

Shri Hari Vishnu Kamath: You allowed other Members to raise points. Why don't you allow him?

Shri Hem Barua: I have certain submissions to make to you about Israel. It is true that there is the Indian consul in Tel Aviv or not. question is whether we have an Indian consul in Tel Aviv or not. We do not have any. And the most unfortunate thing is that when the head of the State of Israel came, a fleet of cars was put at his disposal in Calcutta, and a bill for Rs. 432 was sent to him.

Shri Swaran Singh: That position about our relationship we intend to continue.

Shri Shinkre: Continue sending bills?

Mr. Deputy-Speaker: I shall now put all the cut motions to the House.

All the cut motions were put and negatived.

Mr. Deputy-Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1967, in respect of the heads of demands entered in the second column thereof against Demands Nos. 16 and 17 relating to the Ministry of External Affairs."

The motion was adopted.

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

DEMAND NO. 16—EXTERNAL AFFAIRS

"That a sum not exceeding Rs. 14,41,69,000 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, 1967, in respect of 'External Affairs'".

DEMAND NO. 17—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF EXTERNAL AFFAIRS

"That a sum not exceeding Rs. 5,10,82,000 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, 1967, in respect of 'Other Revenue Expenditure of the Ministry of External Affairs'".

MINISTRY OF IRON AND STEEL

Mr. Deputy-Speaker: The House will now take up discussion and voting on Demands Nos. 65, 66 and 131 relating to the Ministry of Iron and Steel, for which 4 hours have been allotted.

Hon. Members desirous of moving their cut motions may send slips to the table within 15 minutes indicating which of the cut motions they would like to move.

DEMAND NO. 65—MINISTRY OF IRON AND STEEL

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 27,90,000 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, 1967, in respect of 'Ministry of Iron and Steel'."

DEMAND No. 66—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF IRON AND STEEL

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 6,13,50,000 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, 1967, in respect of 'Other Revenue Expenditure of the Ministry of Iron and Steel'".

DEMAND No. 131—CAPITAL OUTLAY OF THE MINISTRY OF IRON AND STEEL

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 25,66,67,000 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, 1967, in respect of 'Capital Outlay of the Ministry of Iron and Steel'".

Shri Buta Singh (Moga): I rise to speak on the Demands of the Ministry of Iron and Steel.

The iron and steel industry is a key industry of national importance. Steel in its primary and secondary forms constitutes the basic material for all types of capital goods, machinery, tools and implements, transport equipment, roads and bridges, equipment for irrigation and power etc. The development of various industrial activities in the country is linked with the development of this industry. In an underdeveloped country like ours schemes of industrialisation presuppose the development of the iron and steel industry. Our Government adopted an ambitious programme for steel production in the third plan. It was decided to expand all the three new steel plants in the public sector, to establish a flat products mill at Bokaro, thus yielding a production of 9.2 million tons of ingot steel and 6.8 million tons of finished steel.

The third plan provided for nearly Rs. 640 crores for the steel development projects in the public as well as the private sector. We have failed miserably to achieve the targets of the third plan. It seems that we may not achieve more than 7 million tons of ingot steel production in 1965-66. Keeping in view the activities of these three steel plants in the public sector, I want to make some observations before this House.

Everybody knows that the steel industry in India is at the cross roads. The demand for steel has visibly slackened. The plants are finding it difficult to work up to full capacity. The outlook is not happy or optimistic. It is not only a reflection of the setback in our economy, it is also a reflection on the working of the steel industry in this country.

We are daily informed by the press that the biggest units in the public sector, namely the Hindustan Steel Limited, are not only mismanaged, but are the seats of politics. We do not find accumulation of stocks in the private sector. Why is it that the plants of Hindustan Steel Limited have large stocks.

Let me ask the hon. Minister a few questions about the management, about the planning and about the schemes of these three plants in the public sector. Is it a fact that a slump has appeared in the hot rolled coils of Rourkela and that 50,000 tons are being earmarked for exports? Is it also a fact that the capacity of Bhilai steel plant was expanded to 500,000 tons of rail making while the order on it is only for 150,000 tons? Why was this capacity created if it was not to be utilised for other purposes? My information is that it cannot be used for increasing the production of structurals. Thus, the fixed element, i.e., depreciation and interest in the price of rails will increase and either Bhilai will make a loss and thereby the general taxpayer will be burdened, or the railways will be called upon to pay a higher price, which will again affect the taxpayer and the lay man.

The pig iron stocks are piling up simultaneously. With the purchase of pig iron from USSR, our Government have not been able to dispose of the quantities which we have in our stock. I also understand that the stockyards of Hindustan Steel Limited—a costly experiment, which my hon. colleague, Shri M. R. Masani, while speaking on the General Budget described as a Taj Mahal of the modern Moghuls sitting on the other side—are full of undisposed of material, thus giving rise to additional overheads, and that even sections removed from the plant for export, are lying at the ports and are not being lifted.

These are questions which the hon. Minister must answer while replying to the debate. The planning machinery in the ministry of iron and steel is the most defective. Is it because there are too many organisational arrangements for it and the steel ministry is unable to get facts directly from the plants? Too many cooks, particularly those who are neither trained nor experienced spoil the both. That is what is happening on the steel front. The policy is being made by people at the ministry who have no experience of steel making. I find that a senior IAS officer from a particular state was appointed as planning officer in the ministry but after less than a year he had changed places with another officer who had no experience of the working of any steel plant. Among its liberal 600 persons it is difficult to find a person who has worked in a steel plant. The Chairman, the so-called chief executive as it appears from the report of the committee on public undertakings, became a steel expert one fine day when he left being a chief secretary to a state and found himself in Ranchi. The financial adviser to him had never seen a steel plant before he took over.

Shri Kapur Singh: He must have seen steel.

Shri Buta Singh: He must have seen steel but not a steel plant, let

alone having worked in it. No other technical officer exists in the supreme direction of the HSL. None even among the experienced ones who have worked successfully in the steel plants. The advice is also on a very low level and since it is dependent on the favours of one person it is likely to be lackey in character. We have no independent technical and economic assessing authority set up for the management of these steel plants in the public sector. In a sister ministry, namely, the railway ministry we have a board of experts known as the railway board. The members of the board come through experience and training; they are not recruited directly from the services as members of that board. That is why that board is working with more success and is yielding good results. One wonders how our planning has gone. We find difference of opinion arising between the heads of these units. These are like difference of opinion on scientific questions between an illiterate father and his most modern, scientifically educated children, the sort of difference which arises between superstition and science. Last year, when a team of members visited these undertakings, we have had an opportunity of discussing planning with the managers and experts and foreigners and with the workers of these plants. Everybody was unhappy. They were full of criticism about the planning of the ministry of iron and steel. If a head office is to be respected, it is to be knowledgeable, it has to have experience of the work which it is to control and it must be able to formulate such advice. At present the situation is quite otherwise. The closest analogy we have is that of the railway board which I have already explained. The committee on public undertakings says that they did not find any system in budgeting and also did not find very harmonious relationship between the units and the head office. How can ignorance and knowledge remain in inverted capacities for a very long period without causing

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some estrangement between them? Even with the best will in the world to respect an old superstitious father, an obedient and scientifically educated son will find himself in a position to call in question some dictatorial mandates of the former in the fields in which he has no knowledge. When we pattern our organisation on this basis, what right have we to criticise those technicians in the plant who live with their machines and carry a heavy daily burden to carry out the whims and fancies of those who know nothing about their calling. The committee on public undertakings goes on further and says and draws attention to a state of affairs but has hardly touched the real problem. No side need be taken in this matter. If we correct two things, namely, provide a chairman who has run a plant as we do in the railway board, and give him a team of what my colleagues in the committee call functional directors, we might have led the HSL out of the morass of ignorance and superstition. It is sometimes good that controversies arise in the management; that indicates a healthy growth in the management. The main point is in what sphere and on what issues. When controversies arise between those responsible for delivering the goods and those directing them but without proper experience, it is all the more fortunate as it is an evidence of the fact that the direction must be made more close to the experience required to run a plant. I will make a suggestion that apart from changing senior officers in the directional sphere in the head office, the minister might consider staffing the head office exclusively with plant based officers as in the railway board; this helps to build a real nexus between the two and creates confidence among general managers that their problems receive scientific consideration. In its absence the confidence is lacking and the head office also to assert itself is likely in all organisations to follow a policy of dividing the units. As you have seen,

there were disturbances in Rourkela and other public undertakings. This is not peculiar to HSL; it is a human trait.

A word about the board of directors. Is it a fact that it consists of people who in their official life are either about as senior as general managers appointed to the various steel plants or juniors to them? Is it also a fact that hardly one or two directors attend meetings? Is it also a fact that the agenda for the meeting is only circulated in the morning when that meeting is called upon and that only one or two directors who come to attend that meeting also complained about the callous attitude that the Government shows in the handling of the Board of Directors?

I want to ask another question, and that is, is it also a fact that these directors do not take any interest in the proceedings of this Board. I will now only make one more observation and sit down. The Committee on Public Undertakings stated in its report that the Ministry and the Hindustan Steel, Ltd., have allowed the plants to increase their manpower and to be somewhat magnanimous with their inventories. There is a conclusion, somewhere, and I know that the members of that Committee were not misled. I want to make it clear that the manpower and inventories were built up when the Ministry had direct control of the Hindustan Steel, Ltd., by its Secretary, as ex-officio Chairman of this Board. We would like the Minister to investigate and let us know the conclusion about it. I also have information that the manpower was also fixed during his time. It was added on when we had functional directors. The plants had practically nothing to do with it. If they had, neither the functional directors nor the Ministry have been able to check it. The first check and systematic studies were made in the plants, under the decentralised management. I would like the hon. Minister to look into the observations

and the reports submitted by the Committee on Public Undertakings and apply his mind to the various recommendations made by the Committee while replying to the debate.

Mr. Deputy-Speaker: Hon. Members may now move the cut motions to Demands for Grants relating to the Ministry of Iron and Steel, subject to their being otherwise admissible.

Shri A. V. Raghavan (Badagara): I beg to move:

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*High cost of production at Durgapur Steel Plant* (7)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Need to effect economy in expenditure at Durgapur Steel Plant* (8)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Heavy losses incurred by the Durgapur Steel Plant* (9)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Lack of effective control on the working of the Hindustan Steel Ltd.* (10)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Failure to check wastage in the Durgapur Steel Plant* (11)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Need to utilise the services of retrenched workers of the Bhilai Steel Plant in the Bokaro Steel Plant* (12)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Inordinate delays in the completion of the various production units* (13)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Delay in purchase of locomotives resulting in transport bottlenecks and fall in production at Bhilai Steel Plant* (14)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Large scale rejection of rails manufactured in the Bhilai Steel Plant* (15)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Over-staffing in Bhilai Steel Plant* (16)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Inordinate delay in commissioning of several units at Durgapur Steel Plant because of failure to build up sufficient stock of raw material* (17)].

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

[*Delay in reaching the rated capacity by the rolling mills and accumulation of steel ignots.* (13)].

Mr. Deputy-Speaker: The cut motions are also before the House.

Shri Kapur Singh: Sir, I challenge a quorum.

Mr. Deputy-Speaker: The bell is being rung. Now, there is quorum.

Shrimati Lakshminthamma (Khammam): **Mr. Deputy-Speaker,** Sir, in January, 1966, the Department of Iron and Steel was reconstituted and it came into existence in the place of the Ministry of Steel and Mines. This Ministry, apart from the other tasks entrusted to it, is also entrusted with the work of establishment of new steel plants in the public sector. The importance of steel cannot be overemphasised. Having realised the importance of steel, which in the mother of all other in-

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dustries, the iron and steel industry also provide the main foundation for a building-complex of industrial structures. In fact, the country's economic progress is judged in terms of the steel it manufactures and the steel it consumes. Though in the first Plan we could not start steel plants, in the second Five Year Plan, we have rightly started and decided to start new steel plants, and thus laying the foundation for the economic independence of this country. Bhilai, Durgapur and Rourkela plants have now come into existence; though they had to face certain difficulties in the initial stages, they have now reached their rated capacity. It is a gratifying feature that we are slowly training our own technicians, and most of our people are able to man these projects to a great extent.

Sometime back, there was a note that even for Bokaro, steps are being taken to train our own technicians. The other day, we had the railway budget wherein the Railway Minister said that they have attained self-sufficiency in the railways. We are self-sufficient in rails, wheels and sleepers. In fact, there is an accumulation of these materials which the railways are not able to consume just at present. This shows how this mother industry, the steel industry, helps in our attaining self-sufficiency in other spheres of our economic activity. The steel target has been estimated by the Steering Committee. The Steering Group on iron and steel which had been set up, fixed a target of 16 to 17 million tons of ingot steel at the end of the fourth Five Year Plan period, and 26 to 28 million tons at the end of the fifth Plan period. The National Council of Applied Economic Research also has estimated the domestic consumption of steel by 1981, that is, by the end of the sixth Plan period, as 40 million tons. With this point in view, we have been thinking of expansion of steel projects, the existing projects, as well as the setting up of new

plants. It is gratifying to note from the report that by the middle of 1966, the construction of Bokaro steel plant will start and by 1970-71, it will go into production.

For sometime, there has been a hesitation about the pruning of the Plan—as to what items will be more important and what should be dropped, in respect of the steel items and all these things. But it is settled now that there will not be any pruning of the Plan, that the target fixed for steel will not be cut down and that the establishment of a new fifth steel plant will also be taken up on hand soon. Points as to where and how, and all these aspects are under discussion. I hope the Minister will assure us that the fifth steel plant will come up in the fourth Plan period. Unless the fifth plant is set up, it is not easy for us to realise the targets that have been set up by the National Council of Applied Economic Research as well as by the Steering Group on iron and steel.

There has been a concentration of the steel plants in the north, especially in the coal belt area. Two of them are in the coal belt area. It was not as though these steel plants had to be set up only in those areas. While setting up the Bhilai plant, they had decided to set the plant at a distance from the coal belt area. There was a discussion in the Planning Commission that there may be a slight difference in cost. It is not very correct, because already, even while setting up the Bhilai steel plant, it was decided that this will not be the main consideration. There are so many other considerations, which should be taken into account for the setting up of the fifth steel plant in the south. We cannot concentrate all the industries in a particular area only. There will be imbalance in the development of different parts of the country. So, it was decided that the fifth steel plant should be set up in the south during the fourth plan period. The target fixed was 1.5 to

2 million tons. The basic requirements of a steel plant are availability of raw materials like iron ore, coal, limestone, manganese and other minor minerals necessary, adequate water and power and an area of about 40,000 acres. Taking into consideration all these things, the government entrusted this work of setting up a fifth plant to the British American Steel Works for India Consortium. The Consortium made a study of the facilities available at Visakhapatnam, Bailadila, Hospet, Goa, Salem and Neiveli and submitted a report. Taking into consideration all the relevant considerations, the consortium selected Visakhapatnam as the best of all the available locations. Their financial stake also is involved; it is not as though they just give you the advice for nothing. In choosing Visakhapatnam as the best of all the available locations, the consortium were influenced by the following considerations: Construction would be the cheapest at Visakhapatnam, the saving over Hospet being over Rs. 11.00 crores. Operationally also, a plant at Visakhapatnam would be most economical. A coast-based plant could far more surely be completed on a close time schedule, by avoiding the need to transport heavy and bulky plant equipment inland. There would be considerable rupee saving by virtue of shorter and fast haulage over long and costly inland transportation and by way of less capital outlay, avoiding the need for modification and reinforcement of road bridges. Also, erection at Visakhapatnam would be the speediest, and therefore, the plant would be in production far ahead of others and earn a huge income, more particularly, the much-needed foreign exchange. A deep water site, such as Visakhapatnam facilitates mobilisation of financial resources from USA and other European countries, since they have a genuine preference for a coastal location, which is supported by the fact that, during the past 15 years, steel plants have increasingly been located on deep water throughout the

world, as for example, in USA, UK, Belgium, France, Italy, Japan, etc.

We have been talking for some time about the shortage of metallurgical and high-coking coal. This may prove a difficulty and this also has to be kept in mind in the further expansion of steel plants or erection of new plants. In future we may have to import coking coal from countries like Australia. In such a case, it is always better to have a coast-based plant near coast, so that it may be easy to import such items like coking coal. A deep water plant will also be the most favourable position in the importation of other raw materials that may be required from time to time. Pig iron, blooms, billets or even finished products could be exported more easily and economically and thus provides an excellent source for earning foreign exchange at the rate of Rs. 400 per ton or Rs. 4 crores for one lakh tons. This year it is proposed to earn Rs. 12 crores by exporting three lakh tons.

