right up to the final consumer, the Committee has said that control is a total failure. Blackmarketing is going on, prices are quoted under the counter which are fantastic, and so on. But I find nothing in the Ministry's announced decision of decontrol to suggest how this present form of decontrol in respect of those items which are still kept controlled is going to fare any better, because the decision says—these are the words, I am quoting—"the present form of control will continue in respect of these items." The Raj Committee has censured the whole system of control and said that it has broken down and failed. So, in respect of this sector where it is retained, I do not find any assurance or any steps shown as to how this control is going to work any better than it did in the past.

Another thing which worries me is the latest Joint Plant Committee, the producers' committee, for price fixation and planning. It is by its very nature going to be an amalgamation of private sector and public sector producers of steel, and I find in certain sections of the press reports appearing where it is being demanded that the Hindustan Steel Limited, which will be a member of this Committee, should be given more or less complete financial autonomy by the Government, that Government should not

exercis<sup>e</sup> control over the HSL representatives inside the Joint Plant Committee. There is a campaign being worked up. I can give you so many quotations, where it is being demanded that because reasonable profits must be made, the private steel producers are demanding that if this committee is to function, the HSL must be freed from the financial control of the Government, and be allowed to function completely autonomously within the Joint Plant Committee. My apprehension is that if the Government makes a concession in this direction, it will be the first step towards a state of affairs where this joint Plant Committee may become an agency for foisting still higher and higher prices of steel on this country.

There are some other hazards of decontrol which, I am sure, the Minister must have taken into consideration, but he must tell us what antidotes he has fashioned against them. There is no use decontrolling steel if there is going to be increased instability of prices. Stability of prices has to be brought about somehow. What is the machinery suggested for that, because in the past we have found that these steel producers have never accepted with a good grace the retention prices fixed from time to time, they always grumbled about them as being too low. If this Joint Plant Committee, with an autonomous HSL representative inside it as is being demanded, think that now they have got a free hand, they can go ahead and fix such prices as will bring them reasonable profits, what happens to the question of stability of prices which all consumers of steel are expecting?

The second hazard is the question of distribution to the small purchasers. What assurance are we going to give to people who are purchasers or relatively small quantities of steel at standard prices or controlled prices—there is no control now, but at stable

standard prices—that the distributing machinery of steel will not always run riot, run amuck completely, since it is manned by people who, in the past, have done blackmarketing at the time of control?

Thirdly, there is this practice which, I am afraid, if allowed to continue, may even affect our export markets considerably, and that is practice which has grown up of mixing up very unscrupulously tested steels with untested steels. This has got to be checked. Every fabricator of steel in this country is complaining about it.

So, I hope these questions will be looked into and measures taken which can make these hazards at least less, if not eliminate them altogether.

In this connection, I must make a brief reference to a byproduct of this decontrol, which the Minister is already aware of, since it has been brought to his notice, but I wish to emphasize it again, and that is the unfortunate repercussions this has had on the employees of the Iron and Steel Controller's Office. A great number of them, more than half of them have been rendered surplus due to this decontrol, and they are totally uncertain of their future and what is going to happen to them. I am told that after certain representations were made, the Ministry has agreed to approach the Ministry of Home Affairs to see that all help is rendered to them to get alternative employment. That is good, I welcome such a move, but I would request the Minister to pursue this, and not leave it entirely to the Home Ministry alone, because these people are all experienced personnel who have worked for years in this office, and there are a number of Central Government offices situated in Calcutta which can easily, for the time being suspend their recruitment through the Employment Exchange, and take full advantage of these people. So, I hope that that will be done.

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There is another aspect of steel production which has been raised in this House sometimes, and I would like to mention it again. I am told that almost 50 per cent of the capacity of engineering industries, at least industries which are engaged in structural works, is lying idle due to shortage of different types of matching steel. I know these types of matching steel have to be imported largely from abroad, but if we remain dependent, as we have been all along, on foreign imports, we are going to be in a real soup. I want to know whether Government has any plans for developing and encouraging indigenous sources of production of matching steel. It is very vital. A recommendation has been made, I believe, to the Government by the Indian Engineering Association—I do not know whether any action has been taken on that recommendation—that these multifarious, hundreds, perhaps over 500 different specifications of matching steel sections which are registered at the moment, should be rationalised and reduced drastically and brought down to 200 or 250, and that an attempt should be made to see how much of it can be obtained from indigenous sources. I know that the Chairman of the Indian Engineering Association, who has thrown out this recommendation, happens to be connected with a big firm in Calcutta, Jessops, where I know from my own experience that due to this periodic shortage of matching steel every now and then, there is dislocation of production and shortages of output, which immediately have very wide repercussions, far-reaching repercussions. It even provokes labour unrest of a very serious type, because certain guaranteed norms have been laid down for output and production bonuses. Due to this matching steel shortage, production falls, or has to be held up, the production bonus of the workers goes down, they protest, and sometimes the management takes action for protesting, and in this way unrest

spreads. Therefore, from all points of view, this question of matching steel, which is very vital to the engineering industry, must be tackled with a new outlook and very determinedly.

On the question of mining, this is really such a vast Ministry that it is very difficult to deal with all the problems, but I would like a clarification on one point. Is there overproduction of coal or not? I am unable to understand it from the debate which is going on, if one reads all the speeches and statements of big mining interests. The Indian Colliery Owners' Association has just held its meeting, Shri Jalan has come out with a huge, big speech; Mr. Ogilvy of the Bengal Coal Co., and all of them sing the same tune, that there is gross over-production of coal, that the demand for coal has gone down due to the bungling of Government, wrong targeting in their Plans, and now they are having to keep their production restricted, pithead stocks are accumulating etc. Shri Jalan suggests with great satisfaction that the Government has assured him that the Fourth Plan targets of coal production are likely to be revised downwards. We would like to have some light shed on all this, on what is going on.

My own feeling is that these big coal interests have consistently followed a policy of trying to get more and more concessions out of the Government, and have succeeded to a considerable extent, even to the extent of getting three price increases within the last year. I do not know of any other industry which is protected so fully against any additional cost: even one nava paisa which goes up in their labour cost is immediately compensated by a corresponding price increase in coal, irrespective of the fate of the consumers of coal. These people are consistently going on crying and weeping and wailing, saying they do not get enough incentives. My belief is that in the past they have held production back in order to pres-

surise Government into giving concessions. The result was many coal-consuming industries switched over to the use of furnace oil. Now, after getting certain concessions coal production is going up again; but then they find that pact of their previous demand has been drawn away by furnace oil. But we cannot go on with furnace oil as it is costly and it has to be imported. We would like to know what is the actual position in relation to the targets of consumption? Is there over-production or not and if so who is responsible for this wrong and defective planning and what does Government propose to do now? Are the targets going to be revised downwards? The policy has to be stated unambiguously. These big mine owners go on infinitely asking for concessions to be made to them without producing results in the interest of the country and we will go on making concessions; they say that coal production cannot increase and then again they say that it has outstripped consumption. This kind of a situation in a strategic industry should not be allowed to continue. I have respectfully to say here too that the process of reorganisation in the Indian Bureau of Mines at Nagpur has landed about 1000 employees in trouble. I am told that due to the shifting of the coal section of this Bureau to the NCDC at Ranchi, about 1000 employees of the Indian Bureau of Mines are again suffering all sorts of difficulties by way of uncertainty about their future. I hope this will be looked into.

A word on amalgamation. A committee was set up in 1956 to study this subject and it defined that the minimum viability of a mine was 72,000 tons output per year. Less than that would not be economic. We find that out of 848 collieries in this country, 569 collieries are uneconomic according to this standard and they account for 21 per cent of the total output of coal. It is obvious that

the scheme of voluntary amalgamation has failed. Now I do not know what the Government propose to do but valuable coal reserves are being wasted and 80 per cent of the selected grades of coal are held by the private sector in this country. Out of these, so many collieries are small and uneconomic according to the standard laid down by the 1956 committee. As the Minister knows well, most of these mines, are even unable to utilise any part of the world bank loan for improvement, mechanisation and so on. How long this state of affairs will be allowed to continue? Some action is needed, positive action, for amalgamation of these mines. If necessary, it will have to be done by nationalisation. I am against the present policy of drift. This problem is neglected and only the big mines are given the facility to get bigger. This lopsided development will not solve our problem. Big coal companies such as Bengal Coal Company and Equitable Coal Company or the Bird Group get resources to modernise and grow bigger. I do not grudge that but the whole development should not be on that line. About 600 collieries are uneconomic and no positive steps are taken to amalgamate them or rationalise their production.

I come to my last point, Sir, and I do not know whether the hon. Minister would welcome my raising that point. I am compelled to do it: labour relations in these projects under this Ministry. I have to say that the state of labour relations is really shocking. The hon. Minister may say that the workers are to blame for this: somebody else may say that the management is to blame for it. But the fact of the matter is that labour relations as they exist today are in a shocking condition. It is no use the Minister scoring a debating point by saying: I think you are for the public sector. I am for the public sector, perhaps more

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than many hon. Members of his own Party but that is not the point. Why should labour relations be even worse than in the private sector?

That explanation nobody has been able to give. The workers are the same. In fact the workers here employed in these new projects, for example, Ranchi, this Hatia project—it is a thing which would thrill anybody, this concept of this huge complex, a type of thing which this country has never seen before, which is going to build the foundation of machine building industry in this country; who cannot support it? Who cannot wish it success?—and the workers who come to operate this kind of undertaking are a new type of workers. That must be understood too. He is a technician. He is an educated boy who comes from middle-class homes whose father and forefathers never worked in factories. These are new people who are coming to man these new factories of ours. All the evils of the worst practices in respect of labour policy of the private sector are there minus even that much responsiveness which the private sector sometimes shows to at least statutory obligations, at least to some kind of lawful trade union agitation and activities which are permitted in this country—they have not been banned. Unless there is a radical change here, it is impossible to build up a whole complex of projects like this. There is a callous outlook, soulless and bureaucratic attitude, if I may say so, on the part of most of the officers. Their attitude to the workers in general is a vindictive attitude. The attitude towards unions is political. I am not saying that all the blame is on one side. But who is responsible for this? You can give us figures and tabulated reports every year but that is not enough. The enthusiasm of the labour force has got to be mobilised. Here is the Estimates Committee's report on the Heavy Engineering Cor-

poration and what does it say? On Page 71, they say:

"As regards employees falling under the Factories Act, the standing orders for regulating conditions of their employment had been prepared some time back but the same could not be finalised as certain amendments suggested to the orders by the Regional Labour Commissioner had not been acceptable to the Corporation."

The Regional Labour Commissioner of this Government suggests certain amendments in the standing orders and up to this day, the Corporation has refused to accept these amendments. Therefore, there are no standing orders. Therefore, the Committee says:

"The Committee are surprised that the Corporation should have not by now framed suitable rules regulating the conditions of service of its employees. They hope that immediate steps would be taken by the management towards this end".

Shri C. Subramaniam: This refers to?

Shri Indrajit Gupta: Heavy Engineering Corporation. On page 84 the Committee says:

"The Committee are informed that so far no works committees have been set up by the Corporation nor has any procedure for redress of grievances been introduced..... The Committee trust that works committees would soon be set up by the Corporation and be made an effective instrument for the democratic administration of labour matters. A suitable procedure for redress of grievances and resolving disputes should also be immediately laid down."



Now, these are not demands of the workers but statutory obligations and they are not honoured by the Heavy Engineering Corporation and the Estimates Committee are forced to comment upon it. It is because of this kind of attitude that we hear about the labour union rivalries. One main cause for multiplicity of unions is this kind of affairs. I am told—the matter is pending enquiry, and I do not know—that even behind the fire that took place at Hatia in which so many lakhs of rupees worth of valuable machinery was destroyed, at the root of it lies the rivalry between two rival INTUC unions which were fighting each other for recognition. I do not know, but I hope the enquiry will go into it.

At Bhilai—I have been to Bhilai myself and seen things; people are brought to a place where there was nothing, it was wasteland; it thrills one to see this huge factory going up there—but what about the workers? They won't be given quarters. A small percentage get accommodation, quarters, and the rest are told to fend for themselves. Where are they going to go? Are they animals? What are they supposed to be, slaves? And when some of them constructed their own huts on some wasteland which was lying there they were prosecuted for trespass and the huts were demolished. Where are they going to live? How do you expect them to work in these factories. This is the kind of outlook that we see, I regret to say. We were told that when new factories are constructed in areas which are not built-up areas it should be the first responsibility of the management to provide full accommodation and housing for the workers. It is not being done in the public-sector projects.

In Hindustan Machine Tools, recently an order has been passed

that union official will be allowed to enter, not the works, not the factory, but even the quarters where the workers live, outside the factory. So that, it means that by the back door even legitimate trade union activity is banned. You cannot collect subscriptions inside the factory, and you cannot collect subscriptions outside the factory, because you are not allowed physical access to the place where the workers live.

The hon. Minister knows well that in the Durgapur Steel factory the union which won all the seats, without a single exception, in the bye-election to the works committee is denied recognition, and the union which is not able to win even a single seat is foisted on the workers as the recognised union. Is it the way to create good industrial relations?

In the iron mines of the Bhilai steel project I find that certain standing orders have been certified, passed and certified, and later amended by the Government. Those standing orders are not implemented by the management of the mines.

It is against this sort of background that I would request the Minister once again to consider the question of the Heavy Electricals at Bhopal about which so much was talked here today. If it was something taking place as an isolated question without any background, I can understand. But is it a coincidence? The workers may have done something there which cannot be supported. But what is the root cause? How do these things begin, how do they start? It is against this background and in this framework that I would ask him to consider the incident at Bhopal. It is not a coincidence. It is part of the same outlook which even the INTUC and even Mr. David who was Minister till the other day have criticised; Mr. David has published a leaflet, which I have not

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somewhere here, in which he has also spared no words to criticise the outlook and attitude of the management at Bhopal and held it responsible for creating conditions in which all this trouble is taking place.

My time is up. I would end by appealing to the Minister once again. I am sure he realises better than anyone else what an important and vitally, fundamentally, important and strategic Ministry this is from the point of view of building up the industrialisation of the country, and it will require much more determination and energy and much more wisdom and much more holding fast to the declared objectives of this country's industrial policy to carry it out successfully. And every step he takes in that direction will certainly have our full co-operation. But I would ask him to look into all these defects and all these lacunae and all these serious mistakes and errors of policy which are there and to try to rectify them as soon as possible.

**Shri Morarka:** Mr. Deputy-Speaker, Sir, I wish to begin by agreeing with the hon. Member who has just preceded me when he said that this Ministry occupies a very important and strategic position in the economic development of this country. This Ministry has under its control three most important departments, namely the Department of Steel, the Department of Coal and Minerals and the Department of Heavy Industries. Since it is not possible to deal with all the subjects in this limited time I wish to confine myself only to the question of steel.

It is said that "the consumption of iron is a social barometer by which to estimate the relative height of civilisation among nations". The *per capita* consumption in a country indicates the general economic progress or the industrial development of the country in particular. And so far as we are

concerned, our *per capita* consumption at the end of the First Five Year Plan was 8 k.g., at the end of the Second Five Year Plan it went up to 14 k.g., and by the end of the Third Five Year Plan it is expected to go to 18 or 19 k.g. per head. As against this, the *per capita* consumption even in the Latin American countries like Argentina, Chile, Cuba and Mexico is anywhere between 40 and 70 k.g., per head. In Japan and Italy in 1957 this was 130 k.g. per head. If everything goes according to our calculation we would reach nearly this figure of Japan and Italy by the end of the present century when our production is estimated to be 110 million tons and our population is estimated to be 840 million people. Whether we shall reach the target of our steel production or not is a doubtful thing, but there seems to be very little doubt about our achieving the population figure. I say this with confidence because in this country if there is anything which is self-generating, it is the population growth.

Even today, Sir, our demand for steel remains unsatisfied to a great extent. Our demand is for 5.8 million tons. Our supplies are 4.4 million tons, leaving a gap of 1.4 million tons. Our requirement of steel is increasing every year by 11 per cent. And in this connection we should not forget that each person employed in the steel industry provides a job for another eight to ten persons in other industries which are based on steel, apart from the employment in mining and the transport industry.

This Ministry has done well during the last year in some respects, and it has not done so well in some other respects. The three steel plants which are under the control of this Ministry have not only reached their full production but in fact have exceeded the targets. Bhilai is working today at 120 per cent, Rourkela is said to be working at 110 per cent . . .

**The Minister of Steel, Mines and Heavy Engineering (Shri C. Subramaniam):** Durgapur 110.

**Shri Morarka:** . . . and Durgapur also about 110 per cent. The expansion programme of the three steel plants is finalised and is now on its way. Bhilai has taken up the manufacture of electrical steel and low alloy steel. It has plans to augment its special steel production to 2 lakh tons per annum very soon.

But the most important decision which has been taken by the Ministry during the year under review is about Bokaro. It has now been decided to set up this project not depending on any single country but with Indian resources, India technicians and above all, with Indian consultancy. I would have something more to say about the consultancy when I come to it a little later.