Mr. Raghunath Singh always pleads for Visakhapatnam for his own reason, as Chairman of the Shipping Corporation. It is also an advantage to have a steel plant near a coastal shipping yard. The area's adaptability to a large industrial expansion programme and the expansion potential of currently installed services and utilities and the element of timing the progress and growth in the area with the construction and commissioning of a steel complex with all its many requirements are the other intangible advantages which Visakhapatnam alone commands.

A deep water plant offers manifold advantages not now enjoyed by India with all its steel-making capacity, which is concentrated in inland plants. While submitting their report, the Consortium has also warned that "It would be bad to miss the opportunity to have fifth steel plant on a deep water site", meaning thereby that Visakhapatnam is the first and foremost choice.

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As soon as the report of the Consortium was published the press, not in Andhra Pradesh, but in India, the leading dailies have supported it. The *Times of India*, Bombay, dated 6th July '65 said:

"The consortium's arguments in favour of a coastal site have some merit specially in view of India's limited coking coal reserves and their geographical concentration in the Jharia Raniganj region. The consortium's second choice has fallen on Hospet and it is now for the Government to take a final decision on the fifth plant site. If the consortium believes that Visakhapatnam stands a better chance of securing the necessary foreign financial support and can guarantee a closer time schedule for a port-based plant, these are obviously important considerations that should not be ignored. Simultaneously, there is no reason why the Chairman should not be also requested to expedite its proposals for financing the project."

Similarly, the *Statesman* wrote:

"The consortium, it should be noted, is willing to back its judgment regarding Visakhapatnam with money for financing the plant. A good deal of this money is to come from banks and financial institutions abroad who will want to be satisfied about the plant's viability. The Consortium can be presumed, therefore, to have made fully sure of the technical and economic validity of its choice, even though this is different from that of an earlier expert committee which had opted for Hospet."

The *Hindu* of Madras wrote:

"With the recommendations of the consortium to guide it, the Central Government will now have to decide on the location of the plant. It is quite likely that it may also show preference to Visakhapatnam on the assump-

tion prompted by the consortium that the financing of this project will present no problem because of the readier appreciation by the aid-giving countries of the advantages offered by a coast-based steel plant."

So also the *Economic Times*, Bombay and all these people have backed it for valid reasons.

Shri Daji: The mouth-pieces of big business have all supported it.

Shrimati Lakshmikanthamma: We do not know about big or small business. But we know about the progress of the country without mortgaging it to anybody else. As I have already said, financial stake of these countries is involved as far as the recommendation recommending Vishakhapatnam as the site for the fifth steel plant is concerned. This is not a new thing. This has been going on for a number of years.

Then, as I have already remarked in this House on an earlier occasion, our late Prime Minister, Shri Lal Bahadur Shastri, when he visited that place, when our Minister of Iron and Steel was also there at Hyderabad, lakhs and lakhs of people came to hear him. It was unfortunate that we lost him in such a short time. It was with great hope and joy that they welcomed him. They heard him with rapt attention. They expressed their grievances and their wishes to him. He was so mindful of what they said that he then and there said—I do not think in any other State he has publicly said like that—that he was going to abide by this Committee's recommendations. He said he could not have explained it in more clearer terms. He said, when we appoint an expert committee we make it a point to see that we abide by that committee's recommendation. Therefore, after having created these new hopes in the minds of millions of people there in Andhra Pradesh, based on the genuine and just demands of the people there, if it is going to be neglected now, I do not know what

consequences will follow. I do not want that what happened in other States should be repeated in Andhra. I do not wish them to be repeated. But we cannot avoid such a situation if you neglect this just demand of the people of Andhra. Andhra is very backward and it has been industrially neglected all these years. If still, after the assurance of the Prime Minister, the Government is not able to accede to this demand, the Government alone will be responsible for all that will happen in Andhra Pradesh. Therefore, I would once again request Government to consider all these things and take an early decision on the erection of the fifth steel plant.

Shri Daji: Mr. Deputy-Speaker, we are discussing one of the most important subjects, the basic industry of iron and steel, on which will depend the fate of the entire economic development of the country in the years to come. As we are discussing it, I am reminded of the discussions held during the Second Five Year Plan. Even then, I remember, certain prophets of dismal gloom and certain advocates of the private sector thought that our steel target was too high and we could do with a lower steel target. However, they could not have their way then. And, once again, faced with the Fourth Five Year Plan, we are witnessing a similar attempt, of the same pattern. A temporary sluggishness of the steel demand is being shown up by the argument that we do not want more steel plants. Bokaro is being attacked and the whole target is sought to be scuttled. I am glad the hon. Minister while replying to one of the questions categorically said that the sluggishness of the demand is a temporary phenomenon and steel would be and has got to be the sheet-anchor of any industrial development. After all, by industrial development we mean and we desire an independent industrial development. No country can be independent industrially and economically if it has to depend upon imports of basic materials like steel. Therefore, I wish the Minister well and wish the best in his efforts to get an increased steel target.

Though I am not so optimistic as he has been thinking loudly in terms of four or five steel plants,—that may be a long-term project—steel must get the necessary priority in our planning; there are no two opinions about it.

But the point is, how do we set about getting it? Partly, the criticism about high cost in Bokaro is misplaced, because it is for the first time that in Bokaro we are essaying into new realms, of relying upon our own industrial machinery for building such important projects as steel plants. In fact, it should make us proud as Indians. Now we are reaping the fruits of hard toils in the Second and Third Five Year Plans where we are able to think in terms of manufacturing a big chunk of machinery required for the Bokaro steel plant. And, when the Ranchi complex goes into full production, we will be able to produce one steel plant every year from that complex of our own.

Now, initially in the beginning of production, the cost of production of Indian material is slightly high, and that is one reason why in Bokaro it is high. But I do feel, apart from this reason also, the estimates of Bokaro should be re-examined, and I think there are fields where we can make economies and the cost in Bokaro can be brought down so that the steel produced in Bokaro is made available cheap to the people of our country.

But, when we are discussing this, I must say that the Hindustan Steel Limited, as it exists today, does not shoulder the responsibility of Bokaro. I am saying that Bokaro itself is patterned on Hindustan Steel Limited. Hindustan Steel Limited is like Augean's stable and it will require a Herculean effort on the part of the Minister if he has got to clean that stable. I know the Minister is lean but he has a stout heart, and in the modern age it is the brain that counts and not the bran. I need not go into the details of the whole thing because the report of the Committee on Public Undertakings is already there. If I had the time at my disposal I could

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have analysed the whole thing. The most important issue is, we have not yet been able to settle the pattern of Hindustan Steel Limited. We have not yet decided as to on what pattern we would like to have Hindustan Steel Limited. Unless you are able to settle the pattern, you cannot improve the working of Hindustan Steel Limited.

I cannot leave the matter at that, because there are certain glaring things which must be brought to the notice of the House and placed before the country. In these cases, responsibility will have to be fixed and punishment given. For example, it was astonishing to us to know that the loss in raw materials alone, in one plant, in Durgapur alone, amounted to Rs. 1 crore annually and this has been going on. The other day, Hindustan Steel Limited, not the person concerned, the person responsible in the Secretariat, has been able to stop it. Not only that, we found and we were constrained to remark in our report that most of these is deliberate and in league with the contractors. If a plant loses Rs. 1 crore in raw materials, how can that plant make any profit. When we start fixing responsibility, it seems no one is responsible. After all, in the language of *Gita*, everything is the work of God—*Brahma maya*—and everything dissolves in that. When you examine a Secretary or a responsible officer, he ultimately lands us into the mysticism of *maya* and no one seems to be responsible excepting the Almighty God.

An hon. Member: When did you read *Gita*?

Shri Daji: I read it in jail, thanks to our Government.

The Minister of Iron and Steel (Shri T. N. Singh): A good thing for you.

Shri Daji: Certainly, it is a good thing. Today I am disclosing another thing. In Bhilai, iron ore to the tune of 1,20,000 tons has been over-written, given to the contractors at the rate of Rs. 8.50 or something like. Something like Rs. 10 lakhs have been given as a present to the contra-

ctor. Now it has been discovered. After all, it has got to be discovered specially where it is a question of the basic raw material. I understand the books are being changed. If the Minister can do it, he should go and see the books immediately, otherwise he will lose the books also. Rs. 10 lakhs has been presented to the contractors. The contractor alone cannot be responsible unless the highest officers are also in support of this. It is this kind of pillage of the public sector by pettifogging officials, who have no love for socialism or public sector, that is responsible for blackening the name of public sector. Unless we are able to strongly put it down, we shall be only playing into the hands of Swatantrites who are ideologically opposed to socialism. If you really want to build up socialism, you must build it efficiently and effectively; otherwise we are not going to make any headway.

Dr. M. S. Aney (Nagpur): What about the Vigilance Commission?

Shri Daji: It is slumbering under the police guard posted at the gate.

15 hrs.

That is not all. There are so many aspects of the problem which blare us at the face. For example, take a simple matter. What should be the price of gas from DVC to the Durgapur plant? It has been under negotiation since 1958. Both are public sector undertakings, both are under the Government of India. Since 1958 letters have been exchanged between DVC and the Durgapur steel plant and yet the price of gas has not been fixed for the last eight years. Though under the same Government, the two undertakings are yet to settle it.

Shri T. N. Singh: Gas or electricity?

Shri Daji: Gas. Not only that. Rs. 85 lakhs have been lost by the Durgapur plant. Rs. 35 lakhs have been lost because something is fishy and the gas is not likely to be fully utilized as expected. I am giving you only handpicked cases. We have examined

all the plants in the Committee. I am giving you the most glaring examples, how the bureaucratic functioning of our public undertakings is simply strangulating the public undertakings and stabbing them in the back.

Then I come to another point. Durgapur is being expanded. Before we give thought to expansion, should we not examine how Durgapur is faring? Durgapur is an example of bad planning, bad execution and indifferent functioning of the contractors who built the plant. There are important lacunae in the contract. In the contract we never gave the "go clear" to the contractor, after seeing the work done. The contractor said that the work is completed and the plant is ready and a certificate was given that everything is all right and we gave the money. Now what do we find? The most paying department in Durgapur is the axle wheel plant. That most paying department, the axle wheel plant, is working up to 57 per cent of the rated capacity. As long as the axle wheel plant works to 57 per cent of the rated capacity, Durgapur can never run at a profit. The contractor has gone away, saying everything is clear and no responsibility is now attached to him because the guarantee is only for six months. Within six months even production did not start. We are thinking of giving the expansion work of Durgapur to the same contractor without proper guarantees. That will mean that the expansion programme will not be fulfilled.

Not only that. I want to say that if Bokaro can be built by Indian talent, Indian skill, depending on Indian men, why should we give Durgapur as a turnkey contract to an English firm. Initially, it was different; we had no experience in the line. Now, with the Ranchi complex at our disposal, we can build our own plants and carry out expansion work. We need import only such items which we cannot build here? Why should we give a turnkey contract to a foreign firm? These turnkey contracts in all future steel plant contracts should be put a stop to. I expect the Minister in the course of

his reply to give an effective assurance that he will see to it that he is able to carry forward effectively this policy.

Now, a few words about the general policies of the steel plants. During our examination in the Estimates Committee we found that a gentleman, very fortunate—I think all the twelve stars must have conspired at his luck—because within twelve months he rose from a salary of Rs. 150 to a salary of four figures—promotion, promotion, promotion. And the Committee found no valid explanation for this. It must be a miraculously bright man for within one year he got such rapid promotions. There is certainly something fishy and everything is not fair in the Kingdom of Denmark. Therefore, I think it is time the Government examined seriously the recommendations of the 32nd Report of the Estimates Committee, given years back, on which the Government is sleeping, the officials are deliberately sleeping. What is the recommendation of the Estimates Committee? That a Personnel Commission on Public Sector Undertakings should be set up on the lines of the Public Service Commission so that the recruitment policy can be rationalised. I know that this suggestion is unpalatable to the officers, who want to make the public sector undertakings a happy hunting ground for their nephews, nieces, in-laws and all sorts of relatives; everyone who passes out or does not pass out if they are their relations, can join these public sector undertakings and get promotions and double promotions. We, as Parliament, has got a right to go into these things. I do not know why Government has not taken action on the 32nd Report of the Estimates Committee, which has gone into this matter and given its report years ago. Government has not given any explanation, either to the Committee or to the House for the non-implementation of those recommendations all these years. If a Committee of the House is treated with contempt by Government, I think we in the House are entitled to go into the reasons and

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ask for an explanation from the Government.

Coming to foreign investment we are not against foreign investment. But we are certainly against private foreign investors, who are trying to get a hold in our economy. Apart from the economic consequence of private foreign investment dictating or controlling the economy of our country the very method of their functioning seems to be obnoxious. Here I would like to draw the attention of the House to a book written by a German called *German Rourkela*. It is a book written in German by a German who headed the German Social Centre at Rourkela. There was one copy of that book in German available in New Delhi and I got it translated by a friend of mine which makes interesting reading. He says in that book that most of the Germans came to India without their wives. I do not know why they did not bring their wives. They were welcome to do so. I do not know whether the Government stopped them from bringing their wives. Anyhow, having come here without their wives, they wanted some wives. So, they started having affairs with their ayas and maids. The book says all this. After all, they have come here without their wives! After some time, they started exchanging their ayas. The book mentions all this. They used to get drunk so much that once they broke the entire furniture of the German Social Centre. Not content with that, they marched to the Indian Centre nearby and broke the furniture there also. The Director got alarmed, called them and told them: you can get drunk and do anything in the German Centre but you cannot go to the Indian Centre for destroying the furniture. Then he installed steel furniture which cannot be broken by the drunkards. Perhaps, this did not satisfy them. So, the Director put a barbed-wire fencing round the German club so that they will not go out. As the Germans were not satisfied, they imported about two dozen girls from Calcutta. Then the

Germans said: you have imported only 24 girls whereas we are so many. So, what to do? A regular order book was opened, saying on 12th such and such girl was with such and such man, on 13th such and such girl was with so and so. All this is mentioned in that book called *Rourkela German*. It is written by a man who headed the German Centre in India.

Did they come here to import this dirty morality into this country? By talking of development of this country, they have imported this dirty western morality into this country. After having done all these things, after having abused our hospitality in the name of helping us industrialise, they had the temerity and gumption to write this in a book, the forward of which was written by an outstanding writer of German literature of the present time. Of course, the book is presented in a different way. The book is critical of the conduct of Germans while in India.

If all this went on in Rourkela, how is it that the Indian authorities did not stop it. That is what I want to know. How is it that they left the Germans to do whatever they like? A German who lived in Rourkela and saw these things goes back to Germany and writes a book about it and it is from that book that we come to know of this dirty drama that was going on in Rourkela. Are we going to continue all these things? Should we not put a stop to all this? If they still try to indulge in these things, we may continue to be semi-starved, we may continue to be half-starved but we will decline that capital which brings with it a bad name also to our country and make us a laughing stock in the world. We do not want this culture to be imported into our country.

Two words more and I am done. There are two things which require immediate attention of the Minister, and I expect him to take a firm step, because I know that he is at least an exponent of Socialism. How far he

would prove to be a follower of Socialism is a matter to be tested. One of the two things that would require immediate attention and policy decision, is this. The World Bank has started pressurising from fertilizer to iron. They want us to de-control all varieties of iron. I want to know Government's policy on de-control. Secondly, what is going to be Government's policy on prices? Because, the prices of iron and steel are going to enter into every industry and are likely to raise cost everywhere.

Here I would like to say one thing. We are doing a great injustice to our public sector undertakings. At the time at my disposal I do not think I would be able to cover even one-tenth of my brief. We are doing a great injustice to our public sector enterprises. The accounts of Bhilai show a marginal loss. But it does not reflect the working of Bhilai plant, nor does it contribute to the national cause. Why? Because, when the Tatas refused to make pig iron, when Bird, and Company refused to make pig iron, we asked our public sector undertaking at Bhilai to keep a certain quantity of production to pig iron to be given to the other foundries. It is a national necessity. Pig iron is cheaper than steel and the margin of profit in pig iron is lower than that in steel; therefore, Bhilai will show a loss.