It has been estimated by a Study Group that by the end of the Fourth Five Year Plan our requirement of steel would be 13.5 to 14 million tons of finished steel, requiring steel ingots of about 18 to 19 million tons and a capacity of about 20 million tons. At present, according to the best estimates by the end of the Plan, including the expansion programme which we have, even after taking that into account, the production of steel is not likely to be more than 6.8 million tons of finished steel or 9 million tons of steel ingots and a capacity of about 9 million tons. That leaves a very big task to be completed during the time between now and the end of the Fourth Plan period. One should not feel that this is an impossible task because we have the experience of other countries like USA, USSR, Germany and Japan, where the rate of growth of steel production has been even higher than what is required if we have to achieve the target at the end of the fourth Plan, but, at the same time, we must remember this: not only advance planning but advance action is necessary for achieving this target.

Here, may I say that for the production of one million ton steel, you have to move six million tons of raw material and finished goods. That means, for one million tons of steel, you require a transport capacity of six million tons. For a one-million ton plant, you require to move 20,000 tons of cargo every day. In other words, in terms of wagons, you have to arrange for a thousand wagons per day of 20 tons capacity; for achieving our capacity and the target of the fourth Plan, you will have to arrange for the movement of 30 million tons of iron ore, 30 million tons of coal, nine million tons of lime-stone plus manganese, dolomite, etc. That should give us some idea of the size of this problem and the task which we are facing, and that is the main reason why we have to make a beginning and take action from now onwards not only about developing the steel plants—the negotiations with foreigners for financial aid, etc.—but even for developing the mines and transport facilities and various other things. These are all time-consuming activities and the sooner we take action the better it is.

Having thus accepted the necessity for steel, the next question arises as to what should be the pattern of our steel development. In regard to the pattern of development, the first question is, what should be the size of our plants. It has been accepted all-round that a million ton steel plant is no more a steel plant in the modern sense. It is not an economic plant. In the U.S.A., in 1930, they had 19 plants with one million ton capacity. In 1950, this number increased to 26, but with that 26, they put up four plants with a capacity of more than five million tons. In 1955, the number increased to 48. Then there were eight plants with more than five million ton capacity and five plants with more than six million ton capacity. In the USSR, there is one plant which is now nearing the size of 10 million tons. The National Productivity Council tells us that Russia has

[Shri Morarka]

got blueprints ready and that they are going ahead with a plant of a capacity of 25 million tons,—one single plant with a capacity of 25 million tons. Then, a small country like Czechoslovakia has a plant with a capacity of four million tons with an expansion capacity of eight million tons. Similarly, Japan has got 14 integrated plants and four more are under construction.

The next question is about the location of these plants; where these plants should be located. We seem to be suffering under the impression that we cannot put up a plant unless we have the iron ore, a good quality of coal, limestone, dolomite and such other requirements readily available in a small radius. It is good and we would be lucky if such an assembly of raw material is available in one area. There is one such area which can be called the steel belt, which runs between Orissa, Bihar, West Bengal and Madhya Pradesh, where we have already located our plants and there we do find most of these things in the required quantity and the required quality. But still, we cannot depend entirely and plan our steel production entirely on the basis of finding all our requirements—all the raw materials and other things—assembled in a small radius. We have to develop other areas and from that point of view we must consider and look to what is happening in other countries.

You may be surprised to know that some of the biggest producers of steel like Japan and Germany depend, and plan their steel plants basing entirely on, the imported raw material. Take Japan. Japan today is the fourth biggest steel producer in the world, and yet, Japan imports more than 90 per cent of its iron ore, it imports more than 40 per cent of its coal; it imports also manganese and other things. Take next Germany. Germany imports iron ore from France; it imports coal from

America. Even Britain imports its coal from the USA, because it finds that imported coal and imported raw materials are cheaper than the domestic ones. The biggest steel producer in the world today, USA, is importing iron ore, not in small quantities, but as much as 30 million tons, from other countries. Therefore, it is wrong and it would be a mistaken concept to believe that our steel plants can be located only in those areas where we have an assembly of all these raw materials. The need to import and the low transport cost are the factors which have attracted the location of these plants mostly at the sea-ports. Examples are Newport in Britain, Dunkirk in France and Bremen in Germany, and that is the reason why Pakistan is locating its steel plants in Karachi, and we are also thinking in terms of Vizagapatam and Goa.

**Shri R. G. Dubey (Bijapur North):**  
Hospet.

**Shri Morarka:** Hospet also is another area. (*Interruption*). In these days, it is not merely enough to produce steel. It is very essential that steel should be produced at competitive prices. Here, on this point, I have to make some criticism of our steel plants and of our planning. I have gone through the report of the Public Accounts Committee, and I must say that I am rather disappointed to find that the cost of production of steel in this country which was at one time the lowest in the world is now heading towards becoming the highest in the world. At one time, the cost of producing steel in this country was the lowest, but today, we are well on the way of becoming the highest in the world in this respect. What are the reasons? One reason is that of the capital cost. The capital cost of putting up a steel

plant in this country is higher than anywhere else in the world. Per ton, we have to spend Rs. 2,800. Our cost of capital equipment comes to about Rs. 2,800 for one ton capacity, as against Rs. 800 in Japan and Rs. 1,300 even in the United Kingdom.

The second reason is that the number of people whom we employ for a million ton plant is 31,000 workers in Bhilai, 21,000 in Rourkela and 20,000 in Durgapur. As against this, the number of people employed by America for a million ton plant is anything between 4,000 and 5,000. But in Japan for a four million ton plant the number of people employed is nearly 10,000. That means, it comes to 2,500 for a million ton plant.

Now, even in the project report which our foreign consultants prepared and for which we paid them very handsome fees, they had projected that for Bhilai, the total number of people required would be 7,300. As against that, which was estimated in the project report today we are employing actually 31,000. When I say 31,000, I am not taking into consideration the other 13,000 who are employed for the expansion programme, etc. More than 4,000 people are employed only for maintenance work like oiling the plant, etc. I am not saying that in the beginning these people are not necessary or they are over-employed or whatever the reason may be. But the fact is that unless and until you go into the economies of these things and economise everywhere, you would not have an economic functioning of these plants. All that you have in the bargain is a crop of labour trouble. Therefore, I suggest the Ministry may carefully examine this aspect and see why the number of people employed in the steel plants in this country is so high as compared to other countries.

**Shri Ranga:** And also why we employ more men in Bhilai than in Rourkela.

**Shri Morarka:** That is also true.

I was telling you about the cost. What does the PAC Report reveal? I will give the figures which were estimated in the project reports prepared by the technically efficient and knowledgeable consultants on the basis of whose reports these plants were set up and I will also give the actuals. In Rourkela, for steel ingots prepared under a new process called the LD process, their estimated cost was Rs. 137 and if you add to that the excise duty, it comes to Rs. 177 roughly. As against that, the actual cost that is given is Rs. 400. For HR Strip, the estimate was Rs. 285 and the actual cost Rs. 823. For plate, the estimated cost was Rs. 280, but the actual comes to Rs. 972. This is not enough. In the case of CR sheets, the estimated cost was Rs. 407 and the actual cost comes to Rs. 2240. For tin plates, the estimated cost was Rs. 490 and the actual cost Rs. 4433. This is the story about Rourkela.

Take Bhilai. For pig iron the estimated cost was Rs. 74 but the actual cost was Rs. 161. For rails, the estimated cost was Rs. 229 and the actual cost Rs. 630. Durgapur also tells the same story. For steel ingots, the estimated cost was Rs. 103 and the actual cost was Rs. 333. For billets and sleeper bars, the estimated cost was Rs. 143, but the actual cost was Rs. 430. For Sections, the estimated cost was Rs. 160 and the actual cost Rs. 555.

**Shri C. Subramaniam:** For what year is he mentioning the actual cost of production?

**Shri Morarka:** For the year 1961-62, because the Minister may kindly appreciate that we do not get the latest figures. We get the figure only 2 years later and that is the only basis on which we can speak. The PAC examined the audit report and submitted its report which was placed before the House on 25th March, 1964.

**Shri Ranga:** The Minister can give the latest figures.

**Shri Morarka:** In view of this, if the Hindustan Steel makes a loss of Rs. 25 crores this year and the total loss becomes Rs. 65 crores, it is not surprising. These are huge plants and if they start making loss, unless you control it in time, they will result in very disastrous financial losses.

Take the cost of raw materials. Here again, what were the estimates of our technical consultants to whom we paid such huge fees of Rs. 3 crores and Rs. 4 crores? In Durgapur, limestone was estimated to be available at Rs. 15.60 and also dolomite. But the actual price however is Rs. 32.60 for limestone and Rs. 38.84 for dolomite per ton. They expected to get iron ore at Rs. 17.50 per ton, whereas the actual price comes to Rs. 29.89. They expected to get coal at Rs. 16 whereas the actual price which the steel plants have to pay is Rs. 35. What does it come to? So far as these technical consultants are concerned, in the case of Rourkela, the selection of site was wrong and it had to be shifted. The civil engineering work was found defective in Durgapur and so the piling foundation was delayed. The examination of bills and payments to contractors were again criticised because of overpayment to the extent of Rs. 1 crore is supposed to have been made in Durgapur alone. Similar is the story about Bhilai.

So, the raw material cost is high; the quality of raw material is defective. Iron ore contains a large amount of oilcon; limestone contains more insolubles and coal contains a high percentage of ash content. In the case of production, there are bottlenecks, because due to the defect in the pig iron casting machine, the subsequent processes could not be made to work and there are bottlenecks. Regarding the quality of production, there is reflection in Bhilai to the extent of 15 cent and in Durgapur about 20 per cent and in Durgapur about 20 per cent. The estimate of raw material is

not proper; site selection is not good; the equipment supplied is not proper.

In view of this bad performance of the technical consultants, I do not know why the Government was hesitating to appoint Dastur and Co. as our own consultants. It would be very difficult to do anything worse than what the foreign consultants have done. Every single calculation of theirs in every respect has turned out to be defective. Have you penalised them? Have you called them to account? Have they made good the losses in any way? If not, may I know why such huge fees of Rs. 3 crores or Rs. 4 crores are paid to them? I feel the time has come when the Government should shed its glamour for everything foreign and they must give an impetus and due recognition to the Indian talent wherever it may be. In that respect, I feel that the selection of Dastur and Company has been a very good one and it deserves a fair trial.

The hon. Member who preceded me talked about labour relations. Whenever we on this side point out certain defects and weaknesses of the public sector projects, we are regarded as enemies of the public sector.

**Shri R. S. Pandey:** Not one Member of the Communist Party is there.

**Shri Ranga:** You are ultra-socialist. How can you be suspected?

**Shri Morarka:** Because of the go-slow technique over a small period, Rourkela alone has suffered a loss of Rs 1.46 crores. The same thing is happening in Heavy Electricals, Bhopal. There is destruction of valuable imported goods in the Heavy Engineering Corporation at Ranchi. They are creating trouble at Bhilai and other places. So, I would like to know who is the real friend of the public sector and who is the real enemy of the public sector. As the Minister said this morning, he did not

expect those things from Members of the Communist Party, because he thought that they were friends of the public sector. He said the whole truth when he said that he would not be surprised if, in order to gain the favour of labour, even the INTUC is inclined to make a mistake.

There is another point in the PAC report. When we were negotiating for Durgapur, the machinery suppliers wanted 20 per cent deposit. In the place of 20 per cent deposit to the foreigners, we agreed to give 10 per cent deposit and 10 per cent bank guarantee. Merely because of this we had to pay Rs. 30 lakhs more. This, Sir, to a layman like me does not appeal. Why was a sum of Rs. 30 lakhs allowed to go merely because we preferred to give a bank guarantee instead of cash?

Now, Sir, there are other points concerning the purchases etc., but I would not go into them. I would only refer, finally, in a few words, to Bokaro. Let me begin by saying this, that there is no doubt that by depending entirely on America up to a certain time our programme of steel production has been delayed. We did depend on America. We thought that help would be coming from them. An American team did come here. They accepted our need for steel. They said that we need steel, we need it very badly and that we needed it in a hurry. They also accepted the fact that there is scope for manufacturing steel here in India, that there is the necessary raw material here and everything else is here. They were also not averse to putting the plant in the public sector. Not at all. The Ambassador, Mr. Bowles said that he was in favour of Bokaro. His predecessor Mr. Galbraith was in favour of it. The late President Kennedy was in favour of it. The US AID people were also in favour of Bokaro. Then, what came in the way? That is very surprising. They said that this plant is too big for

them. A four-million ton plant is considered to be too big by the Americans! It is surprising that there could be something big even for the Americans. As against this, as I told you a little while ago, Russia is today planning a steel plant for 25 million ton capacity. Therefore, I feel that so far as Bokaro is concerned we should not depend on any one country, but we must plan it ourselves.

15.00 hrs.

In conclusion, I would only request the hon. Minister to disclose the name of the Indian person who was lobbying against Bokaro. When a question was put on the floor of this House whether anybody was lobbying against Bokaro, against American aid to Bokaro, the Minister said that it was correct, he had got the information, he had also heard about it and that he was making enquiries. Why that name is withheld, I do not know. I do not know why that protection is given to a person who was admittedly doing something against the national interest. Now-a-days there is a system of disclosing the names of people who commit even small defaults. Why then a person who is guilty, guilty of sabotaging the national plan, should not be exposed and his name should be kept a secret, I do not understand.

**Mr. Deputy-Speaker:** Hon. Members may now move their cut motions subject to their being otherwise admissible.

श्री राम सेवक यादव : मैं प्रस्ताव करता हूँ :

“कि ‘इस्पात, खान और भारी इंजीनियरिंग मंत्रालय’ शीर्ष के अन्तर्गत मांग को घटा कर १ रुपया कर दिया जाय।”

[मजदूरों और पदाधिकारियों के वतन क्रम तथा उन को दी गयी सुविधाओं में असमानता (१) ]

**Shri Sivamurthi Swami (Koppal):**  
I beg to move:

(i) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for additional loan for the Tungabhadra Steel Products Limited Hospet, Bellary District controlled by the Government of Mysore and Andhra. (2)].

(ii) "That the Demand under the head 'Other Revenue Expenditure, of the Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need to improve communications in the mining areas and to provide technical advice to the mining industry. (3)].

**Shri Yashpal Singh (Kairana):** I beg to move:

(i) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Accumulation of large stocks of coal at pitheads. (10)].

(ii) "That the Demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for amalgamation of small collieries without resorting to compulsion. (11)].

(iii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Shortage of pig iron. (12)].

(iv) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for bringing down prices of scooters. (14)].

(v) "That the demand under the head 'Ministry of Steel,

Mines and Heavy Engineering' be reduced by Rs. 100."

[Procedure regarding allotment of cars to public (15)].

**Shri Daji (Indore):** I beg to move:

(i) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Application of Central Labour Laws in public sector steel plants, and Heavy Electricals. (16)].

(ii) "That the Demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Deterioration in industrial relations in H.E.L., Bhopal. (17)]

(iii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Appointment of retired pensioners in HEL, Bhopal. (18)].

(iv) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need to have Joint Consultative Machinery at HEL, Bhopal. (19)].

(v) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Introduction of decasualisation scheme in HEL, Bhopal and Steel Plants in Bhilai, Durgapur and Rourkela. (20)].

(vi) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for proper and healthy labour relations in steel plants, HEL, and other public sector plants. (21)].



(vii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Retrenchment in Indian Bureau of Mines, Nagpur. (22)].

ಶುಭಂ ಪುಷ್ಪಂ ಅಗ್ನಿ ಸುಲ, (೧೧೧) the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Retrenchment of employees working under Controller of Iron and Steel, Calcutta. (23)].

(ix) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for formation of elected production and works committees in public sector plants. (24)].

(x) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Shortage of pig iron. (25)].

(xi) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Allocation of raw material like metals to different States. (26)].

(xii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need to manufacture cheap car in public sector. (27)].

(xiii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Steel production programme in public sector. (28)].

(xiv) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Failure to realise loans granted to TISCO and ISCO. (29)].

(xv) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Top heavy administration in public sector projects. (30)].

(xvi) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for reduction of price of scooters and three-wheelers. (31)].

(xvii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Coal production programme. (32)].

(xviii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Manufacture of special alloy steel in public sector. (33)].

Shri Yashpal Singh: I beg to move:

(i) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for dispersal of ball-bearing industries where monopolistic trends are in evidence. (34)].

Shri N. Sreekantan Nair: I beg to move:

(ii) "That the Demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for better labour relations in public sector projects. (35)].

[Shri N. Sreekantan Nair]

(iii) "That the demand under the head 'Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for absorbing work charged hands into regular employment in scheduled jobs in Public Sector projects. (36)].

**Dr. M. S. Aney:** I beg to move:

(i) "That the Demand under the head 'Geological Survey' be reduced by Rs. 100."

[Expenditure and other matters connected with the International Geological Congress to be held in December, 1964. (47)].

(ii) "That the Demand under the head 'Other Revenue Expenditure of the Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Need for exploration of coal, minerals, clay, limestone, particularly in Madhya Pradesh and Maharashtra, Koyna, Bhandara (Wardha Valley). (48)].

(iii) "That the Demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering' be reduced by Rs. 100."

[Operation of the Manganese Ore (India) Limited. (49)].

**Mr. Deputy-Speaker:** These cut motions are now before the House.

**Shri N. Sreekantan Nair (Quilon):** Mr. Deputy-Speaker, Sir I thank you for giving me this opportunity to speak on this subject at this early hour.

Shri Morarka has been dwelling at some length on the statistics of the Heavy Engineering Corporation and other heavy industrial undertakings in

India. I fail to understand what he was driving at. Was he pleading really for the private sector participation or not? If not, most of the arguments he raised, I am afraid, falls short of his objective.