Therefore, when such directions are given by the Government—the Government is entitled to give directions; I do not say, they are not—the balance sheet must show that for a national reason the public undertakings had to undertake this national duty and, therefore, the results are not there; or, it would be better if a new accounting system is arranged. The Government can arrange for some paper subsidy or some other subsidy or write off the loans to these undertakings, so that the undertaking is able to reflect its real contribution to the nation in the balance sheet and Shri Masani is not able to pick up the balance sheet and

say that Bhilai is losing, Durgapur is losing, Rourkela is losing.

Shri Ram Sewak Yadav (Barabanki): Mismanagement is also there.

Shri Daji: I have already spoken of mismanagement to the tune of Rs. 1 crore in one plant alone. But this matter also has to be taken up.

A price rise all along the line is going to benefit only the private sector. It benefits the private sector more than the public sector because the private sector has got old written down blocks and their production costs are not so heavy. Therefore, a cost study is required and after a cost study Government should have a more dynamic approach to the whole cost structure in the private sector as well as in the public sector.

For example, we find that most of the heavy investment is incurred on the construction of houses. The Government of India gives subsidies and loans to the private employers for building houses for their employees. Why can we not separate this capital expenditure on workers' housing from the other capital expenditure so that the cost of the end-product does not get inflated? There are so many questions of economics of the public undertakings that require a re-examination, but that cannot be done as long as you leave these matters merely to ICS officers who have no faith, no dynamism, either in public undertakings or in the public sector. Therefore a completely fresh outlook is required. I think, the time has come when our old stumblings and fumbings are over. We can no longer claim what we used to do in the old days, namely, that the public sector is new and inexperienced. The original mistakes, whatever be the reasons, cannot be forgiven now because we have matured and we have had sufficient experience. We can learn from that experience and only if we mean to learn from that experience and correct those mistakes, then only we can go forward.

Shri T. Subramanyam (Bellary): Mr. Deputy Speaker, Sir, the produc-

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tion of iron and steel constitutes a very important and a significant base for our industrial development which has got an impact on the production in the agricultural sector also. In 1965 the availability of steel was 5.6 million tonnes; out of this, the indigenous production amounted to 4.5 million tonnes and we imported about 1.1 million tonnes. The availability of pig iron was 1.2 million tonnes. A general policy of decontrol was implemented.

In this context I would like to urge upon the Government to keep a watchful eye with regard to distribution particularly for the small-scale and village industries. I heard that pig iron and steel were not available for certain small-scale industries but some others who had quotas and allotments did not spend it properly. Therefore I would like the Government to have a policy of follow-up with regard to distribution.

Distribution is generally done by State Governments; the Central Government merely allots it to the State Governments on a broad-based policy, but actually the quotas and allotments are made by the State Governments. Still, they must have some way of keeping a check with regard to distribution.

In 1965 we imported about Rs. 72 crores worth of steel and it is gratifying in a very small way to know that we exported about Rs. 11 crores worth of steel. Imports were canalised through the Minerals and Metals Trading Corporation.

The Hindustan Steel Limited, again, it is gratifying in a very small measure to note, made a surplus of about Rs.2 crores. This surplus could have been higher but for the fact that the loss sustained by the fertilisers of Rourkela had also to be included and accounted for. Therefore, this surplus had been brought down.

Among the activities of Hindustan Steel Limited were the operation of

the steel plants and the coal washeries at Dugda, Patherdi and other places, and setting up of special alloy steels plant at Durgapur and the expansion of Rourkela to 1.8 million tonnes, of Bhilai to 2.5 million tonnes and of Durgapur to 1.6 million tonnes. These expansion schemes are expected to be completed during this year or by the middle of next year.

The number of foreign experts also is being reduced, but again some more are being brought in for commissioning and maintaining the expansion units. The fourth blast furnace at Durgapur was expected to go into operation by the end of March 1966 and I would like the Minister of Iron and Steel to let us know whether this fourth-blast furnace has actually gone into operation.

During the Fourth Plan period the capacity of the Durgapur plant is expected to be expanded to 3.4 million tonnes. The project report is under examination. The Bhilai steel plant expansion is also expected to be completed by the middle of 1966 and further expansion beyond 2.5 million tonnes is also to be taken up in two phases, the first phase for coke and iron making facilities and the second phase for steel making facilities.

It is gratifying to a limited extent to know that the Heavy Engineering Corporation at Ranchi is expected to provide 43 per cent of the equipment and 65 per cent of the structurals. I would like to know whether this progress is being kept up and when our country is going to possess a self generating and self-sustaining economy.

Dr. M. S. Aney: In what year? year?

Shri T. Subramanyam: That is what I am asking. From the stage of designing up to the stage when we are able to run and maintain the factories with our technicians and personnel as also providing our own capital—we

may get a little from abroad—when we are likely to achieve that stage of self-sustenance, I would like to know from the hon. Minister.

The total demand of alloy steel during the Fourth Plan is expected to be 500,000 tonnes and the capacity for 570,000 tonnes has been licensed. It is also good to know that indigenous capacity to produce ferro alloys, very necessary for special steels, is also being created.

In the Central Engineering and Design Bureau at Ranchi we have got very good engineers, brilliant young people, technicians, graduate engineers—about 370 were recruited in 1965—operators and artisans—587 people were recruited—and apprentice accountants—about 28 were recruited. I would like that this Central Engineering and Design Bureau should be developed into a first-class design bureau so that our engineers, technicians and scientists, from the outset are provided with every opportunity and turn out into first-class people to help in our industrial development.

The Bokaro steel project report provides for the establishment of a plant with a capacity of 4 million tonnes steel ingots per annum; to begin with 1.7 million tonnes in the first stage. At this stage I will make a reference to the Mysore Iron and Steel Limited at Bhadravati. All units of expansion—1 lakh tonnes capacity of mild steel—have been commissioned and full capacity is expected to be reached during this year; that is, 1966-67. The production facilities will be converted to produce special and alloy tool steel of 106,000 tonnes ingots. And this will be 77,000 tonnes of finished products. I hope it will be completed in a couple of years; that is the programme designed at present. Attempts to make special steel with the present equipment itself are also going on. I hope these attempts will meet with success and in a good degree. At the same time it is also heartening to learn that, to correct the iron imbalance, Government have approved

a scheme of substantial expansion of pig iron production raising the figures at Bhadravati by 120,000 tonnes per annum.

With regard to the future, I shall make a reference here. The proposed target under the Fourth Plan is 16.5 million tonnes of steel ingots, 4.5 million tonnes of foundry grade pig iron and 0.5 million tonnes of special alloy steel. These were the original targets that had been fixed and these targets, I learn, are now under review. Therefore, there may be slight alterations in this respect. This expansion is sought to be achieved by the expansion of the present units and by having this Bokaro and the fifth steel plant somewhere. Here I may say that there is a lot of controversy over the establishment of the fifth steel plant, i.e., where it should be started. The British-American Consortium was appointed to go into this matter; they went into the matter in detail and they have recommended that Goa-Hospet, Neiveli-Salem and Bailadila-Visakhapatnam areas would be suitable. The report of the British American Consortium is under the consideration of the Government. In this context I would plead that Hospet is the best place suited for this purpose for many reasons. Iron ore of the most precious variety, and of nearly 2,000 million tonnes, is available here. As the Russian experts have opined, there is no doubt that the iron ore of this place is the most precious variety in the whole world; electricity in adequate and satisfactory bulk is also available from Sharavati—and also Kalinadhi project which will also be taken up; even the present Sharavati project will be able to provide sufficient electricity for this purpose. We want non-saline water. In other places, they have to bring water from hundreds of miles because this is very necessary for a steel plant; here, in Hospet, it is available on the spot itself; we have got the Tungabhadra project reservoir which has got non-saline water and of excellent quality. Land is also available. Limestone is available in the neighbouring district of

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Bijapur in Mysore State itself and Tadpatri, in a neighbouring district of Anantapur, Andhra Pradesh. Also Hospet has a special claim in addition to all these factors. As we all know, we have got very hostile neighbours and there is no mincing of matters in this connection. Pakistan and China are very hostile to us and they would like to take any opportunity to undermine our industrial development. So from a strategic, military and Defence point of view, Hospet being in the centre and having all the facilities, provides an excellent extra reason for the starting of a steel plant there.

For purposes of distribution, all the plants are now in Bengal-Bihar belt and some are in Orissa. For the south, to provide facilities for expansion of industries and also in the agricultural sector, a steel plant here is absolutely necessary and for purposes of distribution, Hospet will be very suitable because it is centrally located and it is served by both metre as well as broad gauge systems; both the systems are there; there is a metre gauge line from Guntakal to Hubli; an additional broad gauge system is also there from Hospet to Guntakal from there, all the ports can be reached—Madras, Bombay and other coastal and inland towns.

I would like to ask the Minister of Iron & Steel one question with regard to fixing the cost of production. How is it that Japan, which imports raw material like coal, iron ore and all those things, is able to produce iron and steel which are sold in European markets at much cheaper rates. Of course I can understand that the output of work *per capita* in our country is not as large as in Japan; they put in more solid work in eight hours; that is true; and they may also have the additional advantage of having modernised and rationalised machines and plants. But we should also keep in mind the fact that we are also starting new plants and new factories; our iron ore is the most precious variety in the whole world; we have also

coal to some extent. In spite of all these, how is it that iron and steel are produced here at a costlier rate than in other countries? I would like the Ministry to devote their special attention to this. I heard that the previous Minister, Mr. Sanjiva Reddy, had appointed an expert committee to go into this matter. I do not know what has happened to that. We would be very grateful to the Government if they could give us the benefit of the results of this investigation.

Shri A. V. Raghavan: We are discussing the working of an important Ministry of the Government of India. In the rapid development of industries in this country, the Hindustan Steel Limited plays a vital role. Considering the consumption of steel in this country, our country is still very backward. The Committee on Public Undertakings have gone into the working of the three steel mills in this country and have placed before us their report. In the matter of management, we find very many deficiencies. In the matter of capital outlay, the Hindustan Steel has got the maximum capital investment, but unfortunately the Ministry has not taken any interest in supervising the working of the three steel mills. We are told that, in the past 12 years, the Hindustan Steel Limited had six Chairmen and at this rate, a Chairman works there only for a period of two years. By the time he learns the working of the project, he is transferred so much so that the person who is working as the Chairman of the Hindustan Steel Limited has not been able to exercise any effective control. We are told that even in the case of directors, there have been at least hundred directors in the course of the last 12 years. The attendance in the meetings of the Board of Directors has also been less than 50 per cent. Therefore, I would request the Minister to look into the matter personally and see that the directors who have not been taking any personal interest are transferred and only those persons who are capable of looking after the affairs of this

undertaking are retained. I invite the attention of the Minister to the 28th Report of the Committee on Public Undertakings which deals with this matter, on pages 2 to 14, this matter has been dealt with in great detail and, therefore, I do not want to go into the matter in detail.

Then I come to the Bhilai steel plant. The Committee on Public Undertakings has gone into the working of the Steel Plants and found out several deficiencies. In the matter of expansion of Steel Plants also there have been inordinate delays. In the operation of the Steel Plants also there have been several bottlenecks. I understand from the Report of the Committee on Public Undertakings that the working of the diesel locomotives engaged for transporting the iron ore is found to be very unsatisfactory. On pages 37-38 of the Report it is mentioned that these locomotives imported from Russia have been found to be deficient to work the trains. A huge amount is also spent on spares. The maintenance cost of these locomotives is also extremely high—Rs. 80,000 per annum, as compared to Rs. 13,000 for other locomotives obtained from other places. Considering the public investment in these projects in our country, the Directors and the Chairman of the Hindustan Steel should see to it that the public money is not wasted in this manner.

We find also that a large amount of foreign exchange has been wasted by having huge stocks of spares. At the time when we are experiencing serious difficulties in the matter of foreign exchange, crores and crores of rupees worth of spare parts are lying idle in our Steel Plants, which means that we have wasted quite a considerable amount of foreign exchange in buying these spare parts.

We find that in the matter of medical stores, again, a large amount has been wasted. On page 36 of the Report of the Committee on Public

Undertakings, we find what is stated below:

The Committee found that the stock of medical stores on 31-3-1965 was Rs. 10.61 lakhs as against the consumption of Rs.14.32 lakhs during 1964-65. The Committee found that 41,750 injection vials of Streptodocin valued at Rs. 25,632 had become time-barred and unfit for use. The General Manager of the Plant admitted that this had happened due to human error.

I would not like to read all their conclusions. But I would like to bring to the notice of the hon. Minister that public funds are being wasted in this manner by our public undertakings and the persons in charge of these undertakings are not supervising the working in the manner expected of a prudent man. I am myself a champion of public undertakings, but I am sorry to say that the working of our public undertakings is far from satisfactory. In the management of these undertakings there is room for improvement.

I want to bring to the notice of the hon. Minister that a large number of workers are being discharged in the Bhilai Steel Plant. The previous Minister, Mr. Subramaniam, had given an undertaking that these technical workers would be employed in Bokaro and other places. He also gave an undertaking that a national pool of technical workers will be formed and these workers will be absorbed in the future plants. But a large number of them are being retrenched. These are persons who have acquired valuable technical knowledge and their services will be of great use in Bokaro and other projects, which the Hindustan Steel is contemplating to establish in this country. I would request the hon. Minister to personally look into this matter and see that these workers retrenched from the Bhilai Steel Plant are provided with employment in the Bokaro Steel Project because during

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the past 12 years they have acquired valuable technical knowledge and they will be of great use in developing other steel projects. With these few words I conclude.

The Deputy Minister in the Ministry of Iron and Steel (Shri P. C. Sethi): I am thankful to you, Sir, for having given me this opportunity to intervene in the debate regarding the Ministry of Iron and Steel. I would touch upon some of the points mentioned by the hon. Members while the main points dealing with the matters of policy, Bokaro Steel Plant and other important subjects will be taken up by the hon. Minister during the course of his reply.

15.36 hrs.

[SHRI SHAM LAL SARAF in the Chair]

To start with, Shri Buta Singh made a reference by saying that the iron and steel industry in India has not fared well. This is quite contrary to the facts. In the year 1948 the total steel production in India was 1.26 million tonnes. It was in the year 1949 that the Government of India started thinking about planning steel industry in India in the public sector. In spite of this planning and also the Special Consultants from advanced countries, the total steel production in India was only 1.26 million tonnes till the year 1957. But during this period, 1957 to 1966, the steel industry has advanced considerably and now we have 6 million tonnes of established capacity in the country. The expansion programme of the three public-sector steel plants is progressing satisfactorily. It is true that some delay has occurred in the expansion programme in some of the public-sector steel plants and there may be a delay of 6, 8 months in the achievement of the targets fixed for the Third Five Year Plan. But we would be able to achieve about 8.9 million tonnes of established capacity of steel

ingots very shortly. Looking at the figure of 1.26 million tonnes of steel production in the year 1957 and the figure of 8.9 million tonnes of steel production which we will be able to achieve either by the end of 1966 or somewhere in the beginning of 1967, it is a very good success of our steel industry.

As far as distribution of iron and steel is concerned, Mr. Daji raised a point about control and de-control and also a reference was made to the report of the World Bank. As far as control and de-control is concerned, it has never been a dogma with us that we should either control it for the sake of control or we should de-control it for the sake of de-control. After studying this question, a Committee was appointed by the Government which was known as Raj Committee to consider the entire system of control of iron and steel. Whatever decisions were taken by the Government with regard to de-control, they were based on the recommendations of the Raj Committee. After careful consideration of the Report of the Raj Committee, the Government had decided to de-control all items excepting pig iron, billets and flat products. Later on, after careful consideration the Government also decided to de-control pig iron and many other items. We have now withdrawn the price and distribution control on imported tools, alloy and special steel. Similarly the price control on tinplate including waste has been withdrawn. Price and distribution control has been withdrawn in the case of Hoops (cotton, jute and coir). Price and distribution control has been relaxed for tin bars. Distribution control has been removed for hot rolled black plain sheets, 10—14 gauges in straight lengths. Distribution control has also been removed for hot rolled wide strips of 10—14 gauges and untested skelp and strips upto 312 mm. Nearly about 70% to 80% of the total steel production items has been de-controlled and whatever items have been

de-controlled they are all doing fairly well as far as the market is concerned. The Government is watching the situation and if the circumstances warrant we will not hesitate to take the necessary steps. As far as our experience goes, all the de-controlled items are doing fairly well so far as market conditions are concerned.

Mr. Chairman: What about their availability in the market?

Shri P. C. Sethi: All the de-controlled items are doing fairly well, except that there are scarcity conditions with regard to some items sometimes either in Madras or in Bombay. According to the demand, the price may fluctuate. Generally, the availability of de-controlled items is fairly well maintained in the market.

It is true that there is a glut in the steel mills particularly in items like fish plates, sleepers and rails and a mention has been made by Shri Buta Singh about this in his speech. The demand for these was mainly from the Railways. The Railways have imposed a heavy cut on their budget for the current year and there is consequently less demand for these items. The annual capacity of the Durgapur fish-plate mill is 11,000 tonnes on a three shift basis. The original requirements of the Railways in 1964-65 were estimated to be 18,000 tonnes, but in 1966-67 they were estimated to be only 2,000 tonnes. This shows that the demand for this from the Railways has considerably diminished. This goes to show that the railways' demand has considerably diminished as far as fish-plates are concerned.

Similarly, the estimated production of sleepers was about 85,000 tonnes, and in 1965-66 the railways took only 57,000 tonnes, and in 1966-67 they are likely to take still less. The production of rails similarly in the Bhilai steel plant is 3,25,000 tonnes, and the demand from the railways is likely to go down to about 2,50,000 tonnes. That is why efforts are now being

made to export these rails and the surplus capacity of iron and steel.

There is a shortage of certain flat items including corrugated sheets. As far as corrugated sheets are concerned, the position is that zinc availability is very scarce, and, therefore, the production of corrugated sheets has gone down considerably, and apart from that, we have to meet the requirements of the Defence Department, and that is why in regard to the availability of the corrugated sheets and certain flat items in the steel production there is shortage, and that is why in these items the control is steel being maintained.

As far as pig iron is concerned, although no hon. Member has raised any point about it, I would like to mention that the position in regard to pig iron is fairly good, and now we are in a position to think about the export of pig iron also to some extent.

Shri Daji: Is it a fact that the private industries have refused to give us any pig iron?

Shri P. C. Sethi: No. This is not a fact. The private steel works are giving whatever pig iron was expected from them. Besides, as far as the Indian Iron and Steel Works are concerned, most of their pig iron is consumed by their own Kulti foundry, but whatever was fixed by the Steel Ministry is being made available by them.

Shri Daji: What was the quantity fixed for Indian Irons, what was the quantity fixed for Tatas, and what was the quantity fixed for Bhilai?

Shri P. C. Sethi: I do not have the figures readily available with me. But this is not correct that they had refused to give us pig iron.

Mr. Chairman: Actually, if the hon. Deputy Minister had replied a little later after he had heard some more speeches, then perhaps these points might have been made. Let

[Mr. Chairman]

him touch those points that have been covered and leave the rest to his senior colleague.

Shri P. C. Sethi: I would only like to say that the position in regard to pig iron is fairly good; and that is why after decontrol now the position is quite good in regard to pig iron.

I would not touch the position in regard to billets and re-rollers, because no hon. Member has touched that point.

Now, I would like to say a few words about the alloy and steel industry.

Shri Sonavane (Pandharpur): Even if no hon. Member has raised that point, still if the hon. Minister feels it important, for the information of the House, he should deal with it.

Mr. Chairman: The hon. Deputy Minister might carry on with his speech. Probably he had not heard what I had said earlier.

Shri P. C. Sethi: As far as the alloy steel industry is concerned, Shri Daji referred to this, that we had been importing a lot of steel into our country and it would be good if the country should make efforts to see that the steel imports are gradually curtailed and we should come to a point when steel imports would completely be not required. From this point of view, it is necessary to develop the alloy steel industry in our country, because it is mostly in the flat products and in the alloy steel that we have been importing. As far as flat products are concerned, the flat products will come now from Bokaro; as far as alloy steels are concerned, we are trying to develop the alloy steel industry in the private and public sectors, both.

As far as public sector alloy steel plants are concerned, we have now the Durgapur alloy steel plant which would be giving us about 60,000 tonnes of alloy steel. Similarly, as Shri T. Subramanyam has said, now the

mild steel expansion programme of the Bhadravati Steel Works is almost complete, and all their units have gone into production, and now the conversion of this mild steel into alloy steel is being taken up and it is hoped that in spite of all the delays in the Durgapur Alloy Steel Plant, now the Durgapur Alloy Steel Plant would be able to go into full production by 1967; and as far as the Bhadravati Steel Works are concerned, they would be able to do so by the end of 1968. From Bhadravati we would be having about 77,000 tonnes of alloy steel and from Durgapur we would be having about 60,000 tonnes of alloy steel.

It is expected that the demand for alloy steel during the Fourth Plan period would be about 5 lakh tonnes. It is from that point of view that besides these public sector plants, we have licensed quite a few parties in the private sector also; about 14 licences have been given and three letters of intent have also been given and more are also under consideration. Besides, we are also from time to time reviewing the position in regard to the development of these private sector alloy steel plants, and if certain parties are not able to come up to the expected point, then their licences are revoked, and we are taking action in that direction. Recently, the hon. Minister had a meeting with all the licensees of these alloy steel plants, and the situation and their development programme have been reviewed in that meeting, and effective action is being taken in that direction.

We are also considering the further expansion of the Durgapur Steel Plant. Two alternative studies were made by the Central Engineering and Design Bureau. Now, the Ministry is thinking in terms of expanding the Durgapur Steel Plant to an even greater point so that the alloy steel production may be stepped up during the Fourth Plan period itself and the imports may be cut. It is with this view that the alloy steel

development programme is being continued, and we hope that we would be able to advance quite nicely and fairly in the Fourth Plan period as far as the production of alloy steel is concerned.

As I had earlier mentioned, you did not desire me to mention this point, but I would like to say . . .

Mr. Chairman: Let there be no misunderstanding about what I had said. What I had said was this. A number of speeches are yet to be made, and it may be that these things may come up in those speeches. If certain things have not come up as yet, I suggested that the Deputy Minister might leave them to his senior colleague. That was what I said. The hon. Deputy Minister may do as he wishes.

Shri P. C. Sethi: I would just mention about the billet rolling position and then I shall conclude. As far as the re-rolling industry is concerned, it is true that the billet supply position is not easy, because it is not in the interest of the many steel works to sell them, and it is not profitable to them. But, in spite of this, looking to the demand and requirement of the country, it was decided that a certain amount of billets by the main steel works should be given for the re-rolling industry, and that is being done. Yet, it is true that a lot of re-rolling mills have come into existence, and there is shortage of billets, and at the moment they are working only to about 30 or 35 per cent of their capacity. But it is also true that in spite of clear Government directives, many of the re-rolling mills are asking for billets. Many of the re-rolling mills had come into existence on the clear understanding that they would work on scrap, and Government had made it very clear that they would not be able to give them billets. Now, all these re-rollers who have come on the understanding that they would work their mills on the available scrap in the market, are also demanding that billets should be supplied to them.

In order to review this Government have appointed a committee, and that committee is going into this matter and assessing the capacity of the mills, and we are shortly going to receive the report of that committee, and after the report has been received, we shall go through it, and then a decision would be taken on this matter.

श्री श्रीकार लाल बरवा (कोटा) : श्रीमान् चैयरमैन महोदय, इन रिपोर्टों को देखने से मालूम पड़ता है कि बगैर विदेशी मुद्रा और बगैर विदेशी सहायता और विदेशी विशेषज्ञों के कुछ भी काम नहीं चलता। बड़े अफसोस की बात है कि हम जो भी कार्य करते हैं वे अभी तक अग्रूरे ही पड़े हैं। रुपया करोड़ों की तादाद में खर्च होता है और वह भी विदेशों की मदद से। हमारा उस में कुछ भी नहीं है। मैं आपको कुछ हिन्दुस्तान स्टील के बारे में बतलाना चाहता हूँ जिसके अन्दर दुर्गापुर, भिलाई, रूरकेला के कारखाने हैं, इन में 800 करोड़ रुपया लगा है और अब इन में 3 करोड़ रुपये का घाटा है, ब्याज अलग। हैवी इन्जीनियरिंग कारपोरेशन, रांची को लीजिये, इस में 100 करोड़ रुपया लग चुका है और 125 करोड़ रुपया लगने को और बाकी है। प्रोडक्शन अभी चालू नहीं हुई है और इतना ज्यादा उत्पादन भी इन में नहीं होगा, शायद 60 करोड़ रुपये से ज्यादा का उत्पादन इनका नहीं होगा। लेकिन हमारी सरकार को यह पता नहीं है कि हमारी जो गरीब जनता है, उसका यह पैसा इस घाटे के अन्दर कैसे जाया जाता है और विदेशी मुद्रा की बरबादी किस तरह से हो रही है। हमारी गरीब जनता की करोड़ों की कमाई का पैसा इस तरह से बरबाद चला जाय, वह क्या है? एक काम पूरा नहीं हो, दूसरा छेड़ दिया जाय। अब हम 200 करोड़ रुपये का बोकारों के लिये समझौता कर रहे हैं, पहले की कम्पनियां चालू नहीं होती, इन कारखानों की क्षमता बढ़ती नहीं है और दूसरों से समझौता करने के लिये तैयार हैं। दो तीन काम तो अभी देखे हैं जिनका कि प्रोडक्शन पूरा होना चाहिये

[श्री श्रीकार लाल बेरवा]

लेकिन वे अभी तक पूरे नहीं हुए हैं और उनमें करीबन दो-दो साल की देर होती चली जा रही है।

भिलाई के इस्पात कारखाने में 25 लाख टन का उत्पादन किया जाना था, लेकिन वह लक्ष्य अभी तक पूरा नहीं हुआ है और अगले दो साल तक भी वह पूरा नहीं हो पायेगा। समझ में नहीं आता कि जिस काम को आज किया जाना है, अगर वह अगले दो साल तक चलता रहे, तो फिर ये कारखाने किस काम के हैं। सरकार की ओर से योजना पर योजना बनाई जा रही है, खर्चा बढ़ता जा रहा है, लेकिन उस का कोई फल नहीं होता है। सरकार को मालूम होना चाहिए कि अगर दो साल तक यह काम नहीं होता है, तो उस अवधि के बाद भाव बढ़ जाने के कारण कंटेक्टर्ज के क्लेम में भी वृद्धि हो जायेगी और उन को ज्यादा रुपया देना पड़ेगा। समय पर लक्ष्य पूरा न किये जाने का केवल यहीं नुकसान नहीं है कि प्रोडक्शन नहीं हुआ है, बल्कि सरकार को और करोड़ों रुपयों का भुगतान करना पड़ेगा।

जो कार्य 1965 में पूरे किये गए हैं, उन में भी चार से सत्रह महीने की देरी पहले ही हो चुकी है और अब दो साल और इन्तजार करना पड़ेगा। इस का नतीजा यह होगा कि चौथी योजना का काम पांचवी योजना तक भी पूरा नहीं होगा और हम विदेशों का मुह देखते रहेंगे। सरकार जनता को यह कह कर धोखा देती रहती है कि हमने इस योजना में रुपया लगाया है, उस योजना में रुपया नगाया है, लेकिन वह काम पूरा नहीं होता है।

पांच हजार टन इस्पात की सप्लाई की व्यवस्था करने में बढ़ी ढिलाई बरती गई है। समझ में नहीं आता कि जब उत्पादन ज्यादा हुआ है, तब फिर इस में ढिलाई क्यों बरती गयी है।

इंजीनियरिंग वर्क्स में जो विदेशी इंजीनियर हैं वे हमारे देशी इंजीनियरों को बिलकुल बेकार

समझते हैं। हमारे घादमियों को उन्होंने बिलकुल नौकर समझ रखा है। मैंने भिलाई इस्पात कारखाने में देखा है कि वहां पर अंग्रेजों का ही शासन चल रहा है। सारा कारखाना कम्युनिस्टों के इशारे पर और उन की इच्छानुसार चल रहे हैं।

श्री प्र० चं० सेठी : भिलाई में तो कोई अंग्रेज नहीं है।

श्री श्रीकारलाल बेरवा : दुर्गापुर, भिलाई राउरकेला, इन सब कारखानों में थोड़े बहुत हिन्दुस्तानी इंजीनियर लगा रखे हैं और बाकी सब अंग्रेज हैं। वहां पर सरकार का शासन नहीं है बल्कि कम्युनिस्टों का शासन है। मैं पूछना चाहता हूँ कि क्या हमारे हिन्दुस्तानी इंजीनियर और विशेषज्ञ किसी काम के नहीं हैं। जब तक सरकार विदेशियों के पंजों में फंसी रहेगी और कम्युनिस्टों के जाल में फंसी रहेगी, तब तक हमारे कारखाने सफलतापूर्वक नहीं चल सकते हैं।

जहां केवल दो हजार मजदूरों की जरूरत है वहां कम्युनिस्टो के दबाव में आकर तीन हजार मजदूर रखे हुए हैं। क्या उन मजदूरों को किसी दूसरी जगह नहीं लगाया जा सकता है? सरकार विदेशियों और कम्युनिस्टों के पंजे में फंस कर इस देश की गरीब जनता का पैसा बर्बाद कर रही है। प्रोडक्शन की क्षमता और मजदूरों की संख्या के बारे में सरकार की ओर से ये आंकड़े दिये गए हैं कि पच्चीस लाख टन उत्पादन होने पर 25980 कर्मचारी रखे जाने चाहिये, लेकिन वहां पर 21881 कर्मचारी पहले ही भर्ती हो गए हैं, जब कि प्रोडक्शन कम है, अर्थात् दस हजार टन है। इस की क्या वजह है? क्या मंत्री महोदय और उनके इंजीनियर वहां पर जा कर स्थिति को देखते नहीं हैं? वहां पर इस सरकार का शासन नहीं है, बल्कि कम्युनिस्टों का शासन है। वे जिस तरफ घुमाते हैं, सरकार उस तरफ घूम जाती है। यहां पर सेन्ट्रैरियट से जिन लोगों को पेन्शन मिश्

जाती है, उन को वहां पर इंजीनियर और डायरेक्टर बना कर भेज दिया जाता है। वे कोई काम नहीं जानते हैं। वे कम्युनिस्टों के चक्कर में आकर सारे कारखाने की व्यवस्था बिगाड़ देते हैं। भोपाल के कारखाने में झगड़ा इस लिए हुआ कि वहां का इंजीनियर बाहर से थोपा गया था। चूंकि वह कम्युनिस्टों से सांठ-गांठ करता था, इसलिए उस को निकाल दिया गया। वहां पर एक महीने तक हड़ताल रही और मजदूरों ने भूख हड़ताल भी की। कम्युनिस्टों से प्रेरित होकर उन्होंने जो मांगे रखी थी, बाद में उन को मानना पड़ा। लेकिन इस बीच में वहां पर करोड़ों रुपये का नुकसान हो गया। एक बार आग लगने पर वहां पर साठ लाख रुपये का नुकसान हुआ और दूसरी बार अस्सी लाख रुपये का नुकसान हुआ। इस के अलावा डेढ़ करोड़ रुपये का एक पुर्जा खराब कर दिया गया, जिस की वजह से कारखाना पंद्रह दिन बन्द पड़ा रहा। अगर सरकार ने उन लोगों की मांगों को मानना ही था, तो यह सारा नुकसान कराने की क्या आवश्यकता थी? मेरी समझ में नहीं आता कि सरकार कब तक विदेशियों के जाल में और कम्युनिस्टों के दबाव में रहेगी।

पब्लिक सेक्टर के इन कारखानों में हमेशा नुकसान होता है। मथान यह है कि आखिर टाटा और बिड़ला वगैरह के कारखाने कैसे कमा कर खाते हैं। पहले उनकी पूंजी मत्तर करोड़ रुपये की थी, जब कि आज वह 7000 करोड़ रुपये हो गई है। इस की तुलना में सरकार अपने कारखानों में हमेशा घाटा दिखाती है, क्योंकि उस को कोई परवाह नहीं है। वह जनता पर टैक्स लगाती है, लेकिन इन कारखानों के काम के बारे में कोई चिन्ता नहीं करती है, जाकर स्थिति को नहीं देखती है। कम्युनिस्टों ने जैसे घुमाया, वैसे ही वह घूम जाती है।

आवश्यकता इस बात की है कि जहां तक हो सके, हमारे विशेषज्ञों को प्रशिक्षण प्राप्त करने के लिए वाहर भेजा जाए और उस के बाद उन को उचित वेतन दे कर कारखानों में अच्छी जगह पर लगाया जाये। जहां तक

मजदूरों का प्रश्न है, कम्युनिस्टों के दबाव में आकर ऐसा कोई समझौता न किया जाये, जिस से देश को नुकसान हो।

Shri Rama Chandra Mallick (Jajpur): I am thankful to you for giving me this opportunity to make some points during this discussion of the Demands of the Ministry of Iron and Steel. I congratulate the hon. Minister, Shri T. N. Singh, and the Deputy Minister, Shri Sethi, and their able officers, on their work.