Sir, this is a Ministry which is very important, as has been pointed out by everybody. We have also got a young, intelligent and competent man to handle it. I am afraid even he will find it very difficult to clean up the Augean stables because of the dirt that has gathered there, because of the crimes perpetrated in the past that are so numerous.

The most fundamental mistake committed by the planners and the Government was in launching this hydra-headed monster in the heavy engineering sector under one management. I can understand Shri Morarka's plea for having a five-million ton plant or a ten-million ton plant in one undertaking. But here what happens is this. We have got three or four huge undertakings. We have hundreds of crores of rupees under one management, each taking in collaboration more than one foreign country with the result that all the accounts are jumbled and all money is mis-spent. Money flows out in these concerns like the water that flows from the snowy peaks of the Himalayas. Nobody is there to look after. There is no accounting system. No cost accounting is attempted at all. Naturally, the nation suffers.

Another important defect of the planners and the Government is that we cannot throw the entire blame on the authorities even, because the moment a work is started and it is progressing satisfactorily down comes the sadistic notion that the production must be doubled, the production must be trebled and out goes the order: "Double it or treble it". That way the whole process of details, preparing project estimates and other things are done away with. Nothing is done.

If you look into the components of the major industrial undertakings you will see this. Hindustan Steel is a major project. We have got three major steel plants and two coal washeries under it. There is the Heavy Electricals. It has got four independent very big concerns under it. The Heavy Engineering Corporation, again, has got four major colossal undertakings under one management. How can we find fault with them?

Then I come to the question of experts. As one who had the fortune or the misfortune to go and visit most of these areas—of course, in connection with the work of the Estimates Committee—I find that these experts who have been brought there are also helpless and the Government is also helpless. If our plants had been small, if we had attempted to build one single unit under one management properly, we would have been able to duplicate all these plants several times over and we would have been able to depend on our own experts as we did in the case of HMT Bangalore. Whatever faults one may find with HMT Bangalore, they have done an excellent work. It was a small size plant and it was not very cumbersome. Once having absorbed the technique they did utilise it for the production. Here it is just the reverse. Nothing has been finalised, nothing has been finished and experts from foreign countries also feel that they are wasting their time and wasting the precious money of India. We all feel that the very precious foreign currency is wasted in crores and crores.

My hon. friend, Shri Indrajit Gupta, was making some references and my hon. friend, Shri Morarka, was putting forward the other side of the labour relations. The trouble is, all these officers are ignorant of labour laws. That is what is happening. I am sorry to say that they are also devoid of all human sympathy in tackling the issues. I am sorry, the Minister, after

coming and taking charge of this Ministry wanted to show that he was very strong. It is good to be strong. The Government must be strong to its employees. What is it, the omnipotent Government trying to stand on false prestige to the poor workers? Actually, money is being wasted. There are restaurants and guest houses that are being run under these departments. The Hindustan Steel alone maintains an airfield, three dakotas and a full complement of staff. The transport agencies run hostels in all the big cities. All these are enjoyed by the officers. What about the poor workers? When it comes to them, not even a fair deal is given to them.

My hon. friend was harping so much about Bhilai. I think his figures are wrong and the Minister will correct him, because there are not 31,000 permanent employees. There are two sections of employees: permanent and workcharged. That itself is unfair because those people who are taken for construction, who have put in seven or eight years of service, who do the same work, are paid on workcharged basis. It is an unfair labour practice on the very face of it.

That is one aspect. Then, I am very sorry to say that Indian laws are not observed. Some instances have been pointed out. There is difficulty especially in Madhya Pradesh. The Madhya Pradesh Act comes in the field and it insists upon only the recognised union being dealt with. What is the way out? I myself, after visiting Bhilai, made a representation as one of the Presidents of the central trade union organisations recognised in India, so that we may get out of the technical difficulty of the recognised union and the non-recognised union on the spot. Sir, no intelligent human being who understands anything of labour laws will call upon a freindly trade unionist, let it be INTUC, HMS, UTUC or anything, to sign something which falls short of what is concerned by law.

[Shri N. Sreekantan Nair]

What has happened in Bhilai? The union representative was asked to come to the office, he was given very respectful submission and treatment and then asked to sign an agreement under which a lump sum payment was made.

It is stated in the report of the Steel Ministry that the interim report has been implemented. I say it is not implemented. Certainly no man with an iota of commonsense would get his union recognised, because it puts him in a very difficult and tight position. When the question came up in the first Parliament, when it came in the tripartite conference, I had pointed out that the question of recognising a union was just putting some noose round the neck of the poor worker so that he would be hanged by the other workers. So, if they do not want the union to be recognised, do not blame them.

For example, a recognised union was asked to agree to a bonus scheme which pertains only to the production side. Naturally, the basic wages will be fixed so low that production scheme will bring substantial increases in the salaries and it will be a success. But what has happened? Since it is not applicable to the non-productive sections, it is having an impact on the overall efficiency of the concern. The workers in the non-productive sections are denied this facility. Then, in order to make the bonus scheme, a success, the wages are kept low so that the bonus may be high. The result is that you are giving a section of the workers very low wages and another section very high wages. It is an internationally accepted principle all over the world that there should not be such a vast divergence between the average wage and the minimum wage. But that is what is happening in Bhilai. Then how can you find fault with the workers.

Then, if the authorities above are not satisfied with a worker, a superior officer can write a confidential report

and say "this fellow's performance is bad and not up to the mark". That is never brought to his notice. After five years, when the question of his promotion comes, he is overlooked and the man below gets the promotion and he is completely in the dark as to why he has been overlooked. Suppose a man loses his eye sight. Instead of giving him an alternative job which is equivalent in rank, you appoint him as a Class IV employee. These are some instances of inhuman and unfair labour practices obtaining in many of our public sector undertakings.

I want the Minister to understand all these things. It is not merely a question of application of the Madhya Pradesh labour laws. I know that in the heavy electricals for years there was unrest. Yet, there was nobody to look into that matter. I say that the workers are not properly represented even in the recognised union. So, please give a direction that all the important decisions of the tripartite bodies and the wage boards should be implemented, that all existing labour laws should be enforced and if anybody does not enforce them he will be penalised. In that case, most of the ICS officers who are the General Managers and Managing Directors of the public sector undertakings will be in jail for violation of the labour legislation.

**Shri Ranga:** Then, the labour code has also to be honoured.

**Shri N. Sreekantan Nair:** It is being honoured. Now even the decisions of the labour courts are not implemented. It is an anomalous position. You must try to understand and remove the difficulties created in Madhya Pradesh by adopting measures which would bring relief to the workers. Then, absolute impartiality must be maintained by the management irrespective of the pulls of political strings. That alone will save our major public sector industries. If you try to play

the political game, it is the misfortune of this country. That is all that I have got to say on this.

Coming to the personnel department, I find in one of the most important public sector undertakings the personnel officer has said that the works committee need not meet because it is a government concern; so is above labour laws. Just imagine, an officer thinks that he is above the law made by this Parliament and implemented by the Government. So, all these people must be given training. Now a person from the army is taken as Personnel Manager. What is the relationship between the army and personnel management? An ex-employee of the army, who is shunted out from there, or somebody who was thrown out from there, gets an employment as personnel manager. Of course, he is a very decent man and honest. All the people who come from military service are honest people; they are frank and they tell you what they feel; they are always blunt because they do not know what they are talking about, as they had no training. Unless and until a person has got at least a degree or is made to undergo training for six months in the social educational institutions like that of Tatas or similar bodies or under the Central Government, he should not be placed as the head of the personnel department. That is my submission. That will remove many of the evils that now exist in the public sector undertakings.

Coming to the steel control order, Shri Indrajit Gupta also referred to it. I feel that it is not very fair to make these people lose their seniority and their continuity of service. The Ministry must find alternative jobs and put them there. They must be given some work without breaking their continuity of service. Because, it is a unilateral action which the Government took without consulting them. The employees are in no way responsible for their present position. It is as a result of implementing the

Raj Committee report that they are out of employment. They were all along shouldering very heavy responsibilities and if at all there were any lapses it was because of the stupendous nature of the task. Since they are in the present position for no fault of theirs, their case should be considered sympathetically.

Then, a few days back when the hon. Minister came to Kerala he declared that he is going to set up a steelmill in Kerala. It was a press statement made by him when he came there to inaugurate the HMT branch there. That statement came in the press but, later on, it was denied. I think the idea is a good one, and Shri Morarka has given very good reason in support of it. I think this is one of the rare occasion when Shri Morarka and myself are of the same opinion on a subject. He has given many reasons why it should not be only in areas where there is coal. We have got our ilmenite in large quantities, which is the only mining potentiality which we have got in Kerala. Also, that is the only public sector project which we have got. All the other heavy and engineering industries have gone to other States. When an educated Malayali or a person from Kerala seeks employment in a public sector plant in any other State, he is told that the people of the locality have to be given preference. This kind of preference for the people of the same locality is wrong, as Shri Morarka has pointed out. It should be done away with. Since the money is being given by the Centre, the Centre should say that no preferential or special claim can be given to any particular State and employment should be on an equal basis from people all over India.

Then, in Ranchi Rs. 1 crore has gone down the drains. Why? Because the site was selected on the basis of political pressure and not on the basis of real necessity.

[Shri N. Sreekantan Nair]

On coal production, if we are going to give up our targets or revise them downwards, then we are lost. The traders will create artificial scarcity and increase the price and we will be nowhere. So, that also may be taken into consideration.

**Shri P. R. Chakraverti:** Mr. Deputy-Speaker, at the very outset, I would like to congratulate the Minister for his bold step regarding the Bokaro steel project. Irrespective of the fact whether it is financed by USA, USSR or any other country, he was bold enough to say, India will have that project and it will never be wittled down. One thing that strikes me here is about the people who are going to be disturbed or displaced because of the factory being built there. There might be some form of assurance from the Government that the people who are being taken elsewhere will not only be rehabilitated but will also have some facilities made available to them so that one or two members of the family might get some form of training and be employed in the project which is being built up there.

So far as national projects are concerned, we had occasion to visit all the projects in Western and Southern India. In this connection, I have to raise a moot question, and that is regarding the industrial relationship, whether the industrial relationship in the public sector projects should be ideal one *vis-a-vis* the private sector. That is the main question which attracted my attention when I went there. I feel that some model system must be evolved so that the workers might feel that they are participating in the production apparatus. At the same time, they must realise that they have also the responsibility to build the project in the desired manner.

Shri Morarka was giving us some comparative statements regarding the number of employees here *vis-a-vis* Japan and other foreign countries.

Yes, indeed in these national projects, we find which are more or less based on labour intensive programmes, the number of employees is more than what is required.

Now that question has to be decided at a very high level, whether these people will have alternative appointment elsewhere or should be asked to go. But so far as the unions are concerned, some system should be introduced, some election should be there and a particular apparatus should be set up to supervise the elections so that the unions regularly formed will have their own say so long as they stay on through the elective process.

The Bonus Commission's Report is under the consideration of the Government and we do not know as yet what the final decision will be. But my definite suggestion is that a form of production incentive should be introduced in the public sector where the employees should know, "This is the norm and, beyond this norm, whatever I produce up to a particular slab, I am entitled to have a form of incentive." That is what I propose for the public sector.

**Shri Ranga:** Do they not have it now?

**Shri P. R. Chakraverti:** So far as coal is concerned, coming from the area which is supposed to produce the largest amount of coal, I find always that the industrial sector as well as the consumers, all of them, come with the slogan that there is a crisis in coal. Who is to be blamed for that? An important section in the coal industry says that some preferential treatment is being meted out to the higher class coal producer as against the middle or low-grade coal producer. The Price Revision Committee has got a certain standard in terms of which the price is changed, so much so that in one year three times the price was changed. Shri Indrajit Gupta was mentioning that if, in one

item, one pice is increased in the shape of earnings for the wage-earners, it is compensated in the shape of price increase of coal. I would say, it is more than compensated. If the wage-earner gets eight annas, the coal producers would get ten annas. That is my calculation.

The other day, I was discussing this question with some special experts in the line. They say that the solution of the crisis apparently cannot be brought about by price increase of superior grade coal. So far as my side, that is, Jharia and Asansol area, is concerned, already some form of an assessment has been made, though it is not as yet final. I have got the figures. The Assessment Committee say that, in this assessment process, they find out that there are 8,000 million tons of superior grade coal; they have got their different grade like Select A, Select B and Grade I. That is now the total stock of superior grade coal as against 1,30,000 million tons. Even this 8,000 million tons cannot be extracted. They calculated that it might be that 4,000 million tons might be extracted; the rest will have to be extracted from great depth. That will mean raising of cost. Here the question poses itself: the price structure to be fixed on the basis of cost of extracting coal to be measured actually in relation to the effort involved in mining coal or in relation to the quality? That is a moot question which we have now to face, that is, when coal is extracted, while applying the criterion to cost in determining the price, will the price be related to the quality of coal or to the cost of production?

15.25 hrs.

[DR. SAROJINI MAHISHI in the Chair]

We find that the other classes of coal is being put to a lot of uses and the experts' assessment is that ultimately we have to fall back upon the medium-quality coal. It has been earlier decided that, what they call,

beneficiation plants should be introduced so that the middle and grade coal would be passed through certain washeries. Thereby, their ash content is reduced and it can be gainfully used ultimately India should by no means exhaust the rich treasures of superior class of coal. In case of a crisis, where shall we go? Shall we import? Now the main question is whether it is more economical to import high-class coal with low ash content at a higher foreign exchange rate or whether we shall use low-grade coal. The middlings should be washed through washeries and used for our local consumption.

The question which has been raised by our friends from other States than Bihar or Bengal is this. They say, "Yes, it is not a fact that because coal is there, steel production and other industries should also be there." The controversy can be solved if we have also certain transport facilities and see that more of this medium-grade coal, duly washed, be used for meeting their needs. From the latest figures for 1959-63 for Bengal and Bihar side we find that Select A grade which had a total percentage of 14.10 in 1959 went down to 12.51 in 1960, to 11.28 in 1961, to 9.82 in 1962 and in 1963 it went down to 9.11. Similarly, Select B was 17.03 in 1959 and it went down to 14.43 in 1960, 10.63 in 1961, 7.66 in 1962 and 6.36 in 1963, while Grade I which was 15.28 in 1959 went up to 20.21 in 1960, 23.33 in 1961, 26.48 in 1962 and 29.79 in 1963. In this way we find that with all the production facilities, which have been made available within the natural limitations, the Select A and Select B grades are being slowly reduced and Grade I and Grade II and low grade are being increasingly raised now. In that process, how can the Government justify the granting of extra payment in price to a Section of industry, while making revision in terms of the norms prescribed? I would rather say that if you want that the use of inferior grade of coal should be en-

[Shri P. R. Chakraverti]

couraged more, that cannot be brought about by giving higher price to the Select A and Select B grade coal. The price variation may be wider but those facilities which are made available to the Select A and Select B grades coal should be made available similarly to other classes of coal producers who are in a position to supply our requirements in the long run. That is a factor which we have to take into account.

Another question which is also posed before us now is about the use of this low-grade coal for home or domestic consumption. It has also been estimated by very expert people and we also find from the Report of the National Council of Applied Economic Research that in a recent survey on domestic fuel consumption, they showed that the annual consumption of firewood, animal dung and available wastes aggregated 160 million ton in the rural sector. It has been calculated that at least 80 million tons of coal might be equivalent to that. It might be used by providing soft coke producers adequate facilities. If we could give them more facilities in the shape of reduction of freight charges, they could meet this essential requirement and, at the same time, this consumption of cowdung and other wastes might be avoided and used for the production of food. In this connection, there is another question to be considered, namely, whether we shall continue to import food from foreign countries at a very high cost under the PL 480 which we have to pay in the long run—it is not that it is coming free—or we shall use increasingly fertilisers here. We shall try to have our traditional manure used for the purpose by eliminating the waste of useful materials of that manure which is being used now for fuel consumption.

Research work which is being done with regard to temperature carbonisation of coal to produce smokeless domestic coal in my parts, that is, in the

Fuel Research Institute, is of immense value. We can use it widely and ultimately those plants should be more or less spread throughout the country so that we can have the facility of making available the subsidised supply of domestic coal fuel for our domestic consumption and conserve manure. So, these factors have to be taken into account when we try to estimate the importance of these different grades of coal.

Now, in the gradation, there is another trouble going on. The experts have since long given their own opinion that this gradation today according to the ash content should be substituted by calorific value. But as yet it has not been done. Now we understand that the Government has come forward with an assurance that the expert committee's recommendations will be implemented by stages. I would rather appeal to the Government that it is a direct demand of both the producers and the consumers and they have been waiting for so long for the implementation of the new grading and pricing based on calorific values. That factor also should no more be delayed.