It is well known that unless other country is industrially developed, we cannot compete with other countries in the world. Because there is not sufficient time, I will confine myself to my own State of Orissa. It is known to everyone that Orissa is a backward state and Scheduled Castes and Scheduled Tribes people of Orissa are backward, industrially, socially, educationally and politically. Fortunately, we have got a steel plant, Rourkela. But I want to draw the attention of the hon. Minister that the people of Orissa were dreaming and building castles in the air in that when the Rourkela steel plant came into operation, they would get more benefit, more employment and more facilities. But I am sorry that they have been disappointed; they are not getting any proper attention and employment. Even the Adivasis, Scheduled Castes and Scheduled Tribes people who have had to leave their homesteads, even these poor people, have not got proper employment. Those who are educated and trained, they also are not getting proper employment. So I would request the hon. Minister to look into this and see that the people of Orissa get more facilities.

Experts of the Ministry and those who have gone into the question and written about it in the press have stated there is more scope for establishing industries there. Orissa is full of rich minerals like mica, manganese ore, iron ore. She has also abundant forest wealth, and water resources

[Shri Rama Chandra Mallick]

The Keonjhar, Sundargarh, Dhenkanal, Cuttack and Mayurbhanj districts are full of mineral wealth. There is a proposal to establish another steel plant. Let it be somewhere in Keonjhar district or Mayurbhanj district. Let the facts and figures be gone into. Paradeep is already developed as a port. The Talcher coal mines are there. From Hirakud, electricity will be available.

Power will also be available from the thermal station at Talcher. So the power problem will be solved. Forest resources are there. As regards land, there is no difficulty. In Keonjhar, Mayurbhanj and Sundargarh, thousands of acres of land are there. This land can be acquired and the plant established there. So, land, minerals, port and electricity are there in Orissa. So, it is better from the economic point of view to establish a steel plant in Orissa. Some people may say that there is a steel plant in Orissa already at Rourkela, why another steel plant? That is not the point. The point is this, that where there is availability of raw materials, where there is possibility, where it is more economical and suitable, it should be undertaken. So, I request the hon. Minister, through you, to give proper attention for another steel plant in Keonjhar or Mayurbhanj, whatever the experts say.

16 hrs.

In Orissa also there is the food problem. If some hon. Member asked why I am talking about food on the Steel Ministry, my reply is this. I live in a village, I do not live in a town. I come from a poor family. I have gone from village to village. I have seen that there is some shortage also, but artificial propaganda that there is no food, no rice, no paddy etc., but I think some people, some cultivators, the poor peasants are storing, hoarding foodgrains, rice and paddy. I enquired of some of them why they are keeping so many bags of rice and even some of them keeping about 50 bags of rice. A cultivator told me that he was keeping this paddy to purchase

some cement, some iron rods, corrugated sheets etc., to construct a small house for himself. So, if you supply the poor people at concessional rates these things, you will get sufficient rice, sufficient paddy, sufficient foodgrains from them. The peasants, the cultivators are willing to supply rice, and this is the time to approach them.

An hon. Member: Is there not drought in Orissa?

Shri Rama Chandra Mallick: Certainly, there is drought in Orissa. There is drought in Kalahandi, Sambalpur, Bolangir Cuttack, and Ganjam, districts because there was no rain, but in Keonjhar, Balasore and Puri districts there is sufficient rice. I want to say, not quite sufficient but some rice. There are 30 districts in Orissa. So, if you supply as I mentioned earlier, you will get rice, and the people will get these materials. So, I request the hon. Minister to consider this.

Paradip is one of the biggest ports in our country. It has already developed. I think it will not be more than 100 miles from Keonjhar District. So, it will be better and economical if the steel plant is established in Keonjhar District. Also, Talcher coal mine is there. It is only 25 miles. The population of Orissa, according to the census report of 1961, is 175 lakhs. The population of scheduled castes is about 30 lakhs, and the population of the scheduled tribes is about 42 lakhs; so, the population of the scheduled castes and scheduled tribes together are 72 lakhs. So, unless this State is industrially developed, we cannot prosper, we cannot go ahead. So, I request the Central Government and the hon. Minister through you to pay special attention to the State of Orissa. Our State cannot be compared with West Bengal, Maharashtra or Madras, because this is a poor, backward State. So, I request the Minister to give special attention to the State of Orissa. More funds should be given as I stated earlier for this year and more quota of iron rods and other necessary materials should be given to Orissa.

Shrimati Sharda Mukerjee (Ratnagiri): Steel accounts for a capital investment at present of approximately a thousand crores, not taking into account the new Bokaro project and the Alloy Steel Project.

As the Ministry gives us a report, it would help to know what is the total investment in this. We have to look up the RBI report, the Public Undertakings report and all sorts of reports and then work out something. So, I would request the Minister to give it in this report as to what is the total investment in steel and related things which his Ministry handles.

Shri Shinkre: This year we should not grudge. There are so many reports giving ample data.

Shrimati Sharda Mukerjee: In this report it is not given. So, one has to consult about half a dozen reports to be able to total it up. It would help to know what is the total investment because this industry is mainly in the public sector.

I am very glad that under the new reorganisation of ministries which was done in January 1966, the Ministry will now deal mainly with the manufacture of steel import and export of steel, coal washeries etc. This thing in itself is so capital-intensive that to spread the work over a number of other activities I do not think would be so good, and so I am glad to hear that this Ministry has been reorganised like this.

It is a significant fact that the performance of the steel undertakings in the public sector has mainly been viewed from the profit angle. Most speakers who have spoken here today and people at large and the press stress upon this particular aspect of the public sector steel undertakings, but what is important, I think is to look at it in an over-all comprehensive manner as to what it has contributed towards the national development. Therefore, I would say that while it is incumbent upon the Government to pursue such policies as would give

a satisfactory return on the capital it is equally necessary for us to remember the background of the steel industry, and not only to view it from the profit angle. What is very important is to appreciate the fact, that while it is possible to get the material and capital investment, whether domestic or foreign, it is not so easy to get the human resources which are necessary for this industry, because such human resources must have adequate training, must have efficiency, there must be a proper mobilisation, and there is, of course, the very important management problem. Therefore, to say that the performance of the public sector is unsatisfactory in relation to invested capital would be really to look at it only from this one particular angle.

It is maintained that had this industry been more in the private sector and not so much in the public sector, perhaps we would have had better results, but when in 1953 it was first thought that steel production must be stepped up in the country, the decision to put the major part of it in the public sector was concerned primarily with this, that there would be certain contingent developments in our economic and social life if the majority of the steel production was concentrated in the private sector, and that in the interest of democracy one could not have a concentration of this kind in the hands of a few people, for, as you know, one of the main postulates of democracy is that economic power should be diffused rather than concentrated in the hands of a few which would give them control over thousands of people. It would deny the individual, equality of opportunity. I submit therefore despite the inadequacy of performance, which I am sure the Ministry also will admit, the decision to keep the steel industry mainly in the public sector was the right decision. I come now to the performance side. What is rather disturbing is the wide gap between the estimates of production and the actual achievement. For instance, the production target of

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steel was ten million tons in the Third plan and we find that in 1965-66 the production was only 4.5 million tons. The 1966-67 Plan given to Parliament mentions that the steel production during that year is going to be 12.2 million tons. This appears an optimistic figure and means an acceleration in steel production by almost eight million tons. The Minister should tell us whether he has any particular plans for a drastic change in management, in organisation, in investment, because without such a change I cannot see how this accelerated production which is going to give us about eight million tons extra in the next year, is going to be possible. Three years ago Mr. Subramaniam also mentioned in the House that the ten million tons target set for the Third Plan would be achieved in the first year of the Fourth Plan. We are in that year today but we are no where near achieving it. It is generally admitted that our inadequate performance on the steel front, apart from the agricultural front, is the main reason for the failure of our plan. Unlike agriculture cannot assign it to the vagaries of nature. In steel production we should have been in a position not only to meet our domestic requirement but should have been able to export one million tons of steel. But we find we are to import 1.1 million tons. If we had been able to export one million tons, we would have had about Rs. 500 crores in foreign exchange. This is a thing which the Minister should explain as to why there is continually this great disparity between the estimates which are given to us and why a year later again, the Minister has to come to us with explanations. We have the second highest grade of iron ore in the world; we have enough coal to last us for the next fifty years and we have cheap labour. We have invested in the public sector undertakings something like Rs. 804 crores that is 45 per cent of the total public sector investment. One could say that we have not got the other facilities which the other

countries have. But we have had financial and technical aid from so many countries, Germany, Britain USSR. We seem to have all the necessary things. But when it comes to production, there is a wide shortfall. The Hindustan Steel annual report for 1963-64 has shown that there was a loss of Rs. 4.7 crores that year and that the cumulative loss upto March 1964 was something like Rs. 68.4 crores. Even if you make some allowances, as the minister has constantly told us, for higher depreciation costs in operating than in the older industries; even if you make concessions for higher costs for welfare measures on labour and staff, etc. even when all these things are taken into account, it is very difficult to explain away these mounting losses. A newspaper article which I read two months back gives this figure. That the investment cost per ton of Hindustan Steel is something like Rs. 1900 as against Tisco's Rs. 1760 and Indian Iron's Rs. 900. This is the investment cost per ton. This is a thing which it is very difficult for people like us to check; only the ministry can work it out. Even making allowances for high depreciation costs, why should they be almost double the investment costs per ton? We have large plants and ever larger plants. It seems to have become a prestige thing; something like: anything you can do, I can do better. You forget that when you have a very large plant, you should have a very high standard of efficiency. The whole production has to be scheduled and executed with the utmost accuracy. If you do not do that, you have all this heavy capital investment in the installed capacity. There should be modifications in the pattern of management, marketing, labour management, etc. I wonder whether it is a good thing for us to go in for these very large plants. For instance, we are going to have this Bokaro plant costing us about Rs. 1100 or Rs. 1000 crores. I do not know. What have we done? We have got five plants going today, three in the public sector and two in the private sector. Steel

manufacture is not all that difficult, 200 years ago people were doing it in small little tin garages. What do we do? We go hawking these plants from country to country. We want the plant to be undertaken, from A to Z by another fellow. In all these five plants, have we not got the people who can do the project study and can produce a design or study the other requirements and say: this is what we have got and this is what we want to import?

Mr. Chairman: The hon. Member should conclude.

Shrimati Sharda Mukerjee: The Americans come; the Russians come or anybody else comes and says: we insist that this must be done; otherwise we are not prepared to come in. This increases your construction costs and leads to other difficulties which bring about discontent among your own people. All sorts of problems come up and I have not much time to go into these details. Regarding the management of these plants, I have to say this. When we look at the atomic energy plant, it is such a sophisticated and advanced bit of technology. There you go and you find not a single foreign technician. Why? You had an efficient man; you had a man who was given the power to decide by our late Prime Minister, Jawaharlal Nehru. There you find that the plant has made tremendous headway. People are proud of what they are doing. The first thing is that your general manager must be a capable man; he must have the power and the right to decide; if he does not deliver the goods, you can sack him. In other words, he must be accountable for his failures. Your plants are managed by very intelligent men but they are not business managers; they are unfortunately people who had been ICS officers, bureaucrats. They have their value; they are able men and I have the highest respect for them. But they are not the people to manage your plants. It takes one something like 20 years to understand even a balance

sheet and know what it means. If you have been a bureaucrat, you cannot interpret a balance sheet easily. So, as I said, with regard to the management, you cannot carry on like this unless you have the right type of managers and you give them the authority to decide and to run their plants in the most efficient manner.

May I read out something which the Minister's own officer has written? It may be of some interest to him.

Mr. Chairman: She may pass it on to the hon. Minister. She must finish now. There is no time left.

Shrimati Sharda Mukerjee: This is the extract from what the Economic adviser of the HSL has said. It refers to the constant changes of managers and directors of the Board. He says that "the shedding of skins in a biological and botanical specie is a natural response to the need for rejuvenation and is a sign of revitalisation and health . . ." And so on.

Mr. Chairman: Please conclude. Shri Priya Gupta.

Shrimati Sharda Mukerjee: We find that the public sector steel undertakings, as I was saying, are unfortunately bogged down in bureaucratic procedures and this brings about a delay in decisions, and a position where ability is discounted and there is no accountability for failures. In fact, this accountability is almost non-existent. Unless the steel industry is extricated from this bureaucratic quagmire, unless it can be extricated from being a political chess-board it has become, as far as the location of the plant, appointment of personnel and labour-union management are concerned, I am afraid that there can be no increase in productivity and the social and economic ends for which this industry was put in the public sector. The ends which the Government had in mind when they put the industry in the

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public sector, will have been defeated.

Shri Priya Gupta (Katihar): The steel industry is a reflection of a country as to how it has achieved a place in industrialisation and scientific advancement. We have seen in small countries like Sweden and others, where there is no natural resource—mostly, they import from outside—they have produced steel of a superior quality and at a cheaper rate than we can produce in our own country which is full of natural resources such as iron ore and other auxiliary and ancillary substances required for the purpose. What is wrong? Of course, the steel industry has advanced. We have three public sector plants. But what about the villagers? They are still feeling as if they are living in such a condition as they lived 20 years back, then there was no steel industry in the public sector. What do they understand? They understand only two or three simple things: a few corrugated sheets for their roofing, a few iron rods for the concreting of the roofing or for some bridges or culverts or some small irrigation works. Out of these corrugated sheets are not available; they come under the controlled item. Owing to lack of iron, iron rods for small irrigation works and bridges and the like are not available. The villagers suffer. I have heard the junior colleague of the Steel Minister telling us that due to want of zinc, they could not produce corrugated sheets. I expect that if zinc is not sufficiently available the corrugated sheets which are called black sheets—they may be of less durability—will at least satisfy the villagers who are afraid of fire havoc every year and loss a lot of money.

The quality of steel for use in Ferro-concrete work today is inferior. We are having a lot of bridges but due to the quality of the steel which is inferior, we have cumbrous structures of the piers and all the

structural parts of the bridge since tensile strength of mild steel are weak.

Shri T. N. Singh: The quality of Indian steel is as good as any other steel.

Shri Priya Gupta: I do not mean the type of steel which is produced in India is bad. I am mentioning that type of steel which is required for concreting works which will be of less volume. A bridge with a less voluminous structure and pier will bear a load if the steel is of that special quality. I do not know the technical term of that quality of steel, probably, High Tension Steel. This quality of steel should be produced in good quantity in our steel plants. Why should not the government produce that type of steel?

Coming to the economic part of it, like every enterprise in the public sector, there is a top heavy administration. On the top of the workers, artisans and technicians, there is an administrative set-up having nothing to do except administrative control. As a result of their arbitrary discretions, monetary loss is caused. Of course, on that score we should not decry steel plants being in the public sector.

Coming to industrial relations, we are still suffering from a high-borrowed bureaucracy inherited as a matter of course from the Britishers who created the ICS cadre—always terrorising the worker. The high-browed bureaucracy with that mentality do not look to the technical side of the plant being run in a proper way. They unnecessarily create disputes with the workers. For instance, in Rourkela, the HMS union are in a majority. But the INTUC union representing only 5 per cent of the labourers has been allowed to have

the recognition continued, in spite of the fact that their term of recognition expired on 31-3-66. Recently there was an election to the works committee. 78 per cent of the works committee members have gone from the HMS union and 12,000 workers have voted for them. Unfortunately, the high-browed bureaucracy, to satisfy the INTUC and in turn the party in power, have not yet published in the gazette the names of the works committee members. They have not convened a single meeting. They want to focus on the workers that all disputes must come through the recognised INTUC union and only then they would be solved. They are not allowing the works committee to function. The Rourkela Mazdoor Union has applied for recognition. The Minister knows it. I request him to give that union its legitimate right of recognition since it represents the majority of workers.