Then, there is another question which the Central Wage Board for coal industry is seized with, namely, whether the industry can afford to bear the increased expenses from rise in the wage of the workers resulting from the recommendations of the Wage Board. I would say that, in the meantime, pending the submission of the Report, there is no occasion for revision of the price. I do not know how it happened but it had happened and the argument advocated by the Government was that they wanted to encourage the sale of the lower grade coal by trying to give higher price to the Sel. A and Sel. B grade coal widening the disparity. I would rather say, if that rise in price has already been announced, the Government must have some other mech-



anism of taking it away from the favoured section of industry. You may have the revision of the prices but you cannot justify the rise in the prices of the Sel. A and Sel. B grade of coal on the issue of the extraction cost. It is not always that the cast system or surface mining is producing the low grade coal and that the best coal is extracted from 3000 ft. deep. It is not so. We should examine the different processes. First of all, the thing which concerns me most is that we must try to conserve the treasure which is limited in our country, that is, the best coal which can be used for metallurgical purposes to be used in an emergency. We cannot afford to import. Where shall we go? Our best industrial plants are coming up now and, therefore, this question of preserving superior grades for them also has to be taken into account.

Then, there is the question of pithead stocks which has been worrying the colliery owners. They say, it is the outcome of lack of planning. Of course, there is some difficulty. The Bokaro steel plant was scheduled to produce 1 million tons by the end of the Third Plan. As yet, the plant is not there. Naturally, there has been some difficulty. There is one factor which is now disturbing them and that is the transport problem. In spite of the facilities given by the Railways, they find that this five-hour day-light loading is proving rather difficult for them.

Then, there is a suggestion from the colliery owners about the installation of weigh-bridges. The Railways insist that every colliery producing more than 10,000 tons should instal a weigh-bridge. It is impossible for the colliery owners to do so. The colliery owners have definitely pointed out that instead of insisting on the installation of weigh-bridges by every colliery, the Railways should instal weigh-bridges for each pilot section which will be both econocimal and also operationally convenient. That is their idea. So, that factor also may be taken into account. The position was

made worse by and the rule of the Railways by which day-light loading has ben extended upto 10 P. M. But it is a five hour period. They have to load within that period and if they fail to do that, they have to pay a very heavy demurrage. And this now box rake system, as it is called, is raising difficulties for them. It is very difficult for them to complete the loading and demurrage is chargeable on the basis of rake supplied. Some other system might be introduced where the Railways could make more facilities available to them, so that they might find it more convenient to load the coal wagons, spcially called BOX type wagons unlike four wheelers.

This is the slogan that there is a coal crisis. I do not believe in it. I have calculated that the total pithead stocks as on today do not exceed one month's consumption. So, it is not very much. As compared to last year's pithead stocks, this year's pithead stocks might have been a little more but it may be because of the increase in the total production also. So, it might come to the same percentage of the total production as it obtained earlier. Now that the transport facilities are made available, it is quite likely that the pithead stocks will be exhausted. But there must be a regular plan, an integrated plan, especially when the big neavy industries are now coming up. It is very good that the same Ministry is looking after the mines and also the heavy industries. These two are wedded together. In the formation of that integrated plan, these factors must be taken into account. Our decisions should not be tilted in favour of a particular section, which will take advantage of the rise in prices, that does not necessarily go together with the rise in the wages of the colliery workers. We find the latter are suffering a lot. The Wage Board is pursuing that aspect. I will not go into that. I would only appeal to the Government to see that unnecessarily perturbation in the public mind should not be created by sudden spurt in the

[Shri P. R. Chakraverti]

price, because of certain factors, which are not concomitant with the welfare and increased wages of the miners.

Shri T. Subramanyam (Bellary): Madam, Steel, Mines and Heavy Engineering, as constitute the responsibility of this Ministry, lay the foundation of our industrial development and the plants relating thereto deal with the establishment of basic capital and producer goods industry so that the growth of our national economy becomes in the coming years self-sustaining and increasingly independent of outside help. Iron and steel are wanted for all sectors. Even in the agricultural sector, they will have to be necessary. Only this morning, Mr. Dey was saying that in the agricultural sector steel and iron were in short supply.

In the Third Five Year Plan, it was proposed that we should generate 10.2 million tons of steel ingots and about 1.6 million tons of pig iron. Last year, the demand was 5.6 million tons of steel but the actual availability was 4.4 million tons of indigenous production and the imported steel was 1 million tons making a total of 5.4 million tons. There was shortage in tin plates, sheets, hoops and wires and the demand for pig iron, foundry-grade, was 2.1 million tons. But actually the indigenous production was 1.2 million tons. Therefore, there was a large uncovered demand which resulted in many of the foundries working below capacity. Before I come to the Fourth Plan with which I am rather more interested, I should say the Third Plan has been proceeding satisfactorily. Three public sector steel plants, though now producing above the rated capacity, started rather late.

After expansion, Rourkela will increase from 1 million tons to 1.8 million tons. The orders for major items have been placed and the foreign exchange portion of it has been promised or assured by the West German Government and the maximum tempo of construction will be reached in

1965 and the extension unit is likely to be augmented in 1966. In Bhilai, the record is very good—it is rather bright—and the production is above the rated capacity. The production of pig iron has reached 20 per cent more than the rated capacity and in the case of steel ingots it is about 10 to 20 per cent more. Considerable progress has been made regarding expansion to 2.5 million tons. Only this morning I read that by the end of this year about 1.8 million tons of steel ingots will be produced there and sometime next year it will reach the 2.5 million tons capacity. Durgapur will reach 1.6 million tons capacity in a couple of years. As regards Bokaro, I need not go into the history of how the American rather disappointed us. But now we have got a Minister who is completely confident that we shall start with the bulk of our own indigenous equipment. We shall certainly go in for foreign equipment also wherever it is necessary. A detailed project report has been received and it has been examined by the technical committee, and now the board of directors are going through it and examining it, and only the necessary equipment not available indigenously will be secured from foreign countries.

Here, I must say a word about the Mysore Iron and Steel Works Limited. They want to increase or expand their production from 35,000 tons to 85,000 tons of finished steel, and some units will be commissioned shortly; but ultimately the proposal is that this steel plant should produce 77,000 tons of alloy and special steel. Durgapur is expected to produce 60,000 tons of special and alloy steel in about a year, that is, in 1965.

Now, I come to the Fourth Plan. The steering group or steering committee has considered our demands or requirements by the end of the Fourth Plan and has concluded that we would require about 19 million tons of steel ingots which would be rolled into finished products to the extent of nearly 14 million tons. We may also require

about 4 million tons of foundry grade pig iron, and one million tons of special alloy steel. This is how they propose to work it out. The Tatas will produce 3 million tons, the IISCO's will produce 2 million tons, Bhilai will produce 3.5 million tons, Rourkela will produce 2.5 million tons and Durgapur will produce 3 million tons. I hope that by the end of the Fourth Plan, Bokaro will also go into commission, and I hope that though it may not produce the full target of 4 million tons, at least it should be able to produce about 1.5 million tons. Even then, there will be a gap of 2.5 million tons to be covered by new steel plants which have to be started. In this context, two new steel plants of 1.5 million tons capacity would have to be installed in addition to the Neyveli-Salem plant. The reason is that strategy requires it, transport requires it as well. In South India, we require a wide diversion of mills to be started there so that they may cater to the local consumers. At present there is the problem of the transport capacity to send all the finished steel and rolled steel to South India to the various centres, whether they be in Mysore or Maharashtra or Kerala or Madras or Andhra Pradesh. That transport problem has to be solved. Therefore, they are now thinking of having one steel plant in the Goa-Hospet area and another in the Bailadilla-Visakhapatnam area. Feasibility studies have been taken on hand, and the report of the Dastur Co. has been submitted to Government and they are now going through it. I learn that they have favoured the starting of a new steel plant either at Goa or at Hospet. Both the places are found to be suitable for this purpose. The proposal now is to start a steel plant of 1.5 million tons capacity and at the same time also have a production of pig iron to the extent of 1 million tons.

Here, I would plead the cause of Hospet for the following reasons. With regard to raw materials, the Bellary-

Hospet area has the richest and the most precious iron ore in the world. According to the latest reports, the known iron ore reserves there are above 1,000 million tons up to a depth of only 100 feet and below that depth, there may be another thousand million tons or even more. I would like the Ministry to get the figures checked up and then to have a correct reappraisal or re-estimate of the reserves there. Anyway, there is no doubt that even within 100 feet of depth, there is iron ore available to the extent of 1,000 million tons, and that too very good iron ore. The iron content of this iron ore is nearly 68 to 70 per cent, which is one of the highest in the world. In the other areas some sort of beneficiation may be required because the iron ore in other regions may be of low grade, but here it is of a very high grade.

Secondly, the float ore in this area is nearly 25 per cent, which comes to nearly 250 million tons. The proposal now is that at least 4 million tons of this would be necessary for the steel plant, and then about 6 million tons for export. Even if we take 10 to 12 million tons every year from this area, it could be utilised for at least 25 to 30 years to come, and it will work also in a very cheap manner, because the ore is float ore, and it has simply to be collected, and there is no question of deep mining etc. which would be rather costly; deep mining may be necessary, of course, in the coming years, but, for the present, the float ore is enough and the cost also will be very cheap.

Then, lime-stone is available in Bijapur district and in the neighbouring districts of Anantapur, Cuddapah and Kurnool. Therefore, the raw materials are very conveniently located. Besides, the manganese content in this iron ore is also favourable. The impurities are low in percentage, and there is also a very favourable distribution of alumina and silica in the iron ore. Therefore, I humbly urge the Ministry to take all these into consideration.

**Shri Ranga :** All these have been conceded by the committee which Government have appointed?

**Shri T. Subramanyam :** Yes. I am only reinforcing the committee's recommendation and also giving some extra information.

With regard to transport facilities, there is a metre gauge and also broad gauge at present. A broad gauge line is now being laid from Guntakal to Hospet, and that will connect all the important ports of Madras, Bombay and others. So, the wagons and the goods trains can go to the various ports and can come back taking the coal or coke imported from other countries. For, we must use some imported coal in this connection.

Further, the availability of land is also good between Tournagal and Hospet on the banks of the high-level canal. There is any amount of land available and it can be secured also at comparatively cheaper prices. Water which is very important is also available from the Tungabhadra reservoir and also from the high-level canal. With regard to availability of power also, which is also a very important thing, two units of the Sharavati project will come into generation by the end of this year, and ultimately will provide a capacity of 1 million k.w. Besides, there is also the Kalinadhi which will produce about 590 M.W. of power. Taking all these into consideration, I suggest that the Hospet-Bellary region has got a very good case. The situation here is so extremely well placed that a steel complex with an ultimate capacity of 4 million tons could be started here and an initial capacity of 1.5 million tons of steel ingots and one million tons of pig iron.

Now, I would like to say a word about the Hindustan Machine-tools. Its history is very good. The two factories at Bangalore produced in 1963-64, about 1816 machines, that is, from April, 1963 to February, 1964,

valued at Rs. 37 crores. High pressure lathes, turret lathes, milling and grinding machines etc. have been manufactured there. Three new units also are being started, one at Pinjore in the Punjab, which has gone into production, the second at Kalamasera in Kerala, which is expected to go into production in the middle of 1965, and the third at Hyderabad, which is also expected to go into production by the end of 1965. Besides, in the Fourth Plan, five more machine-tool factories are proposed to be started, one for each year of the Plan. Therefore, the record of the Hindustan Machine-tools is very bright, and I wish that all our public sector undertakings had the same record.

Then, I would say a word about research and design. There is the Central Machine-tools research institute which is being started at Bangalore to carry out research on machine-tool technology. The institute is being set up at Bangalore with the aid of the Government of Czechoslovakia. They are giving about Rs. 60 lakhs to train personnel and also to meet the expenditure on capital equipment. Design and research in machine-tool technology and engineering are absolutely necessary because in all our public undertakings, the complaint is that the products are rather costly.

Therefore, to economise on the cost in the various stages, design and research are absolutely necessary. We must have efficiency; at the same time, we must have excellent, first-class designers, engineers and technicians. The Central engineering and design unit at Ranchi will look after the engineering works. They are the consulting engineers for expansion of the existing steel plants in the public sector and for setting up new steel plants.

I will only say a word about labour relations, to which reference has been

made. We are all interested in maximising production. We are passing through a very critical period. We are laying the foundations of our industrial prosperity in the future. At this stage, I urge all political parties to agree to a convention not to influence labour on political considerations. There should be no affiliation of labour to any political party....

**Shri Surendranath Dwivedy** (Kendrapara): Let him first speak to his party and convince them.

**Shri T. Subramanyam**: I will say that first to the Congress Party and then to all other parties. We are all agreed that our country should have unretarded industrial development. It was so painful to hear this morning the Minister in charge say that everyday due to closure of H.E.L. we are incurring a loss of Rs. 4 lakhs. There is a chain reaction from one industry to another. These form our basic industries, the Heavy Electricals Plant and the Heavy Engineering Plant at Ranchi and so on. In Rourkela last year there were some strikes resulting in a loss of Rs. 145 lakhs. Therefore, we must all set up a labour code by which no political party will exploit labour. Whoever tries to do it or retards the production is doing something anti-national and unpatriotic. I am sure it will not be done because we are all interested in maximisation of production and accelerated industrial development. Therefore, I conclude by making this appeal to all other parties also in order to ensure maximisation of production.

**श्री बड़े (खारगोन)**: माननीया सभापति महोदया, श्री जो मांगें हमारे सामने हैं इन के बारे में आप के सामने भोपाका साहब ने बहुत से फिगर रखे हैं और आगे आने वाले स्पीकर भी फिगर देंगे, और वे किताब में भी छपे हुए हैं। लेकिन हमें देखना है कि आज हमारे सामने कौन सा मुख्य सवाल है।

मैं विशेषतः मध्य प्रदेश के बारे में कुछ बातें आपके सामने रखना चाहता हूँ। मैं ने देखा है कि भोपाल में एष० ई० एल० में

जो व्यवस्था है और जो वहाँ गड़बड़ी है उसका कारण शासन है। वहाँ मैनेजमेंट बराबर नहीं है। जो चीफ मैनेजर है वह एक सुपर-एन्प्लेटेड आदमी है और वह ऐसा ब्यूरोक्रेट है कि किसी की बात नहीं सुनता। वहाँ मजदूरों का कहना था कि रांची में जो पगार है वही हम को मिलना चाहिये, लेकिन उन्होंने ने माना नहीं। मेरे कम्युनिस्ट दोस्तों ने कहा कि इस के लिए शासन को दोष देना चाहिए यह ठीक है, लेकिन मैं अपने कम्युनिस्ट दोस्तों को भी दोष देना चाहता हूँ। इस के बारे में वहाँ के चीफ मिनिस्टर ने इस प्रकार कहा है :

"The Chief Minister, Shri D. P. Mishra, told the MP Vidhan Sabha that previously he was in doubt, but now after understanding the whole thing, he has reached the conclusion that in HEL not only are communists there but there are communists who have sympathy with China."

वहाँ इस कार काम हो रहा है और उस में शासन ने कोई हस्तक्षेप नहीं किया वहाँ पर कुछ पैम्फलेट बांटे गये हैं, जिनमें एक कार्टून है। उन में लिखा है गांधी समिति जिन्दा बाद और डी० आई० आर० मुर्दाबाद डी० आर० आई० का सां प का चित्र बनाया गया है और उस के ऊपर महत्वा गांधी जी बंशी बजा रहे हैं और बंशी में ये स्वर निकल रहे हैं :

नान को-आपरेशन, नान-वायलेन्स और डिसप्रोबीडिंस

यह पैम्फलेट बांटने के बाद नारे लगाए गए उस कीरिपोर्ट शासन को बहुत डेर से मिली। वहाँ इस प्रकार के नारे लगाए गए :

रघुपति राघव राजा राम, जितना पैसा उतना काम।

[श्री बड़े]

यह रिपोर्ट वहां के मैनेजमेंट को शासन के पास बहुत पहले भेजनी चाहिये थी, लेकिन ऐसा नहीं किया गया। वहां बड़ा भिस्मैनेजमेंट है, और मुझे तो ऐसा प्रतीत होता है कि वहां कम्पुनिस्टों का बड़ा जोरदार हाथ है। इसीलिये वहां गड़बड़ जारी है। भिलाई में कम्पुनिस्ट लोग गड़बड़ इसलिये नहीं करते कि क्योंकि वहां का रशियन प्रोजेक्ट है। लेकिन भाज श्री इन्द्रजीत गुप्त के भाषण से पता चला कि उन की इच्छा वहां भी रांची आदि की तरह गड़बड़ करने की है। इस तरह ध्यान देना चाहिये। रूरकेला में किस ने गड़बड़ की है यह शासन को देखना चाहिये। मैं कम्पुनिस्ट लोगों को दोष देता हूं लेकिन कम्पुनिस्ट लोगों के लिए शासन ने जमीन तैयार कर दी और उन को गड़बड़ करने का मौका दिया। शासन यदि पहले ही सतर्क हो जाता तो ऐसा न होता। वहां तीन साल से असंतोष उत्पन्न हो रहा है। वहां दो यूनियन्स हैं, एक गांधी समिति और दूसरी हिस्टू और दोनों में आपस में झगड़ा है और उस झगड़े में शासन ने तेल डाल कर भाग भड़का दी है। लेकिन अब बात शासन के हाथ से बाहर निकल गई है। मैं समझता हूं कि अगर मिनिस्टर साहब वहां स्वयं जा कर देखें तो कुछ काम हो सकता है। भाज वहां, जैसा कि मैं ने ऊपर बताया, गांधी जी के चिह्न बना कर रैम्फ्लेट बांटे जा रहे हैं और मजदूर मज्जाक करते हैं और कहते हैं कि कांग्रेस का शासन ऐसा है जिस को महात्मा गांधी नहीं चाहते थे। लेकिन इस और शासन ने कभी ध्यान नहीं दिया। मेरा ख्याल है कि हमारे डिप्टी मिनिस्टर साहब, जो कि मध्यप्रदेश के हैं, अगर वहां जाएं और मजदूरों को समझायें तो मजदूर समझ जायेंगे। मजदूरों का तो कहना है कि हमारी मांगें पूरी करो, हम को न इटक से मतलब है और न कम्पुनिस्टों से मतलब है। उन का कहना है कि हमें किसी से सहानुभूति नहीं है, हमारी मांगें पूरी होनी चाहियें। वे कहते हैं कि जो रांची में मजदूरों को

मिलता उस से हमें कम नहीं मिलना चाहिए। लेकिन शासन ने अभी तक इस और अभी ध्यान नहीं दिया है। मेरा ख्याल है कि अगर मिनिस्टर साहब वहां जा कर समझायें तो मजदूर उन की बात मान लेंगे।

16.00 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

कोल काइसेस के बारे में मैं यह कहना चाहता हूं :

"In reply to a starred question in the Lok Sabha on April 3, 1964, the Minister of Steel, Mines and Heavy Engineering stated that coal worth Rs. 1 crore had accumulated in Madhya Pradesh and this was because production had outstripped demand for coal. He further stated that accumulation of pithead stocks was not peculiar to Madhya Pradesh alone, and that all the local fields in India were faced with this problem. No assurance had been given by the Government that it would secure disposal of coal produced by any colliery. However, Government was assisting in the matter by relaxing the existing controls on allocation and distribution of coal."

हमारे मध्य प्रदेश की कोएलरीज में पिटहेड्स में एक करोड़ का कोयला पड़ा हुआ है। कम्पुनिस्ट सदस्य श्री इन्द्रजीत गुप्ता ने कहा कि इस में जो कोल ट्रेडर्स हैं कोल माइनर्स हैं उनका कुछ हाथ होना चाहिये। यह तो वही बात हुई जैसे कि हमारे आदिवासियों में एक कहावत है कि जब किसी की मृत्यु हो जाती है तो कोई गांव की डाकिन होती है उस के लिए कहा जाता है कि उस ने उसे खा लिया। जो कुछ भी गड़बड़ हो उस के लिए यह कह दिया जाये कि वह तो कोल माइनर्स ने किया। उन के ऊपर सारा दोष डालना उचित नहीं है। मैं समझता हूं

कि इस में कोलमाइनर्स का कुछ गुनाह नहीं है। इस में यह तो जरूर है कि अच्छे तरह का फर्स्ट ग्रेड का जो कोयला रहता है वह कोयला कम है। फोर्थ ग्रेड और फिफथ ग्रेड का कोल ज्यादा बाहर आ गया है और पिटहैंड्स में वही कोड़ा कोयला पड़ा हुआ है। उस कोयले को रेलवे से ले जाने के लिए बराबर व्यवस्था नहीं हो रही है। रेलवे बैगन्स की व्यवस्था न होने के कारण कोयला बराबर मिलता नहीं है।

अभी यहां पर कॉल माइनर्स की एक कॉन्फ्रेंस हुई थी जिसमें यह कहा गया था कि कोयला फोर्थ और फिफथ ग्रेड का पिटहैंड्स में पड़ा हुआ है यह गांवों और शहरों में अगर पहुंचा दिया जाय तो लोग आज जो यह काऊडंग अर्थात् गोबर जलाने के काम में इस्तेमाल कर रहे हैं वे गोबर का उपयोग बन्द करके इस कोल का उपयोग करने लगेंगे।

अभी इंदौर में मैंने देखा है और भोपाल में मैंने देखा है कि वहां के जो साधारण कंज्यूमर्स हैं वह इस कोयले को ज्यादा चाहते हैं लेकिन वह कोल उनको मिलता नहीं है। मेरा कहना है कि जब लोग यह कोयला लेना चाहते हैं तो उन्हें आप गांवों में या शहरों में भेजते क्यों नहीं हैं ?

अभी यहां दिल्ली में एक कोलमाइनर्स की कॉन्फ्रेंस हुई थी उस में उन्होंने यह सुझाव रखा था कि यदि आप के पास फोर्थ और फिफथ ग्रेड का कोयला ज्यादा है तो साधारण कंज्यूमर्स जो कि गांवों और शहरों में रहते हैं और जो कि काऊडंग को जलाते हैं, गोबर को जलाते हैं उनको यह कोयला साधारण इस्तेमाल के वास्ते दिया जाय। अगर ऐसा किया जाय तो यहां से बहुत कोयला उठाया जा सकता है। यह जो कोल का काइसिस हुआ है तो उसकी बाबत शये साल मैंने पार्लियामेंट में यह बात सुनी कि कोल का बोटलनेक हो गया है और कोल लोगों को मिलता नहीं है और अब आज यह परिस्थिति

हो गयी है कि कोल वहां बहुत जमा हो गया है और वहां से वह उठता नहीं है। उसकी डिमांड कम हो गयी है। यह परिस्थिति क्या है? मिनिस्टर महोदय यदि कोल अपने जबाब में इस कोल के बारे में अपना निर्णय देंगे तो यह बहुत अच्छा होगा।

श्री मुरारवा ने कहा कि जहां स्टील, अल्यूमीनियम या कोल आदि की ऐसी बेल्ट्स हों वहां पर सरकार को नई इंडस्ट्रीज खोलनी चाहिए और उसके लिए आवश्यक सुविधा देनी चाहिए, यह जो उन्होंने प्रस्ताव रखा है उसको मैं मानता हूँ कि वह बड़ा अच्छा प्रस्ताव है। मैं भी सुझाव देता हूँ कि जहां इस प्रकार की सब मिनरल्स की बेल्ट्स हों वहां नई इंडस्ट्रीज सरकार को खोलनी चाहिए।

मध्य प्रदेश में अल्यूमीनियम प्रोजेक्ट के वास्ते मैंने बहुत दिन से सुना हुआ है कि वहां कोरबा में अल्यूमीनियम की इंडस्ट्री खोलने वाली है और उसके लिए वहां पर किसी हंगेरियन कम्पनी से उसके लिए कोलेबरेशन भी होने वाला है। पिछले दो साल से कोरबा में अल्यूमीनियम का प्रोजेक्ट स्टार्ट होने वाला है इस का बड़ा नारा हम लगाते रहे हैं। यह तो वही बात हुई जैसे एक सईस जब तक घोड़े के भागे हरी घास की पिंडी बांध कर नहीं रखता था तब तक वह भागे नहीं चलता था। अब उस बेचारे काश्तकार के पास उसे खिलाने के लिए चारा तो था नहीं इसलिए उसने हरी घास की पिंडी घोड़े के सामने बांध दी और उसे देखकर घोड़ा भागे जाता था हालांकि उसके पेट में तो जाता नहीं था। ठीक वही बात मिनिस्टर साहब इस बारे में कर रहे हैं। हरी घास की पिंडी घोड़े के सामने रखने के समान इसके लिए मध्य प्रदेश में खूब नारे लगाये गये कि वह कांग्रेस गवर्नमेंट बहुत अच्छी है हमारी नई इंडस्ट्री हो रही है लेकिन

[श्री बड़े]

उस बारे में जो लिखा गया है वह मैं पढ़ कर बतलाना चाहता हूँ :—

"Aluminium projects planned at Koyona (Maharashtra), Shorvati (Mysore) and Korba (M.P.). In Madhya Pradesh with the Hungarian credit the Government is planning a public sector project. Location is still to be determined; that one company will look after both Madhya Pradesh and Mysore project is not ruled out."

ऐसा उस में लिखा हुआ है। मैं कहता हूँ कि मैसूर की इसमें क्यों टांग फंसाई गई ? कोरबा में जब इस प्रकार का अल्यूमीनियम का प्रोजेक्ट करना है तो मैसूर को इसमें क्यों फंसाया गया। मद्रास के मिनिस्टर होने के कारण मालूम पड़ता है कि मैसूर का ज्यादा ख्याल रखा गया है इसलिए मैसूर की टांग इसमें फंसा दी गई है। ऐसा मुझे मालूम पड़ता है। मैं जानना चाहूंगा कि यह अल्यूमीनियम का प्रोजेक्ट कोरबा में आप कब शुरू करने वाले हैं। जैसे मैंने अभी पढ़ कर बतलाया उसमें तो इस बारे में यह लिखा हुआ है :— "लोकेशन स्टिल टू बी डिटरमिंड", तो मेरा कहना है कि अगर वाकई आप कोरबा में करना चाहते हैं तो इसे जल्दी से जल्दी कीजिये। वहां पर सब तरह की मिनरल्स आपको मिलेंगी। वहां पर बौक्साइट है, अल्यूमीनियम है, कोयला है और वहां पर आपको यह फैक्टरी जल्दी ही शुरू कर देनी चाहिए। हंगेरियन एक्सपर्ट्स उसको देख भी गये हैं और उनके वहां की पोलीशन देख लेने के बाद अखबारों में यह चीज आई कि हंगेरियन कॉलेबरेशन से वहां कोरबा में एक अल्यूमीनियम की इंडस्ट्री होने वाली है। दरअसल चुनाव उनको जीतने थे, जनता से वोट लेने थे इसलिए यह कहा गया कि मध्य प्रदेश में यह प्रोजेक्ट स्टार्ट किया जायगा

वहां पर यह अल्यूमीनियम का प्रोजेक्ट हम शुरू करने जा रहे हैं लेकिन ऐसा मालूम देता है कि अब मैसूर और कोरबा दोनों को मिला कर हंगेरियन कॉलेबरेशन से इसको किया जायगा। मैं मिनिस्टर साहब को कहता हूँ कि आप मैसूर को छोड़ दीजिये। मालूम पड़ता है कि मैसूर के बारे में आपको ज्यादा सहानुभूति है और उसके प्रति आपको ज्यादा इंटरस्ट है लेकिन मेहरबानी करके आप कोरबा को अलग रखिये। मध्य प्रदेश में चूंकि काफी मिनरल्स मिलते हैं इसलिए वहां पर आप जितनी भी इंडस्ट्रीज खोल सकते हैं, खोलिये। इसलिये आप कोरबा में इस इंडस्ट्री को लगाने में देर न कीजिये।

दूसरी बात मैं पिग आयरन के बारे में कहना चाहता हूँ। हमारे बोरडर पर महाराष्ट्र की इंडस्ट्रीज हैं वहां पिग आयरन उन्हें मिलता नहीं है। जो वहां छोटी और स्मल स्केल इंडस्ट्रीज हैं उन्हें पिग आयरन नहीं मिलता है। इसके बारे में गवर्नमेंट की स्टील कंट्रोल कमेटी ने अपनी रिपोर्ट के ३४वें पेज में इस प्रकार लिखा है :—

"It will not be possible to do away with this administrative device until pig iron capacity of a sizeable magnitude is developed outside the integrated steel plants. From the point of view of ensuring regular supplies to the foundries, and also enabling the integrated steel plants to operate more efficiently, it is therefore important that measures are taken immediately to set up pig iron plants of adequate capacity."

Though the existing steel plants are being further expanded, and new steel plants are also to be started, the present expectation is that no additional supplies of saleable pig iron will be available from them until 1965-66."



उसमें लिखा है कि पिग आयरन की कमी को पूरा करने के लिए उसके प्लांट्स फौरन सैट अप किये जायें। मैंने इस मंत्रालय की रिपोर्ट को पढ़ा है। उसमें आपने यह नहीं कहा है कि हम पिग आयरन इम्पोर्ट करने वाले हैं या उसका अपने देश में अधिक उत्पादन करने वाले हैं। मैं चाहता हूँ कि मंत्रालय पिग आयरन मुहैया करने का शीघ्र से शीघ्र प्रबन्ध करे। अगर आपने यह पिग आयरन की कमी की समस्या को नहीं मुलझाया तो बहुत सी अपनी इंडस्ट्रीज ठप्प पड़ जायेंगी और उनको बन्द करना पड़ेगा। राज कमेटी ने पिग आयरन के बारे में जो सिफारिशें की हैं अगर गवर्नमेंट उन पर अमल करेगी तो यह पिग आयरन की प्राबलम सौल्व हो जायगी।

दूसरा सवाल जिसका कि मैं जिज्ञास करना चाहता हूँ वह यह है कि राज कमेटी की रिकमेंडेशंस के बाद और उसकी रिपोर्ट देने के बाद कर्मचारियों की तरफ से एक रिप्रेजेंटेशन आया था और मैं समझता हूँ कि वह सभी एम० पी० जी० को भेजा गया होगा। आयरन ऐंड स्टील कंट्रोलर्स आफिस, कलकत्ता के नान गजेटेड कर्मचारियों ने एक अर्जी भेजी थी जिसमें उन्होंने यह भय प्रकट किया था :—

“After the Raj Committee's recommendations, there is every possibility that 50 per cent of the non-gazetted employees of the Iron and Steel Controller's Office, Calcutta, will become surplus.”

उनके बारे में आप क्या करने वाले हैं ? उनकी मांग यह है कि हमें अगर वहां से निकाला जाता है तो हमें अन्यत्र कहीं नौकरी दी जाय।

मध्य प्रदेश में अभी यह नारा लग रहा है, यह आवाज उठ रही है कि यह इतना ज्यादा कोयला एक करोड़ रुपये का कोयला पिट-हैड्स में पड़ा रहने से मजदूरों में छंटनी होगी। मजदूरों में यह छंटनी होनी शुरू हो गयी है। मध्य प्रदेश में कोएलरीज में जो यह हवा बंध

गयी है कि छंटनी होगी तो मेरा कहना है कि अगर उनको वहां से निकालते हैं तो शासन को अन्यत्र उन बेकार मजदूरों को काम पर लगाने की व्यवस्था करनी चाहिए।

रिपोर्ट में मैंने देखा कि कोयला आपके पास नहीं है इसलिये फरनेस आयल मंगाया गया है और फरनेस आयल के लिए आपने काफी फौरन एक्सचेंज दिया है। मेरा कहना है कि यह फरनेस आयल मंगाने की प्रथा आपको बन्द कर देनी चाहिए। जो कोल पिटहैड्स में पड़ा है थर्ड ग्रेड का कोल होता होगा उस कोल को वाशरीज में देकर मैं समझता हूँ कि उसका उपयोग होना चाहिए। यह करके आपको देखना चाहिए। आल जो कोल क्राइसिस हो रही है, उसका जो बौटलनेक हो गया है और पिटहैड्स में काफी कोयला पड़ा है उसकी तरफ भी आपको ध्यान देना चाहिए।

इन्डोलाजिकल सर्वे डिपार्टमेंट का जहां तक सम्बन्ध है वह सर्वे आदि के लिए हमारे जैसे छोटे स्टेशनों में आता ही नहीं। मध्य प्रदेश हाथोंकि एक बड़ी स्टेट है और उसमें काफी मिनरल वैल्यू भरी पड़ी है लेकिन उसका कुछ वजन नहीं दिखाई देता है। मिसाल के लिए मैं बतलाऊं कि देवास के पास में चंदकेश्वर के इलाके में काफी आयरन और मिलता है लेकिन उसका किसी ने परीक्षण नहीं किया है। मध्यप्रदेश में जहां कि इतने मिनरल्स मिलते हैं किसी ने यह परीक्षण नहीं किये। वह तो इतिहास की बात है कि एक प्राइवेट सैक्टर वाला कहता है कि यहां पर हम कारखाना स्टार्ट करना चाहते हैं इस वास्ते आपको यह समझ आती है कि जब वहां पर प्राइवेट सैक्टर शुरू करता है तो पब्लिक सैक्टर को भी करना चाहिए। हमारे कम्युनिस्ट लोग जो चिल्लाते हैं कि प्राइवेट सैक्टर नहीं होना चाहिए पब्लिक सैक्टर में होना चाहिए और हर समय प्राइवेट सैक्टर और पब्लिक सैक्टर चिल्लाते रहते हैं तो शासन को इस के चक्कर में नहीं

[श्री बड़े]

पड़ना चाहिए। वैसे यह ठीक भी है कि घाप इसमें नहीं पड़ते हैं और कम से कम इस बारे में हमारी गवर्नमेंट होशियार है। लेकिन यहां मैं इतना अवश्य कहूंगा कि शासन को मजदूरों के प्रति उपेक्षा नहीं दिखानी चाहिए और अगर उनकी कुछ जायज मांगें या शीवियां जहाँ तो उनको अवश्य सुनना चाहिए नहीं तो होता यह है कि जब वह शासन के पास इनके रिड्रेस कराने के लिए इधर से उधर घूम कर थक जाते हैं और उनकी कुछ सुनवाई नहीं होती है तो वे थक कर आखिर में लाचार हो कर कम्युनिस्टों के पास चले जाते हैं। भूपाल में मैंने यह चीज देखी है। वह पहले कम्युनिस्टों के पास नहीं गये लेकिन जब आपके पास से उन्हें कुछ जवाब नहीं मिलता है तब जाकर गांधी समिति उन्होंने बनाई, नारे लगाये और जलाना तक शुरू हो गया। जब उन्होंने यह कहना शुरू किया तब शासन एकदम से जाग उठा। शासन एक बड़े विशालकाय अग्रगर के समान पड़ा मस्त सोता रहता है और उसकी कोई पूछ आदि छूए तो भी वह पड़ा रहता है और वह अग्रगर जल्दी जागृत नहीं होता है, जब तक उसके मूंह के पास अग्नि नहीं ले आई जाती है, तब तक उसको कुछ भी पता नहीं चलता है। यही स्थिति शासन की भी है। मैं कहना चाहता हूँ कि भोपाल में जो कुछ हुआ है, उसकी सारी जिम्मेदारी शासन के ऊपर है—भोपाल का सारा पाप शासन के ऊपर है। मैं मिनिस्टर साहब से निवेदन करना चाहता हूँ कि वह मजदूरों को कम्युनिस्टों की शरण में जाने का अवसर न दें। शासन को मजदूरों की बातें सुननी चाहिए। आखिर कोई तो उनकी बातों को सुनने वाला होना चाहिए। राज मजदूर कहते हैं कि कांग्रेस शासन में हमारी बात सुनने वाला कोई नहीं है। एक मजदूर ने मुझसे कहा कि मैं भगवान और कांग्रेस, इन दोनों, से डरता हूँ। जब मैंने पूछा कि

मरने के बाद सजा देगा, लेकिन कांग्रेस खिन्दा रहते हमको सजा दे रही है, वह हमारी बात को सुनती नहीं है, उसे हमारे कष्टों की कठिनाइयों का कुछ भी ख्याल नहीं है।

**Mr. Deputy-Speaker:** Shri Dodda Thimmaiah.

श्री बड़े : उपाध्यक्ष महोदय, मैं इस को टेबल पर रखता हूँ।

**Mr. Deputy-Speaker:** I have already called Mr. Thimmaiah.

**The Parliamentary Secretary to the Minister of Steel, Mines and Heavy Engineering (Shri Thimmaiah):** Sir, the target for coal production for the Third Plan has been fixed at 97 million tons and the target for 1963-64, at 69.04 million tons.