For increased production in a plant, industrial relation is the main factor in addition to technical know-how. The Minister should not forget this and deny recognition to the Rourkela Mazdoor Union, which is due to them legitimately.

Lastly I would like to say a word about the grievances of the adivasis in Bhilai, whom I visited personally. They have prayed and prayed for ordinary unskilled jobs, but there also, people were imported from outside and they were not given those jobs. Similarly in Orissa and Durgapur also, Adivasis and people whose land has been taken have not been given even unskilled jobs there. There should be a uniform policy. As a member of Parliament, I do not indulge in parochialism and provincialism. But I submit that people specially Adivasis who have been deprived of their land, in whose vicinity these works are there, should get the first chance.

Lastly, I again appeal to the Ministry to instruct Public Sector Administrator to behave as an ideal employer. Since they are represent-

ing the Government, since they give sermons to Tata and Birla companies, since they give sermons to the private enterprise, they should behave like an ideal employer and try to be a good employer.

श्री अचल सिंह (आगरा) : सभापति महोदय, आयरन और स्टील मिनिस्ट्री का काम देश के लिए बहुत आवश्यक व उपयोगी है। हमारा देश एक कृषिप्रधान देश है और स्वतन्त्र होने के पेशतर यहां पर कोई बड़ी इंडस्ट्री नहीं थी। जिस के कारण करोड़ों रुपये का स्टील बाहर से मंगाया जाता था। स्वतन्त्रता से पेशतर हमारे देश में सिर्फ टाटा का लोहा का कारखाना था, जिस से देश की कुछ आवश्यकता पूरी होती थी। लेकिन आज-कल के जमाने में किसी भी देश की उन्नति के लिए लोहा बहुत आवश्यक है, क्यों कि तमाम मशीनरी, रेल और अन्य बहुत सी आवश्यक चीजें लोहा से बनती हैं। इस लिए किसी भी देश की उन्नति लोहा के आधार पर होती है। हमारे स्वर्गीय प्रधान मंत्री, पंडित जवाहरलाल नेहरू, ने इस बात को महसूस किया कि देश के इंडस्ट्रियलाइजेशन के लिए कदम उठाए जाने चाहिए। इस लिए उन्होंने रूस इंग्लैन्ड और जर्मनी की मदद से यहां पर तीन लोह के कारखाने बनाने का मुआहिदा किया और इन कारखानों की नींव डाली गई।

उस वक्त यह ख्याल था कि इन कारखानों से बहुत ज्यादा फायदा होगा और देश की बहुत उन्नति होगी। इस में कोई शक नहीं है कि इन कारखानों की वजह से, अरबों रुपयों का जो लोहे का सामान देश में आता था, वह आना बन्द हो गया और हमारे देश में ही लोहे का सामान बनना शुरू हो गया। लेकिन इन कारखानों पर बहुत ज्यादा खर्चा हुआ, बदइन्तजामी हुई, मिसमैनेजमेंट हुआ, जिस की वजह से इन से जो फायदा होने वाला था, वह अभी तक नहीं हुआ है, इन कारखानों पर पांच सौ करोड़ रुपये से ज्यादा रुपया लग चुका है और करीब पीने दो सौ

[श्री अचल सिंह]

करोड़ रुपये का सूद भी भ्रदा किया जा चुका है, लेकिन इन कारखानों से जितने फायदे की उम्मीद थी, वह नहीं हुआ। हां, यह फायदा जरूर हुआ कि आज हमारे देश में साठ लाख टन स्टील बनता है, जिस से विदेशों को अरबों रुपये जाने बन्द हो गए हैं।

इस संबंध में श्री खाडिलकर की चैयरमैन-शिप में एक कमेटी मुकरंर की गई है, जो इस बात की जांच करेगी कि इन कारखानों में नुकसान होने की क्या वजह है, क्या कमी है। मैं ने भिलाई, राउरकेला, और दुर्गापुर के कारखानों को देखा है। मैं ने वहां देखा है कि वहां काम बहुत बढ़ा है और अंग्रेज, रशियन और जर्मन इंजीनियर लोग बड़ी मेहनत से काम करते हैं, लेकिन इन कारखानों का इन्तजान जैसा होना चाहिए, वैसा नहीं है। उम में काफी लूपहोलज है। वहां पर चोरी होती है और मिसमैनेजमेंट है। मैं आशा करता हूँ कि श्री खाडिलकर की सदारत में जो कमेटी मुकरंर की गई है, वह इस बात की जांच करेगी कि वहां पर क्या कमियां हैं। अगर उन कमियों को निकाल दिया जायेगा, तो देश को बहुत फायदा हो सकता है।

जैसा कि मैं ने कहा है, कभी भी देश की उन्नति लोहे पर आधारित है। हमारा देश कृषि प्रधान है। अगर हमारी खाद्य समस्या हल हो जाती है और साथ ही हमारी इंडस्ट्रीज सफल हो जाती है, तो हमारा देश तमाम दुनिया में सब से आगे आ सकता है, वह सेल्फ-सपोर्टिंग बन सकता है और अपने पैरों पर खड़ा हो सकता है।

हमारे यहां अभी तक एलाय लोहे की बहुत कमी है। एलाय छोटी छोटी इंडस्ट्रीज के लिए बहुत जरूरी है। आगरा में बहुत सारे छोटे छोटे कारखाने हैं, जो पिस्टन रिंग और ट्रकों के अनेक पुर्जे बनाते हैं। लेकिन एलाय की कमी की वजह से पूरा और अच्छा

काम नहीं हो पाता है। इस लिये यह आवश्यक है कि एलाय की कमी को पूरा किया जाये, ताकि हमारे देश की इंडस्ट्रीज को ज्यादा फायदा हो सके।

आज-कल हम को स्टेनलैस स्टील बाहर से मंगाना पड़ता है, जो काफी मंहगा होता है। एक समय था, जब कि चांदी 40, 42 रुपये किलो के हिसाब से बिकती थी। लेकिन आज स्टील 30, 32 रुपये किलो के हिसाब से बिक रही है। मैं मंत्री महोदय से यह निवेदन करूँगा कि उन को देश में ज्यादा स्टेनलैस स्टील बनाने की तरफ ध्यान देना चाहिए, जिस से हमारे करोड़ों रुपये बाहर न जा सकें और स्टेनलैस स्टील की हमारी आवश्यकता देश में ही पूरी हो जाये।

इस मंत्रालय के मिनिस्टर पिछले दो बरस में तीन दफा चेंज हो चुके हैं। एक मिनिस्टर आता है और इससे पहले कि उस को कोई तजुर्बा हो और वह कोई काम कर के दिखाए, उस को दूसरी मिनिस्ट्री में बदल दिया जाता है। पहले यहां पर सुब्रह्मण्यम साहब थे, फिर रेड्डी साहब आए और अब श्री टी० एन० सिंह हैं। आप खुद समझ सकते हैं कि किसी भी सबजेक्ट को साल छः महीने देखे वगैर उस की पूरी जानकारी नहीं हो सकती है, लेकिन हमारे मिनिस्ट्रों को बहुत थोड़े समय के बाद ही बदल दिया जाता रहा है। मैं समझता हूँ कि इस वजह से भी कारखानों वगैरह के इन्तजाम में कमी है कि हमारे मिनिस्ट्रों को काम करने का पूरा मौका नहीं मिला है।

मैं इस मिनिस्ट्री की डिमांड्स का समर्थन करता हूँ, क्योंकि लोहे की इंडस्ट्री देश के लिए बहुत जारी है। व्यापार के लिए, घर के काम के लिए, लड़ाई के लिए, जहाजों आदि के लिए सब जगह लोहे और स्टील की जरूरत होती है।

मुझे बड़ी खुशी है कि लोहे पर से कंट्रोल हट गया है और लोह की सब चीजें एवलेबल हैं। ज़िंक की कमी की वजह से गैलवनाइज्ड शीट्स पर कंट्रोल है और उन के दाम भी ज्यादा हैं। ऐसा कोई तरीका निकालना चाहिए, जिस से गैलवनाइज्ड शीट्स बनाई जा सकें और लोगों को उपलब्ध हो सकें।

इन शब्दों के साथ मैं इस मिनिस्ट्री की डिमांड्स का समर्थन करता हूँ और आशा करता हूँ कि यह मिनिस्ट्री देश की उन्नति करने में सफल होगी।

Mr. Chairman: The hon. Minister will reply at 5.05 P.M. So, I would request hon. Members to be a little brief and not repeat the very same arguments advanced by other hon. Members. Now, Shri Linga Reddy.

Shri Linga Reddy (Chikballapur): Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Iron and Steel. While doing so, I would like to say a few words. Iron and steel constitute the very foundation for the industrial revolution of our country and, as such it is very necessary that the country should be made self-sufficient with regard to iron and steel. Now, three Five Year Plans have passed and we are in the first year of the Fourth Plan. Yet, we are still importing iron and steel from foreign countries to the extent of 6,95,430 tons of steel costing Rs. 72 crores and odd. This only shows that we have not exploited the iron ore in the country and we have not planned properly. The hon. Deputy Minister stated that there was delay in the expansion programmes of the three public sector steel plants. But he did not give the reasons. It is very necessary that this expansion programme should be expedited as early as possible.

With regard to the cost of steel and iron, it is not in the easy reach of

the poor man. The cost of materials is rising. Though a committee has been set up under the presidentship of Shri Mehtab, an hon. Member of this House, the report of that committee has not yet been submitted. It is very necessary to see that the report of that committee is submitted early and iron and steel are made available to the poorer sections of the people in the country at reasonable prices.

It is necessary that early steps should be taken for the Bokaro steel plant to start functioning.

Coming to the location of the fifth steel plant, though the Anglo-American Consortium gave a report as long ago as June 1965, no decision has been taken. There was no need at all for the appointment of this Committee, because there was already a report by Messrs. Dastur & Company. Probably, Government thought that the decision given by Messrs. Dastur & Company was not convenient to them. Therefore, a fresh committee was appointed, and this committee has also given a decision that both Visakhapatnam and Hospet may be selected. Dastur and Company expert committee had already given their opinion in favour of Hospet because Hospet is an area where there is very rich iron ore, where we have all the other facilities—water, power, railway and everything. When there was a report of a committee where was the need for the appointment of another committee? Even that committee has given its opinion in favour of Hospet also. If things are decided on merits and if politics is not allowed to play, I am sure, Hospet ought to have the location of the fifth steel plant. Therefore it is very necessary that the Government should take an early decision and the steel plant be located at Hospet.

Shri Shinkre: Mr. Chairman, Sir, while speaking on the Demands of the Ministry of Iron and Steel, one cannot ignore the more important

[Shri Shinkre]

question of our industrial policy, the more fundamental and basic question of our economic policy, because there is no point in denying that by and large most of our public undertakings have shown very poor results. Barring a few happy and fortunate exceptions, such as, Hindustan Machine Tools, Hindustan Telephones and one or two others, most of these public undertakings up to now have fared very badly. If we know that with the exception of the railways, steel is perhaps the one industry which will absorb the major part of our public investment, we have definitely to realise and see whether the policy followed hitherto has been the right and correct one or whether some change is necessary therein.

Even people like us, staunch advocates of socialism, meaning public and collective ownership of the major means of production, by these very poor results of the public undertakings have been compelled to look askance as to whether the country is mature enough, whether the administration of this country is mature enough and well prepared to face the responsibilities of a modern business and industrial empire; or, whether we should have to devise some other means and, if changes are not likely to be easily made, introduce this socialisation or socialism some time after.

As you know, people like Shri Santhanam have had to say very bitter words about this socialist programme of ours. He has said—and both the Minister and his deputy know—that this is no socialism; this is simply State capitalism. Certainly, the Minister or his deputy will not want to brand Shri Santhanam with some names that are quite in vogue.

Why should it be so? At least I am not an advocate of the Forum of Free Enterprise, but the fact remains that in one of their very recent

publications they have stated that whereas Tatas in Jamshedpur employ only 100 executive managers for a production of 1-1/2 million tonnes per year, Bhilai Steel employs something like 1,600 executive managers for a production of 2-1/2 million tonnes. Whether it is correct or otherwise, it is up to the Ministry to say, but I have not seen up to now any contradiction made on behalf of the Ministry. I do not also want to say that the Ministry is bound to contradict everything that appears like this, but when there is a consistent and purposeful effort on the part of those who advocate a basically different policy, it is up to the Government to contradict these facts and place the truth where it lies so that people at large should know in good time what exactly is happening.

Therefore, I would plead through you to the Minister to devise some means whereby some sort of control and responsibility are brought into the management of these huge public undertakings. Otherwise, we will only be dragging ourselves and the country deeper and deeper into the ditch because, as it is, most of our economic ills are the direct result and product of the huge investment that we have made in these public undertakings. Only in steel we have today something like Rs. 1000 crores and with the installation of the Bokaro steel plant, we will be investing a total of Rs. 1770 crores in the first stage.....

Mr. Chairman: He may conclude now.

Shri Shinkre:.....and something like Rs. 2000 crores in the second stage. We can ill afford to have these Rs. 2000 crores rotting without their giving the country proper returns. So the time has come when, instead of running after slogans just to suit the convenience of a few of our friends like Mr. Warrior, they should make bold enough and go

ahead with the policy of private enterprise, and before concluding, I would only sound a warning to them; please do not let politics come into it. It is everybody's guess today that, even the decision of the Government of India regarding Bokaro steel plant was arrived at under some sort of political pressure. I do not want to believe it, but the fact remains that there was a time when Bokaro had been offered to the Government of India in the first place for Rs. 500 and odd crores and they did not accept it at that time, but after about 18 months, they had to accept it for Rs. 770 crores. I do not want to repeat that the Government had surrendered themselves, but please do not let politics play any part, even in regard to the setting up of the fifth steel plant. I am not making any case for Goa; personally I do not want any steel plant in Goa.

Mr. Chairman: His time is up; he may now conclude.

Shri Shinkre: I do not want any steel plant in Goa unless and until the political future of Goa is settled, but what I want to impress upon the Ministry is this: do not waste your time unnecessarily; if you feel that the time is not ripe, you can say so, but do not go on haggling and give an impression that when a new Minister comes, he will take one sort of decision and when another Minister comes, he will take another kind of decision.

Shri Rane (Buldana): I rise to support the demands of this Ministry. The steel industry is a basic industry which has contributed in the past to the development of our country and I am confident that it will contribute, to a large extent, to the development of our country in the future also. I thought that the old criticism of the public sector by the advocates of the private sector and industrialists had died down, but after hearing the hon. member, Mr. Shinkre I find that it still sur-

vives. He has forgotten that we have made a good performance and I personally feel that the year 1965-66 is a year of creditable achievement and, if I am allowed to say so, it is a year of pride for the steel industry. It is true that during the last 7 or 8 years, the industry was running at a loss, but this is a unique year, in which we have started making profits. We have earned profits to the tune of Rs. 20 million. From the report of the Public Undertakings Committee on Hindustan Steel it appears that, by 1968 or 1969, the Hindustan Steel will make a profit of Rs. 558 crores. Of course, this estimate may appear to be on the high side, but we must feel confident that this industry in the public sector is bound to make profits in the years to come. We should not be critical about this; the criticism that Mr. Shinkre made should cease to be there. I expected this criticism from the Swatantra Party, but after hearing the Swatantra member, I thought that the criticism had died for ever because they were advocates of the private enterprise who condemned it and who thought that the investment in the steel industry was sinking and the Government was foolishly investing on this and that they would not make any profit. But this year, as I have already said, is a year of pride for the industry.

I do not want to repeat the arguments or the points that have already been covered. I shall immediately go over to another point and then I shall finish my speech, because I do not want to take more time and we are also short of time. I had a talk with the Deputy Minister, and he had referred to the question of corrugated iron sheets. As you know, for the last twenty or twenty-five years, there has been an acute shortage of corrugated iron sheets. I am pleading for the farmers throughout India. You know that the farmer is badly in need of these corrugated iron sheets. The farmers require it for their cattle-sheds; they require it for their godowns, where they

[Shri Rane]

could store their agricultural commodities; then the poor people also want these corrugated iron sheets for their huts, because if they get it, there will be no question of leakage during the rainy season. So, these corrugated, iron sheets are an absolute necessity for the villagers. I want to lay stress upon this point, because I find from the report that in 1964, the production was about 1.19 lakh tonnes, while last year it was about 99,000 tonnes, that is to say, the production last year was less by 20,000 tonnes. I also find from the report that it is estimated that the production would be about 1.60 lakh tonnes of galvanised iron sheets this year. I do not understand exactly the difference between galvanised iron sheets and corrugated iron sheets, but I take it that the reference is to corrugated iron sheets. Whatever that may be, I want to lay stress upon this. The Deputy Minister has stated that the shortage is due to the fact that zinc is not available . . .

Shri Warlor (Trichur): Corrugation is the form, and galvanising is the process.

Shri Rane: I am expecting a reply from the hon. Minister on this. What I want to point out is that there is an acute shortage of corrugated iron sheets, and the farmers have not been getting it for the last twenty or twenty-five years. I do not know what quota has been reserved for the farmers for this purpose. Recently, I visited an industrial plant, and when I saw a new corrugated iron sheet on the roof, I asked the person concerned 'Wherefrom have you brought this?', and he said that priority had been given to him for the industry. I want to know from the hon. Minister whether there is any quota reserved for the farmers and whether there is any quota for the industrialists and whether there is any quota for the Government. I want to urge that the hon. Minister

should think over this, and if production is not available within the country, then I would request him that he should try importing all the corrugated iron sheets and supply them to the farmers in India. That is the only submission that I wish to make. I request the hon. Minister to think over this and at least fulfil the needs of the farmers in regard to this item which they have not been getting for the last twenty or twenty-five years.

Mr. Chairman: Now Shri Ramabadran. He will take six minutes in all.

Shri Ramabadran (Cuddalore): The Ministry of Iron & Steel deals with the most important basic industry. As such more time for discussion of its demands should have been allowed. However, considering the short time at my disposal, I shall try to focus the attention on one or two important and immediate problems effecting the Ministry and the production pattern of Iron and Steel in the country. For any country to industrialize itself, formation of heavy industries form the foundation of future improvement; unless we pay concerted attention to the establishment of iron and steel plants, any plan for future development of medium and light industries may prove ineffectual when the time comes. When we go through the Five Year Plans the emphasis on heavy industries has been there but the pattern and method have been haphazard. It is a well known fact that our planning has been very exhilarating as far as the targets are concerned but in practice it is notorious that the targets have never been reached. For the Fourth Plan, the total investment has been scheduled at Rs. 5200 crores. While I have no doubt that the financial target will be fulfilled, how far the fiscal targets will be obtained is still a guess work left to the Planning Commission and the astrologers of Delhi.

I belong to a party which fully believes in establishment of Heavy industries and important modes of production in Public Sector, but this Government which proclaims its faith in socialism day in and day out is doing everything possible to discredit the ideology of socialism and to bring the public sector industry into contempt in the eyes of public. The Congress Government is not building socialism. It is digging a deep grave for socialism in this part of the World. Take for example the Hindustan Steel Ltd. which is a premier public undertaking with more than 885 crores of rupees in public sector funds. It is truly a magnificent amount and as you all know the Hindustan Steel Ltd. has under its control some of the biggest public projects such as Rourkela, Bhilai and Durgapur Steel Plants, Alloy Steel Project at Durgapur and several Coal washeries each of which will worth hundreds of crores in investment. While the investments on the growth of the steel plants have been big and the Hindustan steel Ltd. have grown to become a mammoth public undertaking, still judging at the working results, there is a tale of sorrow and shame for anybody who believes in socialism and in public sector, Hindustan Steel Ltd. with a total investment of Rs. 885 crores as at the end of 64-65 has incurred a loss to the tune of Rs. 77. crores till now. The reason may easily be given and is given by the Government that the loss has been due to the early formation stages. But from their own estimates given to the Public Undertaking Committee in their recent 28th Report, they estimate a profit of Rs. 11 crores 22 lakhs for 1965-66 whereas now it is stated that in 65-66 they are expecting a loss of Rs. 1.5 crores. Such has been the state of affairs of a premier Public Undertaking wherein we have sunk more than 885 crores of rupees.

I now come to the inordinate delay taken by the Govt. in announcing its decision on the location of the 5th

Steel Plant, when Mr. C. Subramaniam was the Minister of Heavy Industries & Steel, he made a categorical statement on the floor of the House in the year 1962. I thought that the establishment of Salem Steel Plant was a certainty. M/s Dastur & Co. who prepared the Project Report raised the hopes very high for the early establishment of the Steel Plant at Salem. I would like to inform the House that the Madras Government have years ago acquired the land and have prepared all preliminary steps that they have to do for the steel plant, but somehow years are rolling by without steel being rolled out of the Steel Plant. Now, some genuine apprehension has come in the minds of the people of Tamil Nad, particularly Salem that the Salem Steel Plant may remain only as a paper plan.

There was an agitation Committee at Salem for demand of the Steel Plant and all parties were protesting. One Congress Member from Parliament coming from that District boldly made a declaration that he would even resign if the plant would not come. The fact remains that the definite approval of the centre for the Salem Plant is yet to come. All I demand is that an early decision is taken for an expeditious action.

Herein, I want to inform my friends from Andhra and Mysore that our demand for the Salem Plant is not against the establishment of steel plants at Vizagapatnam and Hospet because for the Fourth Plan period the demand for iron and steel is expected to be of the order of 16 million tons of steel ingots and the Steering Group of the Government had recommended that the planning of production of steel in the Fourth Plan period should be on the basis of a target capacity of 20 to 21 million tons of steel ingots. The capacity of the existing plants including the proposed expansion schemes will come to 13.4 million tons. The Bokaro Steel Plant is targeted for 1.5 to 2 million tons. Even taking the upper limit of two mil-

[Shri Ramabadran]

lion tons, we will have a total of 15.4 million tons only. Therefore, we have still to met another 5 to 6 million tons wherein all the Steel plants in the south, namely, Salem, Vizagapatnam and Hospet can all be included. Therefore, there is no conflict of interests between these three claims within the target of the Fourth Plan. For Salem Steel Plant, even the Project Report is ready. So, if we start earnestly on that scheme, we can get the production started within two to two and a half years. For other schemes, even the detailed report is still to be prepared which means that even if we start making any earnest scheme, it will take another 7 to 8 years for actual production. Therefore, I earnestly appeal to the Minister not to waste further time but take an immediate decision on the report submitted by Dastur & Co. and a recent report submitted by the Japanese Team of Experts in the course of last month.

17 hrs.

Dr. Chandrabhan Singh (Bilaspur): I must congratulate the Steel Ministry on a remarkable performance in raising our steel production. Although the performance has been slightly less than the target, a performance of this magnitude is most remarkable, and deserve praise.

I have heard a lot about the various sites where steel plants should be located, and it is all concerned with political dispositions. I am surprised that we are still talking about political dispositions. Let this decision be made only on feasible grounds, on the availability of resources and other relevant considerations, and on merit alone.

People have mentioned Goa, Hospet Veyveli, Visakhapatnam. They seem to have forgotten Bailadilla. It has now to be taken into consideration because of the Bastar incident. Do not let us forget that one of the most important causes of the Bastar

incident is that it has remained completely neglected all these years. It cannot be forgotten any more. We have to bring it up and we have to provide for Bailadilla, which is in Bastar.

In Bailadilla the world's most famous iron ore is there; it has now got to be developed, because there are mountains; not one or two million tons but millions and millions which can go on for hundreds of years providing steel.

Not only this. It is an Adivasi area where you have got other things; power, water, dolomite, bauxite, manganese and other minerals. There is only one thing that is not available, and that is transport. That is the only point on account of which the Anglo-American consortium went against Bailadilla. Remember one thing more. Because of change of date when this consortium visited Bailadilla there was no spot discussion as M.P. officials were not there. Its case was put up by the Madhya Pradesh Government, but the claim of Bailadilla was not considered by this consortium on merit. It was guided by certain extraneous considerations. I cannot go into details about that for want of time.

But let us not forget that steel has got to come, we need steel, and let it come in a place where there is the cheapest possibility. I will not deal with differing arguments for want of time. But I feel that on account of the availability of raw materials, cheap labour, cheap and, etc., Bailadilla should be selected. I am grateful to you for the time given to me, but I feel that the Steel Ministry should keep this in mind and decide in very quick time.

Shri M. L. Jadhav (Malegaon): While supporting the Demands that are before the House, I would like to point out that when we are dealing with this iron and steel in the public

sector it is very necessary that we should avoid waste. I find that a large quantity of spares were purchased in Bhilai and the surplus was to the extent of more than Rs. 5.5 crores. The medicines that were purchased were surplus for lakhs of rupees. Some medicines can be used only for a certain period and after that they become useless. So, if such things happen in the public sector, there is every room for criticism. Just because it is in the public sector, we cannot support it on that ground alone. We should see if they are economical.

Mr. Chairman: Is the pharmaceutical industry under your Ministry?

Shri T. N. Singh: No, Sir.

Shri M. L. Jadhav: Therefore, I appeal to the Minister that the criticism and the points that have been made by the Public Undertakings Committee should be borne in mind.

Mr. Chairman: This is the Iron and Steel Ministry.

Shri T. N. Singh: He is referring to the Rourkela hospital.

Shri M. L. Jadhav: All right, I am speaking on iron and steel. Two of my friends have already spoken about how the poor farmers are not getting these corrugated iron sheets. Industrialists and businessmen get it in blackmarket. I can show the minister in Bombay: these are the iron sheets which I can purchase if I give more money. But the poor agriculturist is not getting it. The Deputy Minister indicated that they were required for defence purposes; I appreciate that defence needs should be given top priority but at the same time the small cultivator should be given something and his needs should also be satisfied. Lastly, we should try to have our own technical personnel and not depend upon foreigners, be it the Germans or the Japanese. I feel that this collaboration is necessary at the initial stage and we have to continue with it for sometime but we should try to

replace foreigners by Indian technicians and try to see that as far as possible the cost of production is reduced and we are in a position to stand in competition in the world. With these remarks I support the demands of the Ministry.

Shri T. N. Singh: Mr. Chairman, Sir, for me it has been a very useful experience and very instructive to listen to the various criticisms as well as very useful suggestions made by the hon. members of this House. I would like to say one thing in the very beginning and it is that with all our faults, shortcomings and defects, which I will be the first to admit, I must make it quite clear that this country has every reason to be proud of the achievements made in the setting up of the steel plants. After all we had a very low level of production when we began our plan, a little over a million tons of steel. Today our production is about five times—a, 500 per cent increase in production. In the short period of eight years from 1957 to 1965, all this has been achieved almost from scratch. Let us remember that the setting up of such huge plants, such a big complex of highly complicated industry requires a lot of experience, a large number of technicians which we did lack. Yet, it would have been foolish on our part to have given up the endeavour because we had certain shortcomings. This country deliberately took the risk of starting these big ventures and it was a good venture and they made good of it. I have been rather very proud of seeing things going up in our country. Where there was once jungle and hardly anybody was to be seen, in those same places, today there is so much of activity and so much of economic growth and so much of useful production. And therefore, I say that we have every reason to be proud of our achievements.

At the same time I must assure the House that I am second to none in insisting on increasing the efficiency of our public sector projects, particularly of our steel plants whether

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private or public and also doing our best to see that we place before the world, before the developing nations an example of what a country like ours can do in these things.

Some criticisms have been made of officers who were responsible for the management or the construction of these projects. I can say this much; no one can claim any perfection or no one can say that everything is all right. The background of many of these people who have been called upon to take up these heavy responsibilities was different; they were during all these years engaged on another type of work and experience, and they were called upon to shoulder this entirely new responsibility, and it is creditable that they acquitted themselves well on the whole. Our young boys have been managing these things; please remember that about 80 to 90 per cent of the personnel manning these projects are those raw people, young men who have just joined and who have been trained for a year or for a few months or two years as the case may be and they have taken this responsibility of running these very highly complicated machines. Within a short space of time, a few years, we have achieved more than the rated production. Whatever may be said, I at least have no apologies to make for the achievements that we have been able to make during this period.

17.12 hrs.

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

It has been suggested that our cost structure is high. The hon. Member, Shrimati Sharda Mukerjee, despite her usual kindness, was rather unkind today. She said that the cost of production was very high. Let us remember when the public sector steel plants were constructed. The Tata Iron and Steel Company was constructed during the period from 1911 to 1960; the Indian Iron and Steel

Company was constructed during the period between 1930 and 1960, a period of 30 years, while in the former case it is well nigh 50 years. Naturally, therefore, compared to the existing construction cost, they cost less. Today, the costs are four or five times what they were 20, 30 or 50 years ago. So, the capital block, the construction cost of public sector projects is higher. It was to be expected. One need not be upset about it.

But if you take away from the cost of production costs due to a higher capital block, then, what is the position? The position is; ingot steel at Rourkela costs about Rs. 240 per ton; Bhilai, Rs. 214; Durgapur, Rs. 260; TISCO, Rs. 272, and ISCO, Rs. 231. Let me now refer to finished steel costs also. I shall be fair—as there are certain weakness, on our part in this regard. Finished steel costs Rs. 436 per ton at Rourkela; at Bhilai, Rs. 308; at Durgapur, Rs. 307; at TISCO, Rs. 386, and ISCO, Rs. 359. On the whole, there is not much of variation in this also. It has to be remembered that product mix is different in different plants, so, the costs vary. Flat sheet, cost more to produce than the ordinary structural.

What has been our cost of construction? Let us remember. In Tatas, the capital cost was Rs. 1,200 per ton; it is the block cost. In the case of the HSL, at the one million ton stage, it was Rs. 2,500 per ton. In the expanded stage, we have brought it down to Rs. 1,900 and I expected, as we expand more, that we shall bring it down further. We have to pay towards depreciation and interest on borrowed capital something of the order of 13 per cent which adds to the cost of production at the rate of Rs. 91 per ton—5 per cent depreciation and 8 per cent interest on capital. This is the economics of the projects.

Despite all these, I personally feel that there is ample room to reduce our cost. We are making efforts in that direction. As a matter of fact, the

first thing I did on assuming office was to have a little discussion with our managers and directors. I told them it should be our endeavour to show an example of what a public sector project can do. We can reduce the costs, improve the quality and produce record quantities. All these objectives were emphasised. We have to show to the world that we can also be ideal employers. All these are very difficult objectives and I concede it will take time to achieve them. But we are endeavouring towards them and I crave the indulgence of the House for this very important sector of our economy. The nation has really made remarkable progress and we will be doing injustice to ourselves if we become unnecessarily critical or panicky.

Shri Daji: I think you are more than kind.

Shri T. N. Singh: Mr. Daji must be anxious to hear the answers to his criticisms. He should be patient.

Shri Daji: I know there is no reply to those points; I am not at all anxious.

Shri T. N. Singh: I know Mr. Daji can be devastating, but he will concede others also can put up a fight.

Shri Daji: Try it.

Shri T. N. Singh: Shri Buta Singh said that technical advice was not available to the headquarters of HSL at Ranchi. It is a wrong criticism. We have got there the Central Engineering Designs Board, which is manned by the pick of our engineers. We have got a galaxy of talent in this regard at the headquarters. I will say nothing more about that.

He referred to stockyards being set up by HSL and he quoted from some statement which Mr. Masani seems to have made and said these stockyards are monuments of extravagance. These stockyards were set up as a result of the recommendations of the Raj Committee following decontrol of a number of items of steel. It is con-

veniently forgotten that TISCO and ISCO have their own stockyards. And it is a virtue in the case of TISCO. But if for any reason the public sector steel plants have the hardihood to have such stockyards, we are criticised. The stockyards are to enable better distribution and to meet the situation arising after decontrol, to see that the consumer does not suffer. That was the objective. And, I claim that these stockyards have served the purpose very well.

There was another criticism—again, I say, it was ill-informed and unkind—that the standard force of operators etc. was fixed in the time of the Secretary who was then the Chairman of HSL at Bhilai and it was all wrongly done. What is the position? Bhilai was transferred to HSL on 1st April, 1957 and started operation in 1959-60. The standard force was fixed by a committee of management in 1960-61 and the Secretary of the Steel Ministry was not the Chairman. Therefore, I suggest that sometimes such criticisms, which are not based on facts, which impinge on individuals, should be avoided. That is my most humble request.