**Shri Hari Vishnu Kamath:** Will all the three speak?

**Shri Thimmaiah:** In the first ten months of this year, the production is about 54.40 million tons and it may go up to 67 million tons by the end of 1964 March. The Third Plan target as well as this year's target were fixed in consultation with important consumers, State Governments as well as the consultative committee of Members of Parliament. So, it is wrong to say, as Shri Indrajit Gupta says, that the target is not properly targeted or that it is done on wrong assessment. Our production this year will be enough to meet the demands during this year. There is, due to unforeseen circumstances, some slump in the demand for coal. We never expected important consumers to reduce their demand for coal. There is slump because some important projects which were to come up did not materialise as per schedule and the expansion of the existing projects also did not come through because of certain difficulties on the part of

expected that there would be delay in the coming up of the Bokaro plant and thermal power station. Besides, the steel plants have reduced their demand by about 4.37 million tons, the Railways, by about 1.34 million tons, textiles, by about 1.29 million tons and paper mills, about .44 million tons and the power houses, by about 1.80 million tons. All these would amount to about 10 million tons.

**Dr. M. S. Aney :** You are only stating a fact. What led to this reduction?

**Shri Thimmalah :** It does not mean that we have slowed down our production. We feel that the slump is a temporary one and the demand would rise again any moment. Therefore, we have to develop at least the capacity to produce as much as was fixed in the target. Because of the slump in demand, the pithead stocks in the recent months are on the rise. But if you compare the figures of the pithead stocks of this year with those of last year, and the production this year with that of last year, I do not think the figures are very alarming. In 1962, at the end of the calendar year, the production of coal was 61.55 million tons and the pithead stocks were about 3.48 million tons. At the end of the calendar year 1963, the production of coal was about 66.8 million tons and the pithead stocks were about 4.72 million tons. I do not think these figures are alarming, when compared. However, the Government has taken a number of steps to see that the pithead stocks are reduced as early as possible not only in the Bengal-Bihar coal fields but also in Madhya Pradesh to which my hon. friend Shri Bade was referring.

We have taken firm steps to see that the pithead stocks are reduced as early as possible. The consumers who desire to have an additional quota, who wish to go in for an additional

the controller of coal without any limit of the quantity. The consumers whose quotas are on a monthly basis, an *ad hoc* basis, can directly approach the Coal Controller and have the additional supplies without going through the sponsoring authorities, that is, the State Controllers. We have also requested the State Governments to see that the issue of licences for setting up brick kilns is liberalised. We are also moving the coal by wagons to the brick industry. We have also requested the Coal Controller to examine the possibility of completely eliminating the sponsoring agency, that is to say, the consumers can get their quota directly from the Coal Controller and the State Controllers will be kept informed of the quota allowed to the consumers.

In addition to this, in Madhya Pradesh particularly, the Coal Controller has taken steps to see that the allocation is increased by about 850 wagons per month from November, 1963, from the Pench and Chanda mines. He has also requested some defence project in Maharashtra to take low-grade coal from the Pench and Chanda valley instead of the coal which they were getting from the Bihar-Bengal coal fields.

**Shri Bade :** The contention is that the prices should be reduced.

**Shri Thimmaiah :** Steps are taken to see that the pitheads are reduced. I will come to the price later on. In addition to this, the Coal Controller has also got an order from the Railway Board to supply about 200 wagons rubble coal from the Pench collieries.

Shri Indrajit Gupta said that the private sector has been unnecessarily protected and unnecessarily a rise in price is being given. The price was raised thrice, he said, during the last year, 1963. It is true that in March 1963 we gave about 85 nP increase in the price, per ton, which was due to some interim award by the Wage Board. Again, in April, 1963, we gave them 49 nP per ton increase,

[Shri Thimmaiah]

which was due to an increase in the dearness allowance of the labourers. Again, in June of that year, we gave them an increase of 6 nP per ton, which was because there was an award by the arbitrator which was to be implemented by the private mineowners, and therefore, we had to give a little rise in the price of coal.

The intention of giving a rise in price is to create incentives for the coal industry to produce as much as is fixed in the target. The private sector also has to contribute their quota to the national production. Therefore, a study group was appointed in May, 1963, and they recommended recently that there is a need for incentive and we should give a rise in price. So, we have given it, and recently the Minister made a statement about the increase in price of Rs. 1.25 nP for selected non-coking coal and also of Re. 0.75 nP for coking coal, grade I.

Shri Indrajit Gupta referred to amalgamation of the uneconomic mines. It is true that a committee was appointed in 1955 under the chairmanship of Shri Balwantrai Mehata. He made certain recommendations. His recommendations involved two issues. One is that we should bring about legislation for compulsory amalgamation, and the other is that pending compulsory amalgamation, we have to appoint a committee to promote the voluntary amalgamation of these uneconomic mines. He said that there are about 569 uneconomic mines in this country. We are as much interested as Mr. Indrajit Gupta to bring about this amalgamation and also to bring about a planned and scientific exploitation of the coal in the mines. So, the committee was appointed for one year only. But it has been extended up to August, 1964. So far they have approved 45 proposals and in 32 cases, the actual amalgamation has taken place. The Coal Controller, who is the Chairman, has surveyed about 450 mines which will be amal-

gamated into 115 units. The Government is very keen on this amalgamation. If voluntary amalgamation could not be brought about, we will be forced to bring forward legislation for compulsory amalgamation. The private coal industry represented that compulsory legislation might have an adverse effect on production. So, it has been postponed. I wish the situation will not arise when we may have to bring forward compulsory legislation. If the 450 proposals materialise, I think all the 569 uneconomic mines will be amalgamated into some economic units.

Mr. Chakraverti referred to the gradation of coal and said that the calorific value should be taken into consideration while fixing the price. A gradation committee was appointed in 1962 and it made its recommendation in about October, 1962. It has been studied and examined by the Ministry. The committee has recommended that grades should be fixed on the basis of the calorific value of coal, and this has been accepted by the Government. It has also raised certain issues like having a big organisation to draw samples, analyse and test them. For all these things, we have to import a large quantity of machinery. Apart from this, there is the question as to the formula to determine the heat value in the coal. Also, you have to find out the properties which affect the heat value and to what extent. There is also the question how to fix the price-structure into these grades. To examine all this, we had appointed a study team under the Chairmanship of Dr. Lehri, who is perhaps the Director of the Central Fuel Research Institute. He submitted his report very recently and that has been studied by the Ministry. The Government also is very keen to bring about the gradation of coal based on calorific value and an early decision will be taken.

Mr. Indrajit Gupta referred to some retrenchment of 1000 labour-

ers because the coal section of Indian Bureau of Mines has been shifted to NCDC in Ranchi. It is not correct information.

**Shri S. M. Banerjee:** What is the correct information?

**Shri Thimmaiah:** There is no re-trenchment.

**Mr. T Subramanyam** referred to the reserves of iron ore in Hospet and Bellary area. The Indian Bureau of Mines has just started prospecting work there and it may be completed within one year. It is expected that ultimately it may produce about 4 to 6 million tons of iron ore in the Hospet-Bellary area and with the iron ore of Goa, this area might be able to export about 10 million tons.

**Mr. Indrajit Gupta** referred to the labour welfare....

**Shri Ranga:** You want Hospet to be developed, but you club it with Goa and slip over.

**Shri Thimmaiah:** Dastur and Company have submitted a report about the feasibility of establishing a steel plant in Goa and Hospet. All these will be considered by the Ministry.

**Mr. Indrajit Gupta** was referring to labour welfare and labour-management relations.

Before I come to the relation between the management and the labour, I may just say a few words about the National Coal Development Corporation which is the public sector of the Government of India. The target fixed for the Third Five Year Plan under the NCDC is about 31 million tons. So far, by the end of February 1964, we have produced about 8.30 million tons. Although the annual target is about 11.48 million tons, we may achieve by the end of March something nearer the target.

I may inform the House that the N.C.D.C., in the year 1962-63, has earned a profit of about Rs. 1,74,16,677. After deducting the loss in the Giridih mines—although it is deep and uneconomic we had to re-

move the coal there because of the superior grade coal that is available there—to the extent of Rs. 35,85,277 and also the share of the Madhya Pradesh Government in the Korba Project to the extent of Rs. 12,75,200 the net profit earned by NCDC is about Rs. 1,25,56,292.

I was referring to the labour relations with the management. I can say that labour relations in the NCDC are very cordial and very good. The two-tier system of negotiations with recognised unions has been successful. There were no strikes worth mentioning. The strikes that were there were only for short periods and they were settled through negotiations and arbitration.

**Shri Surendranath Dwivedy:** He must be made a Deputy Minister because of his good performance.

**Mr. Deputy-Speaker:** Shri Nath Pai.

**Shri Bade:** Sir, I would like to lay this paper on the Table because I referred to this. Do not the Ministers want to see this? There is a picture of Gandhi on a serpent. I referred to this document.

**Mr. Deputy-Speaker:** I am not allowing it. It has nothing to do with the discussion.

**Shri Bade:** I referred to it in my speech.

**Mr. Deputy-Speaker:** He may like to lay any paper, but I cannot allow it.

**Shri Nath Pai:** Mr. Deputy-Speaker, Sir, the key role of steel in setting the pace of industrial development cannot be exaggerated and some of the speakers, notably my hon. friend Shri Morarka, made a reference to it. The correlation between the per capita consumption of steel and the rate of economic development, general economic prosperity and the living standards in the country is too well known, too well accepted to need any reiteration today. Nonetheless, should like to quote, to drive home this point, the recent

[Shri Nath Pai]

study by the Professor Albert Hirschman where he says in his *Strategy of Economic Developments*

"Steel has the highest backward and forward linkage score providing maximum growth stimuli in relation to industries using its out-put and also in relation to other industries from which purchases are made."

In spite of the very vital role that steel has to play in promoting development, one finds that the performance of this Ministry has been a very tardy one. I feel a little hesitant in offering criticism because I am reminded of a debate which we held in this House, possibly in 1958, and offered some criticism. We had then been bold enough to hope that this criticism would be taken to heart because all of it was constructive criticism based on facts and findings of the Estimates Committee, the Public Accounts Committee and the evidence laid before us by experts. We had pointed out some of the glaring malpractices that were going on in the Hindustan Steel Private Limited. Today we have got a very able man in Shri Subramaniam. When he took over charge of the department, we were led to believe that he with his courage, for which he was reputed in his own State would be able to remove the initial troubles which have been plaguing the development of this vital industry and he would be the master of it. I do not think I am in a position today to say that he has fulfilled one's expectations. In fairness to him, perhaps I should say that the time he has got has not been enough, but even during that time there were many maladies of this nature which could have been removed.

I should like to say one or two things in the beginning. Ever since we began the First Five Year Plan, the Government showed a very limited understanding of the requirements of steel in this country. If we were

very serious about what we were saying, that one of the objects of our Plan was to rapidly industrialise the country, this was going to be just a dream and a slogan, unless the where-withal, particularly in heavy machinery and steel, was rapidly provided for. But we find that there was a half-hearted attempt during the First Five Year Plan when we first underestimated the requirements of steel and provided for half a million tons of steel. Unfortunately, even this was not done and now it is generally accepted that had we established one steel plant in the First Plan period all those foreign exchange difficulties which plagued our development in the Second Plan would not have been there. And we know how panicky the Government became, how depressed the economy as a whole became during the Second Plan period because of this strain on our foreign exchange resources. And this was something foreseeable and this was something which could have been done. Unfortunately, this was not done.

How do we judge the performance of this Ministry? There are certain available criteria. Has the performance so far been somewhere near the requirements of the country? What has been the development rate in other countries? That is another thing from which we can judge. Secondly, how far have we performed in relation to the targets we have set to ourselves? I can say that our targets have been always below our needs and our performance has been much below, further below, our targets.

The basic malady seems to be something like this. We do not know what we need, in spite of the fact that we keep on chanting the word "planning". We do not know where to get what we need. Having decided where to get it, we do not know how to pay for it. Having found out the means to pay for it, we do not know how to import it in time. Having imported it, we do not know how to transport it to the location of the

industry. Having transported it, we do not know how to erect it. Having erected it, we do not know how to use it. This is the sad and complete story given in a tabulated form by the reports of the Estimates Committee and the Public Accounts Committee. And in spite of the nice things which a loyal and senior member of the ruling party is expected to say, which Shri Morarka actually did, this was the main burden of the criticism which he had also to offer.

I shall now say how we have been bungling in this thing. I hope those hon. Members who were here will perhaps recall that the then Minister in the same Ministry, Shri Swarn Singh, had assured us, and duly the Congress benches applauded him, that by 1961 this country would be able to export a sizable quantity of steel. What has been the record? I have the figures here of what has been the actual performance; from 1958 to 1963, year by year, this is how we have been spending precious vitally-needed foreign exchange on the import of steel.

1958—59	..	Rs. 90 crores.
1959—60	..	Rs. 84 crores.
1960—61	..	Rs. 123 crores.
1961—62	..	Rs. 108 crores.
1962—63	..	Rs. 87 crores.

In five years we have spent, or shall I say wasted, Rs. 492 crores of vitally-needed foreign exchange in importing steel. What does it mean, this tremendous amount of Rs. 492 crores? We are told that the foreign exchange component of the Bokaro steel plant is of the order of Rs. 200 crores. The Bokaro steel plant, when completed, will be producing steel, I think finished steel, of the order of about 4 million tons. We have already wasted Rs. 500 crores. That means, if we had been using it properly, we would have produced steel annually of the order of 10 million tons by getting all the machinery we need, by using this foreign exchange which we are now using for importing steel.

There is another thing where we can save. When we say this, the criticism is often met by saying that we have made a beginning; there was nothing; we were producing hardly one million ton at the end of the war and today we are between 4 and 5 million tons. The figure changes from day to day. If there are no breakdowns, if there are no strikes, if everything goes smoothly, the production may be more than 5 million tons. I, therefore, accept that the production today stands between 4 and 5 million tons. But as it has been pointed out earlier, when we say that this pace could have been improved, is it something out of the figment of imagination that we are saying this? No, Taking into consideration the availability of resources in the country, the cheapness of the labour, the technical talent which is available in the country and also very important—the pressing, urgent necessity of developing the industry in this country, we could have done much better. But at no stage did we try to take the trouble that planning in a complex industry like steel means something much more than giving general, broad targets like saying that we will be producing 6 million tons or 10 million tons. It means constant planning, long-term planning, detailed planning and precise planning. None of these objects of planning has been taken into consideration.

Take a simple example. We have vast resources of coking coal. But all the Indian coking coal needs to be washed if it is to be industrially used, particularly in steel. Our need at the end of 1960 was of the order of 9 million tons. Actually, coal washed in the country was 4½ million tons. By 1965-66 we would need washed coal, clean coal of the order of 18 million tons. Where are we standing in regard to that? But this is something that could have been foreseen?

**Shri C. Subramaniam:** Where are we?

**Shri Nath Pai:** You tell us.

**Shri C. Subramaniam:** We will be having 22 million tons.

**Shri Nath Pai:** Washed coal? No. If we have, I will be congratulating you. But I have your figure. You can challenge my figures, when you take it up. I say today that washed coal is not of the order that we will be needing.

Take other things, how avoidable delays are taking place in this country. Planning goes wrong at every stage. I pointed out one aspect of it regarding coal washeries. I will now take the other things. We had the experience of other plants. The Estimates Committee's Report points out to us how meaningless planning becomes when the actual dates of fulfilment or performance and the promised dates of performance vary to this extent. The Foundry Forge Project was submitted to the Government in 1961 and it took the Government full three years to make up its mind, from February 1961 to the end of 1963. Did it require three years? I know the excuse that we changed the capacity; but the change in capacity could have been anticipated. Changing the capacity from day to day and then using this as an excuse for the delay is an extra-ordinary logic. Originally planning presupposes that the long-term needs of the country should be reasonably estimated. I do not say that there will be a hundred per cent exactitude. There is a margin of error. But it should not be more than about 15 per cent. But when the margins are like this in terms of the needs of all the raw materials, in terms of manpower, in terms of trained engineering skill that we will be needing, we are amazed. Why use the word 'planning' for the chaos that actually one notices everywhere?

May I point out here one single example of how wrong planning goes here? This is not so much by way of drawing an indictment or castigating but in the hope that we will drive home the lessons and try to do better in the future. At page 60 of

the Estimates Committee's Report, we find that as estimated in the dealed project report the Foundry Forge Project which was to produce 80,000 tons was to cost Rs. 61 crores; as now anticipated it is Rs. 100 crores. The marginal mistake or error is of the order of 62 per cent. The Heavy Machine Building Project's estimated cost was Rs. 28 crores; today the estimate is Rs. 39 crores. The margin of error is 40 per cent. The Coal Mining Machinery Project's estimated cost in the detailed report was Rs. 17½ crores; today its cost is Rs. 80 crores. The margin of mistake is 73 per cent. The Heavy Machine Tools Project was estimated to cost Rs. 18 crores; as anticipated now—and God knows if we can stick up to this because we remember that the Rourkela steel plant which was fluctuating from Rs. 78 crores ultimately went to Rs. 246 crores; 300 per cent and more—it is Rs. 25 crores. I do not know how still we venture to say that all this is done in a planned and in an organised way. The overall margin of error is 64 per cent. I will be showing how everything goes wrong also. This is regarding planning. I had said not by way of rhetoric that we did not know how to use what we had; we do not know how to transport what we import. Here is an example of it. Of the machinery that has been imported into this country, how much has been actually installed? The overall percentage of installed machinery to total received for three plans works out at 37 per cent. This is not all the achievement. There is something more to it. We have paid, therefore, demurrage as a result after having imported and after having used up scarce, precious, foreign exchange for this. There is the delay in the harbours whose capacity is already congested and we go on paying demurrage by millions of rupees. The demurrage paid for this single unit, the Heavy Machinery Complex at Ranchi, is of the order of Rs. 34 lakhs. They never miss a chance to make a mistake. They never miss the chance. At a very stage, we will be finding that precisely the same is



the record. I do not know if this mistake made by the Estimates Committee in its Report is an accidental one or a deliberate one. On page 11, they say, "Cake Ovens Block"—the word 'Cake' for 'Coke'. Is it a mistake or a deliberate hint that what should be run with great precision is being run in a cavalier manner in which you can run a bakery? I do not know if the Chairman has deliberately interpolated it or this is a sly way of casting or offering his criticism to that. Thus, we find faulty planning at every stage and, therefore, waste and delay.

I will be now coming to some serious aspects of this. It is not that this was less serious. The enterprise under him today has a capital investment of the order of Rs. 1024 crores and more.

**Shri Ranga:** The biggest monopoly.

**Shri Nath Pai:** Amongst the State ones, the biggest concentration of wealth. I would not use the word 'monopoly', as you know, Prof. Ranga.

**Shri Ranga:** He is a Minister. Therefore, you can't.

**Shri Nath Pai:** Not because he is a Minister.

**Shri C. Subramaniam:** I thought the House was the owner.

**Shri Nath Pai:** I am coming to that. Amongst the biggest hoaxes, a genuine hoax perpetrated on the public and Parliament in this country, the illusion that is fostered very seductively, very sedulously and very successfully by the Government, is that Parliament controls the State enterprises in this country. Nothing of the kind is happening. This is a facade behind which a small group of bureaucrats who know very little of a modern industry, and less of technology, go on exercising an arbitrary control. All these delays to which I referred, all this waste of money, all this continual frus-

tration at every stage, all that which commonsense says can be done, has not been done because at the ministerial level he is advised not by the best available technical skill but by the general administrator who in this country is an expert in everything. I am not interested in making criticism against our civil service. If there is this failure, it is not theirs but the failure of those who employ them for a task for which they were never trained, for which they have no aptitude, because if a civil servant had an aptitude of being an industrial magnate, a modern technologist, he would not have gone into the I.C.S. or into the I.A.S. He would have certainly voluntarily chosen his field of activity. But what an engineer, what a technician, what a scientist can do, we expect of the administrator to do. How do other countries in this matter try to behave? Let us take an example of the Soviet Union or the United States. We find that the Institute of Steel in the United States after making a study of the practices of the Soviet Union in this matter came to the conclusion that it is the technician, it is the engineer, it is the man with the practical experience in this matter, who is placed in all the key positions in such vast complexes like a modern steel plant. In our country, whatever the job, we have only one source to fall back upon. It is the poor, highly overburdened, and scarcely well treated Indian civil servant who has to draw: he is the all-purposes donkey which has to be made to draw the bullock-cart, drag the train and if necessary fly also the jet plane. It does not work. These are different aptitudes, and these are different skills and different talents, and we need different type of men for those purposes.

But then, none-the-less, because the ritual of placing the report on the Table of the House at the end of the year is gone through, we the Members of Parliament also like to hug the illusion that we are exercising control. On the vast empire that is being built under my hon. friend's Ministry, what

[Shri Nath Pal]

is the degree of control that Parliament can exercise? I am sure that my hon. friend Shri C. Subramaniam would like to see that a public enterprise does not become a bureaucratized monopoly in place of private monopoly but comes under true, genuine, real, social, public, parliamentary and national control. If this is to be achieved, how are we going to proceed with this matter?

Once in a year, on the last day almost, just two or three days before the end of the year, we are given the report, for instance, of the Hindustan Steel (Private) Limited, and we are given the report of the Estimates Committee which comes in a few years or the report of the Public Accounts Committee. But how many and how different are the enterprises which come under this Ministry! Each single enterprise, to be really under the control of Parliament, would need one standing committee which would not interfere with the day-to-day administration—I would never like that—but which would see that there is a genuine control. But today, what is happening? There is not the autonomy for the industry; there is not the authority of Parliament. Technically, there is supposed to be delegation of power and autonomy. But in practice, the men on the spot who should take the decision cannot take it, because our whole conception is bogged down or weighed down by the conception of audit. What this country needs is not financial audit, but we need a technical audit; we need an audit of efficiency, and we are far from having that type of audit even today.

I should like to bring to the notice of the hon. Minister how this leads to the whole development being checkmated by a series of interlocking vicious circles, vicious circles of failure to estimate properly and to get what was estimated and all those failures to which I have already referred. But can it be remedied? Has it ever been met successfully in other countries?

Have they been able to master this lesson? Yes. The rate of growth of steel, as has been pointed out, by quoting very reliable authorities, can be much faster. Let us forget distant Russia or the U.S.A. which is a more advanced country, but let us look at China which began at the same low level of development.

The Chinese rate of growth is something which we should take to heart, because ultimately many things in this country will depend upon our ability to successfully compete with China, not only in Ladakh and NEFA but in our factories and our fields. The Chinese during the short period of less than ten years increased their steel production by more than twelve times. But what is our performance during the same period? Can it be said that we have done up to even three times from where we started? I am afraid that the record is far from satisfactory. But I beg to submit that had we taken this aspect very seriously that in the strategy of development, this has to be the pivot and this has to play the key-role, then our performance would have been far better.

Now, may I point out the administrative inadequacies? I shall point out how interference and the wrong type of interference is causing harm. Here is a wellwisher and a good authority on the subject, namely Professor Galbraith who says:

“The State having created the organisation must in effect be willing to hold it at arm's length. It must remove it from any close connection with the civil service. It must accord it freedom from civil service clearances, procedures and working rules.”

He then concludes by saying:

“... the civil service procedure ensures that each decision is right at the price of overall failure in the result.”

Every single decision, it is ensured, is correct, but there is a grand failure in the project as a whole. Now, here is another civil servant who says this. And may I quote him before I begin to conclude? Shri Ashok Chanda says:

"But when interference is informal and takes place behind the closed doors of the Board Room, autonomy of the enterprise becomes a facade 'erected' as has been said, 'mainly to defeat parliamentary control'."

I would beg of the Minister at this stage to seriously consider the question of giving to Parliament what was promised but has not yet been given. There was to be a Committee of Parliament on State enterprises. I know that the technical delays which held it back could have been overcome long back. But then again that will not be enough. There will have to be Standing Committees for all major enterprises in the country. I was happy to hear that the Finance Minister was applying his mind to this. But it will be up to the Minister in charge of this Ministry to persuade Government as a whole to accept the necessity of having them if he wants to see that the control becomes a real one and not just in name.

I have only one aspect to urge before I conclude, and that is about labour relations in these enterprises where the State is the employer. I think that was the only point on which my hon. friend, Shri Morarka, was on slightly slippery ground. He has been telling Parliament that the rivalries between the different trade unions have been plaguing industrial relations in Rourkela, Bhilai, Durgapur, Ranchi, Bhopal etc. Is it really that simple? Shall we not tell the House the truth? If there are rivalries, who is responsible for it? Has the Government a clean record in this matter? Do we have an integrated policy for all our national enterprises in this matter? Do we try to set a model of labour-management relations for the

whole spectrum of private employers in this country? I am afraid it is far from satisfactory.

Let me point out a specific case of what is happening at Rourkela. In Rourkela, there are different unions. There is the INTUC Union, there is the HMS, there is the AITUC, UTUC and perhaps some other unions. What happens? The HMS happens to be the biggest single Union. But in spite of the fact that there is an emergency in the country, the INTUC Union, the fondled baby, can take liberty. It can resort to go-slow tactics. It does. Any other union doing it would have been permanently disqualified. But since the INTUC baby is the fondled baby, it can do what mischief it is capable of making. Then the management invites it for negotiations. Some of the demands are conceded. The other unions promptly draw the lesson, that this is the only way of forcing the hands of this Government to do justice unto themselves.

Then happens something which is worse. They are called for negotiations. The State Government of Bihar intervenes. The negotiations are broken off. Something worse happens. The unions demand an inspection of membership. Regarding the INTUC, when they know that they are in a favourable position, without being challenged, they want inspection to be carried out. But when they find that inspection will expose them, suddenly inspection is postponed. Are these fair tactics? Are these good tactics?

I bring this to notice here because this is a matter which should be dealt with above party level. We should have an integrated and proper policy in regard to labour relations in the public sector, which does not belong to the Congress, which does not belong to the PSP but which belongs to the nation as a whole. Therefore, we should have the same policy, the same yardstick in defining labour relations in these enterprises.

[Shri Nath Pai]

At Rourkela, something worse happens. At the behest of the State Government, the Labour Implementation Committee, in spite of the fact that the Labour Secretary to the State Government who is not a politician, votes against it, passes a resolution charging the HMS-led union with breach of the code of conduct. The thing is deliberately done. Once it is disqualified under this breach, it cannot be recognised for a year. Taking advantage of this, the INTUC union is given recognition. And something worse, taking advantage of the present unsettled condition—the other unions cannot raise their voice; there is already enough trouble which has caused anxiety to all of us—the favoured union is given this favoured treatment. Is this the model we are going to set? This is palpably dishonest and in the long run dangerous to the vital interests of the country, because you are not going to have the benefit of the emergency all the time, and the worker cannot be suppressed. This is the lesson which we must draw.

In conclusion, I may say that the industries which he is leading are of vital importance to our life. We want to see that he succeeds, but success will be possible only if we bring courage and honesty to bear on all the decisions. I want to see that he succeeds because with the success of these enterprises is linked up the success of the vast dreams we are having of a better life for our millions, but that lies in facing the task with courage and honesty.

**Shri K. C. Pant (Naini Tal):** I have been listening very carefully to the speeches delivered on the Demands so far, and I must say that I have found them to be generally constructive and stimulating. In view of this, and in view of the obvious importance of the Ministry, I should like to begin by endorsing the plea of my hon. friends Shri Morarka and Shri Indrajit Gupta to extend the time of this debate.

The reports of the different departments that are with us show that there have been some improvements in various directions. As Shri Morarka pointed out, there is today full utilisation of the capacity created in the steel plants. New products were marketed during the last two years, and substantial quantities of special quality steels were manufactured for the purpose of our defence requirements. But there is no getting round the fact that the Third Plan targets with respect to both steel and coal will not be achieved. Judging from the progress made so far, the current expansion of the steel plants, except perhaps in the case of Bhilai, as well as the completion of most of the industrial machinery units, will overlap into the Fourth Plan.

In the meantime, the Steering Group has given us a blueprint for the Fourth Plan. Shri Morarka as well as Shri Gupta touched on this. I will not go into the details. Several new steel plants have been planned, the ferro-alloy plant is there, the steel-alloy plant is there, but the real point today is that Bokaro has become a test of the Government's ability to adhere to its steel programme. We have heard of various offers that have been made, but still there is a kind of question mark hanging over this project. So, the first request I would like to make to the hon. Minister is that he should throw some light on the immediate prospects of this very important project.

Coming from the particular to the general, I should like to recall certain observations made by the Finance Minister in the course of his Budget Speech. This is what he said:

"It is easy enough to agree that we need to expand investment in basic and heavy industries which have a vital bearing on the future growth potential of the economy. But broad generalisations of this nature are of little help at this stage when the most important

questions to decide are in regard to the choice of the specific projects and programmes, which promise the greatest benefit in relation to the cost they entail. Our present arrangements for the choice of specific projects and programmes after a detailed examination of the technical and economic aspects of practical alternatives leave much to be desired."

He goes on to emphasize the need for speedier execution of projects and of earning better returns from the investments that are being made.

To my mind, these few sentences pinpoint the essential weakness of the public sector as it is functioning today. Any number of instances can be cited to substantiate the Finance Minister's diagnosis that the techno-economic planning of our projects needs strengthening. Shri Morarka gave us various figures, and Shri Nath Pai gave us various instances of how estimates have not tallied with the final figures. Take the case of the alloy and special steels plant at Durgapur. The expert report of the plant was accepted by HSL in February, 1961, and yet, up to the end of 1963 orders had not been placed. Then there is the rising cost of the steel plants, but that is an old story now.

**Shri C. Subramaniam:** Order have been placed and we are expecting shipment.

**Shri K. C. Pant:** Anyway, in the Report that is what is stated.

Recently, the Estimates Committee has thrown a searchlight on the heavy engineering project, which Shri Nath Pai also mentioned. I have slightly different figures from his; the cost of the project has gone up from the original estimate of Rs. 127 crores to Rs. 206 crores, an increase of 64 per cent. Time and again detailed esti-

come almost a regular feature. Expensive civil works, needless demurrage charges and a whole lot of other indices of slack organisation pointed out in this report are not peculiar to this project alone. Inept siting, for example, led to waste of time and money not only in the case of this project, but also in Durgapur and in one of our oil refineries. The rouble credit for this project and the Russian expert report were both ready as far back as 1957 and yet the project continued to get stalled. There were frequent revisions of the size and scope of the project. And the plant to be completed first happens to be the finishing plant which means it does not have anything to finish as the plant for castings and forges is not yet ready. On top of all this, the project was visited by a mysterious fire only recently. It is under enquiry. We are all worried about the cause of this fire. I request the hon. Minister to let us know something on this point.

17-00 hrs.

Against this background, I would urge two things. Firstly, I would endorse Mr. Nath Pai's plea that the technical man should come into his own; he should not be over-ruled in technical matters by the civilian. Secondly, we should have a fifteen year perspective plan in the case of basic and heavy industry projects. The gestation period of these projects is long, nearly 4-6 years. At least 5-6 years planning must precede the actual launching of the project.

It is, however, not just a question of the mechanics of planning; it goes much deeper. Today our industries are rather tender-grafts on an economy which does not have its roots in science and technology. We have to change the character of that economy; we have to construct a broad technological base which can carry the growing weight of industrialisation. I feel that the absence of this base is the fundamental weakness

[Shri K. C. Pant]

from which other things follow. The first and foremost requirement for overcoming this weakness, which we have neglected all these years, is to promote greater co-ordination and better liaison between industry, education and research. Today, all these three sectors are divided into water-tight compartments. This is the basic weakness; we must have greater cross-migration between these three sectors. Recently, there was an educational expert in this country, Sir Robert Aitken, Vice-Chancellor of Birmingham University, and he said in Delhi:

"Professional men should contribute towards national development by undertaking part-time teaching assignments in applied subjects in universities. If the teaching in medical, engineering and business management colleges was shared by them, the shortage of good academic staff in all countries for the specialised branches could be made up."

This is the view of an expert on education. But it should be a two-way traffic. Professors of technical colleges should not only work on the problems of industry but they should also be taken on the boards of directors of public sector companies. The same holds good in the case of research institutions generally. Industry and research must go hand in hand and research which tackles practical problems of industry must be encouraged in every way. I feel that the time has come to think of giving some definite tax incentive for boosting research. The big industries should have their own research centres. It is desirable to have designing and standardisation on a centralised basis, but every big plant must have at least a cell to collect and screen world research relating to its own field of manufacture, and facilities to initiate pilot projects to follow up promising leads. This means that

we would not have to wait for pilot plants to be set up in other countries before we can test new ideas. Finally, let us have an understanding that once a particular technique has been bought by this country, then we will not pay money to import that same technique again for another plant. But, again, this approach cannot succeed unless we learn to trust our technical people.

We have to evolve a strategy to reduce the heavy price we generally pay for importing the know-how. If it is a question only of buying patents of technical know-how, it is not so bad. But what generally happens is we have a technical consultant—some foreign technical consultant—and on his advice we issue tenders right throughout the world. What happens is that all the foreign companies which are going to answer those tenders inflate their prices sometimes by as much as 100 per cent or even more. Their argument is that they do this to cover their risk. Now, they cover this risk and even when we accept the lowest tender, we are really paying them a disproportionately high price compared to what, say, any American firm would pay them for the same machinery or even sometimes what an Indian private firm probably pays to them.

Another practice we adopt is to give a turnkey job to some foreign firm. This is the path of least resistance. In this case, not only does he cover the risk rather liberally, but he farms out the machinery to the actual manufacturer and takes the middleman's profit on that. Not only that. He very often swallows the export rebate which is allowed by most of the countries which export the machinery. After supplying the plant, the foreign firm next concentrates on prolonging our dependence on imported spare-parts for as long as possible. These are most reluctant

to part with the constructional drawings and details regarding the composition of spare-parts. I speak from experience, and based on this experience, I venture to offer a suggestion.

As far as possible, let us have Indian technical consultants, and if that is not possible, let us employ a foreign technical expert or even a team of experts on a whole-time basis. Let them plan the project in detail and give us the names of the machine-manufacturers who should be approached. We can then buy the machines directly from those manufacturers at the lowest, competitive prices. Problems such as the co-ordination of the machines, the indigenous manufacture of spare-parts, etc., can then be tackled with the help of the expert consultants in our service. This would, I feel certain, reduce largely the capital cost of many of our projects.

Shri Indrajit Gupta referred to the decontrol of steel and the new mechanism for fixing the price of steel, that is, the Joint Plant Committee. He expressed the fear that the private sector steel plants would now use this Joint Plant Committee in order to get a higher price for steel. I share his fear in that regard, but not for that reason. My fear is that the public sector steel plant managers also would only be too eager to be persuaded to raise the price. They have their plants which are over-capitalised, and so indeed are the expansion of the private sector plants, and being overcapitalised, and being under pressure to show high profit on the one hand and to repay the loans on the other, they would all be very willing to raise the price of steel, so as to show good performance. So, my request to the hon. Minister is, let us know what check he has to safeguard the consumers' interest in this Joint Plant Committee. I would suggest that some Members of Parliament may be associated with this

that the interest of the consumers does not suffer.

Now, I would like to refer briefly to a matter in which I am particularly interested. There are very large magnesite deposits in the Almora district. It is many, many years since the GSI investigated these deposits and these have been found to be very good deposits. The only other deposits of magnesite, large ones, are in the Salem district in Madras. This is the only other deposit of good magnesite. This particular area is easily accessible, and we have an all-weather network of roads right from that area down to the railhead. Now, two or three years ago, the Government decided to do the mining also, yet no progress has been made. So, I would earnestly request the Minister, in view of the importance of magnesite for the steel industry, and in view particularly of the fact that this year has been a bad year for that area, so far as food is concerned, that the starting of this project would be a good thing and would be of great help in relieving the misery occasioned in this part due to food shortage and unemployment.

Mr. Deputy-Speaker: The hon. Member's time is up.

Shri K. C. Pant: Two or three minutes more, Sir.

Shri R. S. Pandey: Survey has been made?

Shri K. C. Pant: The IBM has gone into the matter; they have already made a preliminary survey. They know how much is there. The ground is prepared for the project to start if the Government only shows some urgency about it.

I have various points but since you have rung the bell already, I shall just confine myself to one or two things. Firstly, this question of labour-management relations has been raised by various speakers.

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he asked the question, who is responsible for what has happened in Bhopal. It is a leading question, because it is tempting to give an answer. The communist party was largely responsible for this particular difficulty that has arisen.

**Shri Kapur Singh:** Say it again.

**Shri K. C. Pant:** You have heard it the first time.

What they are doing is not only damaging the image of the public sector, but they are also damaging the interest of the country at a time when we need every little bit of production both for defence and development. That is bad enough. But apart from that,—this is a point on which I would like Mr. Nath Pai also to apply his mind—we heard two or three speakers today speak on this problem and all of them blamed the management there. The management may be weak. I do not stand up for the management. But I ask them, if they want the public sector to succeed, if they want the management there to work with a free hand and to exercise moral authority on the workers, is it fair on their part to criticise the management on the floor of the House?

**Shri Nath Pai:** I did not criticise the management; I said, the Government of Orissa.

**Shri K. C. Pant:** Anyway, others did. This goes to the root of the matter. If these gentlemen here use the forum of Parliament to criticise the management, how do they expect the management to pull on with the labour there? It is absolutely vital, if you want better labour-management relationship, that we must have a code of conduct not to raise this in Parliament in this manner, but to meet the Minister. (Interruptions). I did not know they would be so worried about it. It is a code of conduct that would annoy

to us also. I am only referring to a particular case in which there is loss of production, which none of us wants.

In conclusion, I wish to summarise the remaining points, which are three in number. Firstly, in view of the fact that a recent study on coal resources has revealed that our reserves of high grade coal are very low and we are consuming them too fast, what measures does Government propose to take to conserve our high-grade coal? Secondly, about amalgamation, Mr. Indrajit Gupta also spoke about this and the hon. Parliamentary Secretary has dealt with this matter, but I would only put one question to him: why are over 400 applications pending before the Voluntary Amalgamation Committee and not dealt with expeditiously, if Govt. are so keen to have this amalgamation? Finally, I would like to know the Government's views on the question of decontrol of coal. They have accepted the Raj Committee's recommendations on steel. Have they applied their mind to the decontrol of coal? Is there any advantage in continuing the present controls? These are the questions for which I would like to have an answer from the hon. Minister.

**The Deputy Minister in the Ministry of Steel, Mines and Heavy Engineering (Shri P. C. Sethi):** Sir, I am very thankful to you for giving me this opportunity to participate in this important debate. Many hon. Members have expressed their views and offered certain criticisms, and have thrown a lot of light on the subject. I would like to limit my remarks to the two departments in this Ministry—Iron and Steel Department and the Heavy Engineering Department. Regarding coal mines and metals, my colleague, Shri Thimmaiah, has dealt with them and tomorrow when the Minister replies, he would deal with the entire subject.



Criticisms have been offered about many things. As far as the industry is concerned, it is very important to take a decision at a particular time rather than delay the decision. Therefore, in the light of what we see today, after having gained some experience in three or four years, we can always criticise any measure taken three or four years back. Of course, mistakes can be committed. Where we are treading on new ground, especially when our technical man-power is absolutely not to the extent desired, we can commit mistakes. But in the light of all these mistakes that are committed we get experience and out of this experience we can improve further as far as these matters are concerned.

**Shri Hari Vishnu Kamath:** You realise you have committed mistakes?

**Shri P. C. Sethi:** It is a matter of judgment. Heavy Engineering industries are really the foundation on which we have to build the industrial potential of India, and instead of criticising or offering criticism on all the points which have been raised here, I would like to throw some light on the other side of the picture so that the House may appreciate as to what has been done with regard to these two departments.

Sir, you would appreciate that with regard to machine tools, railway wagons, electric motors, transformers, automobile ancillaries and very many such things we have made remarkable improvement as far as manufacture of these things is concerned during the past few years. The total value of the machinery manufactured in our country was of the order of Rs. 200 crores in the year 1961. It came to Rs. 250 crores in the year 1962, and the estimated production of machinery in the year 1963 was of the order of Rs. 300 crores.

It is true that in view of the total demand of machinery which we have

in the country even this size of production which was rising was not adequate enough and we are importing machinery worth Rs. 300 crores per year even now. I am sure in view of the increasing tempo of industrialisation the demand for machinery is bound to grow. The Government are aware and are very keen to improve the manufacture of industrial machinery. Therefore, a very liberal licensing policy is followed and all efforts are being made to give an incentive and to increase the production of machinery.

With regard to machinery manufacture, I may bring to the kind notice of the House that although the private sector is also in the field, the public sector projects, namely, the Heavy Engineering Corporation, the Hindustan Machine Tools Limited and the Heavy Electricals Limited will give a major contribution to the growth of this industry in our country.

As far as Hindustan Machine Tools are concerned, they have gone into production since quite some years. Not only that, they have put up a factory at Bangalore, they have put up another expansion factory at Bangalore, a second one at Pinjore and they are going to put up two other factories one in Kerala and the other in Andhra Pradesh. They have a plan to put up one machine tool factory every year during the Fourth Plan period. That clearly speaks of the success of the Hindustan Machine Tools.

In H.M.T., the production stands at round about Rs. 10 crores per annum. It is expected that by the year 1970-71 the production in Hindustan Machine Tools will go up to about Rs. 50 crores per annum. If you look at the performance of Hindustan Machine Tools, even with regard to price and quality, we can say that they have done very well. We can very well compare the prices and quality in the nominal exports that we have made

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of the HMT products to other countries. This is a standing monument to show how a public sector project can work even more efficiently than a project in the private sector and give results.

With regard to the Heavy Engineering Corporation, it is true that we had a lot of teething troubles, but I am sure that with the appointment of a very good and competent executive now we will, we hope, turn the table with regard to this. Already two projects in the Heavy Engineering Corporation have gone into production. I am sure the other two projects would also go into production by the end of the Third Plan period or by the beginning of the Fourth Plan period—I am referring to the Foundry Forge project and the heavy machine tools projects.

**Shri Hari Vishnu Kamath:** No more fire accidents I hope?

**Shri P. C. Sethi:** It is dependent on so many factors.

With regard to Heavy Electricals, Bhopal, they went into production in the year 1960. In spite of the continuous labour trouble there we had reached in the year 1962-63 a level of production to the tune of Rs. 3.3 crores. This year we have put up a target of production of Rs. 6 crores. The present trouble due to which production has been stopped is putting us into heavy loss.

**Shri Bade:** What about the labour trouble in Heavy Electricals?

**Shri P. C. Sethi:** The Minister would deal with labour relationship.

The Bhopal Heavy Electricals is designed to give a production of about Rs. 33 crores by the year 1968. Hon. Members may criticise Heavy Electricals for not giving any profit, but if

we look to the consultants' report, they have mentioned it very clearly that Bhopal Heavy Electricals would not be able to earn any profit till the year 1970-71. In this connection, I would like to give the example of the Metropolitan Vickers Company of London, which was established in the year 1889 under the stewardship and guidance of the very famous electrical engineer Mr. Westinghouse of USA. This company went into production in 1902. In 1904-05, after so many years of production, it faced a very difficult situation and it could be judged from a Shareholders' Rejoinder which said: "If we had known we were to build the works for posterity, we would, probably never have built it."

This only goes to show that even with regard to such projects which are of a very complicated nature, where we are dealing with a vast number of people, we are treading on new ground as regards technical know-how, raw materials, etc. and unless we reach the production target fixed by us, it is not possible to gain any profits out of such projects.

With regard to heavy electricals, not only in Bhopal but in other places also plants are being put up, one in Haridwar, another in Ramachandrapuram and a third at Trichy in Madras. We hope that the total production of all these heavy electrical projects will be of the order of Rs. 75 crores and it is hoped that by the year 1970-71 the public sector and private sector projects put together would be able to fulfil the need of the country, as far as heavy electrical equipments are concerned.

The term "machinery manufacturing industry" covers a very wide field of manufacturing activity and the development of machine manufacturing industry is a time-consuming process. Therefore, this industry has been facing many difficulties

with regard to standardisation, release of foreign exchange and innovations also. So, there have been some defects. But, in spite of all these difficulties, we have made a lot of progress.

It is true that with regard to printing machinery, for example, we have not been able to make any progress as was desired. It involves difficult know-how which is not available in the country. Even abroad, the know-how is the property of a few firms which are not quite willing to part with it. Similarly, with regard to textile manufacturing machinery, we have covered quite a good range of production. Yet in the case of items such as draw frames, speed frames, winding and wrapping machines we have not been able to establish them because a lot of innovations and new techniques have come up in foreign countries and, therefore, the indigenous manufacturer is shy to invest capital, as far as the manufacture of these machineries is concerned.

With regard to the automobile industry, I may bring to the notice of the House that the Third Plan target was 30,000 cars, 60,000 commercial vehicles, 10,000 jeeps and 60,000 scooters, motor cycles mopeds and three wheelers per annum. In the year 1962 we had produced about 23,326 cars. In the following year, we could not keep that order of production because priority was given to commercial vehicles and there was shortage of foreign exchange. Therefore, the production fell down to 15,711 vehicles, so far as car is concerned. With regard to commercial vehicles, the licensed capacity is about 76,000 and the installed capacity is about 28,000. The House would be glad to know that, as far as commercial vehicles are concerned, we are producing about 28,000 commercial vehicles.

**Shri S. M. Banerjee (Kanpur):** What about the reduction in price?

**Shri P. C. Sethi:** I will come to the problem of price later on. So, with regard to the production of commercial vehicles because they were given a priority we were keeping up to the target. Because the foreign exchange was not available for the car manufacture, the production went down.

**Shri Joachim Alva (Kanara):** People's car has vanished?

**Shri P. C. Sethi:** But I am sure that if all goes well, about 25,000 cars per year, 45,000 commercial vehicles and 10,000 jeeps will be produced by the end of the Third Plan.

The hon. Minister has already mentioned it so many times on the floor of the House that the target of the indigenous content as far as the automobile industry is concerned would be 90 per cent. We hope to achieve it this year. But in spite of having achieved this 90 per cent indigenous content, the reduction in price would not be a sequel to it because as far as the price factor is concerned, it is dependent on so many factors and, as has been pointed out many a time, until the production of a particular unit or a particular vehicle reaches a target of about 100,000 vehicles per model, it is not possible to reduce the price. Therefore, instead of going into much details, I may say that at the moment the Government is busy negotiating all these points and a decision will be taken as early as possible.

After the automobile industry I would like to say something about the tractor industry.

**Shri R. S. Pandey:** What about the people's cheap car?

**Shri P. C. Sethi:** There are certain points which can be dealt with later on.

With regard to agricultural tractors, I may say, that the target fixed for the year 1966 was 12,000. As far

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as the baby tractors and small tractors are concerned, the Planning Commission and the Agriculture Ministry have differed, but the Agriculture Ministry thinks that the requirement of the baby tractors would be of the order of 40,000 to 50,000 by the year 1965-66. At present four companies have been licensed with a capacity of 27,000 baby tractors and a few more schemes with a total capacity of 14,000 per year have been approved in principle. If all these companies go into production, as far as the requirement of baby tractors is concerned, it would be met. Similarly, the requirement of the tractors has also been re-thought of and the ban on the tractor licensing has been removed. More companies are being licensed so that they can come and meet the requirements of the country.

Apart from this, Shri Bade mentioned the aluminium project and said that because the hon. Minister comes from Madras, he is thinking ore of Mysore. It is not correct.

An Hon. Member: The Minister does not come from Mysore.

Shri P. C. Sethi: As far as the establishment of the aluminium industry is concerned, Shri Bade and the House will be delighted to know that it is not one project that we are considering. We are considering about three projects for aluminium.

Shri Thimmalah: This project was in view even before the Minister came.

Shri Bade: Why do you tag it with the Mysore project?

Shri P. C. Sethi: I am telling you. As far as the aluminium factory is concerned, we are going to have one in Korba; another will come up in Koyna in Maharashtra and this third factory is going to come up in Mysore in Sharavati. Therefore, Shri Bade need not be afraid that the Madhya

Pradesh factory is being removed from Madhya Pradesh to Mysore.

Shri Hari Vishnu Kamath: As long as you are there, it cannot be removed. You come from Madhya Pradesh.

Shri P. C. Sethi: As far as the aluminium industry is concerned, we are already negotiating with the Hungarians and it is possible that after the negotiations are complete, it would be possible to have a public sector project for aluminium in Madhya Pradesh also.

Shri Bade: How long?

Shri P. C. Sethi: With regard to the Compressors and Pumps Project and Heavy Structural Project at Wardha, I may bring to the notice of the House that we are proceeding fairly well with regard to the Compressors and Pumps Project and the report has been received from "PROM-MASHEXPORT" Moscow. We are negotiating further. It has been technically examined by the Russian experts and also by the National Industrial Development Corporation. It is expected that the total investment in the Compressors and Pumps Project would be of the order of Rs. 8.3 crores and it would be needing further about Rs. 5 crores for the township. If a captive foundry for 12,500 tonnes is added, the total cost would be about Rs. 16.70 crores.

We are also expecting the detailed report from Messrs VOEST as far as the Wardha factory is concerned. With these points I would like to finish as far as heavy engineering is concerned.

Now I would pass on to the Department of Iron and Steel.

Shri Hari Vishnu Kamath: Let him continue tomorrow.

Mr. Deputy Speaker: Are you finishing now?

**Shri P. C. Sethi:** I will need 10 minutes more. time for this debate has been extended by 2 hours.

**Some Hon. Members:** Let him continue tomorrow. 17.31 hrs.

**Mr. Deputy Speaker:** All right. He may continue tomorrow. The *Lok Sabha adjourned till Eleven of the Clock on Thursday April 9, 1964|Chaitra 20, 1886 (Saka).*

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