Shri Bhuta Singh referred to the large stock position in stockyards. What is the position? We have in Madras about 6000 tons, in Kanpur about 5,500 tons, in Hyderabad something near about 8000 tons, in Bombay a little over 6000 tons, in Ahmedabad 900 tons, in Cochin 582 tons and in Bangalore 554 tons. All these taken together come to about four or five days' production of HSL. Is that over-stocking?

I will come to some of the criticisms made in regard to availability and distribution of raw materials. Shri Rane and other hon. friends have referred to the non-availability of certain steels, particularly for the agriculturists. I fully appreciate that criticism, I think it should be our endeavour to provide the requirements of agriculture. We have failed to meet the requirements of agriculture

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in this regard. I admit it is our duty to meet those requirements as much as possible. I would also request our people, our leaders and all interested in this problem, that in a situation of shortage if we can avoid utilisation of steel for purposes which are not directly connected with agriculture it would be better. Probably it may be desirable to have sheets for roofing purpose, but we can avoid that. In the olden days we managed without corrugated sheet covering. We can meet a situation of shortages like this with the willing cooperation and also readiness of the people to suffer some inconvenience so that the entire society may benefit.

Our policy so far has been to make allocations of steel to the State directorates who in turn distribute such things to agriculturists and others. I have been trying to increase their allocation. Also, for the small industries, as Minister of Industries, some months ago I suggested that their quota of pig iron should be increased. Similarly, in other things also, in the matter of other varieties of steel for both small industries as well as for agriculture, we should have another look about it, and whatever further increase can be made should be made. As a matter of fact, today the position of steel is easier, and I can assure the House that we shall meet these demands as something of very high importance. Of course, there are certain other demands also which are of vital importance. There are the defence requirements and the requirements of basic and key industries. All these things have to be looked into. But, by and large, we shall try to meet the demands of small scale industries and agriculture to the best of our capacity. We shall also make an attempt to increase the allocations because it is possible to increase their allocations when we are having an easier position. Except in regard to certain categories of plates and sheets, the position has already eased for most items.

This brings me to the question of control and de-control to which some hon. Members, including Shri Daji, have referred to. As our Deputy Minister, Shri P. C. Sethi was saying, I feel that we need not be dogmatic about it. While I fully subscribe to the objective of democratic socialism, which was initiated by our late Prime Minister, Pandit Jawaharlal Nehru, I think it will be doing the greatest disservice to socialism, if we take on responsibilities which we cannot successfully and efficiently perform. It is no doubt desirable to expand the public sector. But what are the responsibilities that the public sector can efficiently perform. We must be clear on that. If we expand too much and are not able to do well, then public sector will come into bad grace for many years to come and that will be a retrograde measure. Therefore, while I am all for taking up responsibilities in the public sector which we can perform efficiently and well. I will not take up responsibilities which I cannot perform. Therefore, while I would not hesitate to take up the responsibility of control in this or that sector if I can manage, I will think twice over before taking up any responsibility which we cannot perform efficiently.

In regard to steel the Committee under the chairmanship of Dr. Raj made certain recommendations. I feel that he has made good and reasonable recommendations and they have proved well in practice. Therefore, I shall try to follow the lines recommended by Dr. Raj and pursue them. As the position improves, we shall try to adopt his policies. I will not also hesitate to get the odium of being a non-socialist, or whatever word may be used, if I think it is the right thing for the country to do and I shall do it.

I shall now come to some other criticism, say the location of steel plants. It is a very tricky subject. I am the fortunate or unfortunate inheritor of

so many contending claims which are there and I have to make a decision. I do not want to postpone a decision on this issue. I can say that. I believe in steel planning to be a long-time planning. It is not merely a five-year programme that we have to have. Steel is such a big industry, involving such a long time that it is necessary that we should have a ten year or fifteen year perspective steel programme, and the decisions in regard to all that programme have to be taken right now. That is my view.

I had been a full-time member of the Planning Commission. I feel that in a planned economy it will be wrong for any Ministry not to work in full consonance and in full consultation with the Planning Commission. We work in consultation with them. And the Planning Commission has today its own problems, not of its own seeking. After all, the Pakistani aggression was not foreseen by any one of us. Then again, there was the sad fact that in the short space of two years we have lost two Prime Ministers. All these things, the economic problem, two unfortunate losses that we have suffered, the aggression by Pakistan, the attitude of many of the foreign powers backing Pakistan, the way the economy has been hit after that, not only because of Pakistani aggression but because of other reasons also, all these things are enough reasons for any one to pause and think over. Therefore, the Planning Commission has been compelled to think over the whole thing.

It is no pleasure for the Planning Commission to postpone decision on the Fourth Plan. I think they are unjustifiably subjected to the criticism that the Fourth Plan draft has not yet come out. Nobody likes to hear such criticisms. But the situation is like that.

Shri Shankar: Now we have entered upon yearly plans.

Shri T. N. Singh: Therefore we have got to make-do with whatever we have in a given situation and not cry over and spilt milk or go on trying to criticize what cannot be helped.

And, therefore, I thought that I must await the Planning Commission advice in regard to the possible funds to be made available in the coming Plan period for the steel programme. That is one of the major factors which prevents an early decision. Maybe, after a month or two the position may become clear. But today I am in the very difficult position of not being able to tell our decision to this hon. House with so many of my honoured friends and colleagues whom I have known for several years pleading the cause of the various locations for a steel plant.

I realise that hopes have been raised. I concede that point. Shrimati Lakshmikanthamma ably pleaded the case of Visakhapatnam. I heard what was said when I was in Hyderabad. I know how the people are feeling about it. We are working in a democracy and we cannot ignore these views. We have raised hopes. Naturally, nobody wants to injure anybody's feelings; yet, I have got to take a decision after considering all points of view. It is my ill-luck or whatever you call it that I have been called upon to take this difficult responsibility at this juncture. We are faced with so many problems and difficulties.

Shri Daji: What about Bastar? You went there also or you went only to Andhra.

Shri T. N. Singh: Biladi'la is there. I think, Shri Daji probably conveniently forgot about Bastar when he was speaking.

Shri Daji: The bell was ringing. If you give me one minute, I will stress the point that in Bailadilla the production will be Rs. 15 per tonne lower than in Visakhapatnam. If na-

[Shri Daji]

tional economy has any meaning, it should go to the cheapest place.

Shri T. N. Singh: It is good of you to be a valiant supporter of Baidilla's case. After all, you come from that province.

Shri Manoharan (Madras South): What about meeting his point?

Shri T. N. Singh: I am just coming to that. What I said is that there is this case of setting up a steel plant and personally I feel that if you want to take a perspective, going in for about 25 million tonnes of production over a period of two Plan periods, you will have to plan right now not only for the fifth but for more plants. All that I am trying to press is a decision from the Planning Commission on this longer perspective and once that becomes clear, it will be easier to fix the locations for the plants that we have in mind according to that programme. So, that is my problem.

Then some reference was made also to small plants. I personally think that it is not economic to start small plants, but there have been proponents of what is called small pig iron plants. They can be thought of. There is one very revolutionary technological change that has occurred which may require some thinking on the case of the small plants even. It is the evolution of the process of continuous casting which does away with the blooming mill completely. Straightaway from the furnaces you can go on to producing billets, slabs or blooms as the case may be.

Therefore we have got to study that problem. As a matter of fact, I have asked the HEC people, who sooner or later will have to undertake the responsibility of manufacturing such items, what ranges they can manufacture. All these things they are looking into.

I think, this throws up a very big possibility of meeting the varied demands, very legitimate demands, of this vast country of ours. Therefore, this is another factor which I am studying and I would only urge the hon. House and the country at large, the people of those provinces, my compatriots, that they will kindly put up with me and my shortcomings, whatever they may be, so that we may give our attention to these problems and come to a right decision.

Shri Acha Singh referred to stainless steel. I think today we are not producing any stainless steel. The Durgapur Alloy Steel Plant will be going into production in two years and they will produce about 17,000 tonnes of stainless steel; that should take care of our requirement. And that will also be expanded in due course; that is our programme. To think of importing stainless steel sheets for the sake of utensils,—after all, it is a low priority item—will not be proper; and, therefore, with all humility, I regret the inability of the Government to meet the requirements of this type. And I appeal to all to put up with this inconvenience for some time more. I think that, in 1967-68, Durgapur will go into production and till that time, i.e. for two years more, we have to put up with this inconvenience.

Some criticism was made by Mr. Daji about the non availability of pig iron from the private sector. I think that is rather unfair because in the initial planning itself—the TISCO have got a plant already in existence—there is no room for production of just pig iron; there is provision for converting it into steel. It is a continuous process. Therefore, you cannot starve the other parts of the steel mill because you want to divert pig iron for other purposes. The whole national economy has to be kept in mind.

In regard to the other plants, we have already planned for instance, the IISCO has to provide 200,000 tonnes of pig iron every year; the Bhilai has to provide 350,000 tonnes. Durgapur has to provide 350,000 tonnes and they are all providing. It so happens that Kulti is a very old concern producing cast iron items and pig iron production at IISCO has to be entirely diverted to keep that factory going. One need have no grievance about this.

Mr. Daji referred to a German book on Rourkela. He told me about it last week and I have called for the book. After all, I do not know German. I am arranging for its translation. I shall certainly look into it. I shall take a very serious note of what Mr. Daji has narrated. Whatever has happened, we shall look into it. After all, it is an old thing which happened 7 or 8 years ago. Anyway, I shall have to check up all the facts. Certainly such things should not be allowed; I agree with Mr. Daji in that. I was very pained to hear about that. Let me not rush to make a statement on this subject without going into the facts, without going through the book itself. I shall go through the book, verify as to what they are and then in a responsible way make a statement. It is not possible for me to make any statement on that now. I hope Mr. Daji will forgive me.

I will now come to a very important aspect. It is a matter of pride and satisfaction that, in this country, we are well on the way—I say this with all the knowledge and authority that I have—to becoming self-reliant in the matter of manufacture of steel equipment. The Ranchi plant is a thing of pride; it is a great project. I was very proud of it, and I am very proud of it. When I was Minister of Industry I visited that place three or four times during the short period for which I was in charge of that portfolio. Every time I went to that place, I felt exhilarated; 'What a great thing it is!'. I saw the people working there. Despite some mishaps that might have happened, I would say

that the project is coming up very well so much so that today, in regard to the Bokaro equipment, it has been decided after joint consultation with the Russians as well as the HEC authorities that 85 per cent of the steel structural works will be provided by indigenous sources, 63 per cent of the plant equipment again from indigenous sources, and 93 per cent of the refractories again from indigenous sources. The total structural steel works involved is of the order of 2,16,000 tonnes, out of which indigenous sources will provide 1,80,000 tonnes, and only 36,000 tonnes will have to be imported. As for equipment, the total requirement is 2,89,351 tonnes, out of which 1,73,159 tonnes will be produced indigenously, and only 1,16,192 tonnes will have to be imported. Similarly, in regard to refractories, 93 per cent will be available indigenously. All this is a great achievement in seven years' time, and we should be proud of it. I would suggest that hon. Members, may be kind enough to say also a few good words about these things, because that encourages our workers very much. I am not talking of the people high up, but I am talking of the men working there in the sun. They feel so bucked up and so encouraged when they hear that they are doing big things. That produces great enthusiasm among them. I wish that were done here.

In regard to other things also, I can assure this House that the same policy of trying to rely on ourselves to the utmost is being carried on. We have got our problems, financial and others. Sometimes, we have got to rely on financial aid. One cannot be dogmatic about things in affairs of the world, and one has to strike a line of mean between the two extremes. I also try that; despite all that I have said, I shall also try to pursue that policy for the one simple purpose namely that we should have as rapid an advance of our steel production capacity as possible. That shall be the objective and I shall try to pursue it, and our Government will

[Shri T. N. Singh]

try to pursue it. In the process there will be difficulties, but at the same time, we shall not be guided by any fads or fanatical views about things. We shall take a practical view of things and accept aid also, but we are also determined to insist on self-reliance to the maximum possible extent. After all, we have got to do about 25 million tonnes in the course of ten years. That means an addition of about 15 or 13 or 14 million tonnes additional capacity. There is enough scope for all, and we can share in that. I shall be very happy if we are able to manufacture equipment for about 8 or 9 or 10 million tonnes capacity during this period. I would be content even with that modest objections and not try to attempt things where we may run the risk of great failures. This is the line which I propose to take, and I hope that the Government will have the full support of this House in this endeavour.

Now, I shall come to a few other points. Something was said about zinc substitution. I would like to deal with that question also. We have been attempting to go in on a large scale for import-substitution. I think very few people know, probably it is not well publicised, that after September, the technicians and engineers of this country have done a wonderful job in this regard. I know some of the details. Therefore, I can say with some authority. That has encouraged the steel plants also and we have manufactured a number of spares and components which we had been importing in the past but which we now manufacture.

Similarly in regard to zinc that is galvanising, we have not been producing zinc here. But now a substitute has been developed. I was very pleased to find an industrialist, a private sector man, coming forward with a proposal for enamelled sheets, corrugated enamelled sheets. It looks so fine, nice and bright, with smooth

surface, making an excellent roofing material. So I asked him to go ahead.

These are very many things which are happening. The results of these efforts will be known over a period. Let us not be unhappy about present difficulties. A lot of things are being done and more will be done, provided we do not try deliberately to reverse that very fine spirit which this country has shown during the last six years. We have got to be self-reliant. We have got to do all these things here so that we can stand on our own legs and do not depend on others. We have been doing a lot and I think we shall achieve many things more. What is necessary is that we should not discourage the young technicians, young engineers, who are coming up with all kinds of bright ideas. Many of them are probably not very successful; all the same, from the numerous ideas and suggestions, some good results emerge, and I am sure they are going to find a solution to some of our problems.

I have tried to cover most of the points raised.

Shri Achal Singh: What about stainless steel?

Shri T. N. Singh: Unfortunately, the hon. Member was not here when I deal with it. We are going to make 17,000—18,000 tonnes of stainless steel in another 1½ or 2 years at Durgapur and then this problem will be more or less easier. In the meantime, our people will have to put up with some inconvenience if we cannot import stainless steel for utensils which I say is not a high priority. Surgical instruments, yes, hospitals, yes, chemical plants, yes, but not utensils. That is what we shall try to do.

Shri A. V. Raghavan: What about the retrenchment of workers at Bhillai?

Shri T. N. Singh: On retrenchment, I want to say this. I believe

that we should try to do whatever we can, to see that not one man who has got a job to do loses his job if he is not to blame or is not at fault. But I have also a duty entrusted by this House to see that our steel plants run economically, that costs are low. I shall be failing in my duty if I do not discharge this duty. At times, the decision may be harsh. I feel distressed when we have to retrench certain people. I do not want to do it. But when the Estimates Committee and the Public Undertakings Committee tell us 'You have got surplus staff; you have recruited more people than you need', what am I to do? If I retain them, I am at fault. If I retrench, then also I am at fault. I do not know what to do in such circumstances.

In such situations, one has to try to do things in a gradual way so that that strains are slowly absorbed, the shocks are absorbed. This is the attempt I have been making. I do not want to rush things. I also do not want to postpone decisions when they become necessary.

The main problem today is due to the fact that we started departmental construction work. But unlike the contractors, we are asked to keep these construction workers at Bhilai. Are we being fair to the public sector? If it were Hindustan Construction Company or some other private company, it would have been all right for them to retrench workers when the work is finished, but it is all wrong if our departmental construction concern does the same. I ask, is that fair to our public sector? I say that we must give a fair chance to the public sector to succeed. If we do not give that chance, we are killing the public sector concept itself. So, in the name of the policy which has been accepted by this House, which was enunciated by our great Prime Minister, Pandit Jawaharlal Nehru, I suggest that we should be considerate to the interests of the public sector also, while at the same time trying to be as human as pos-

sible in such matters. That is the only thing I can say in reply to that point.

I think I have covered most of the points. I am grateful to the House for giving me a patient hearing.

Dr. M. S. Aney: Mr. Minister, I want to put one question. You have stated that on account of certain things, certain circumstances, you have to take a long view of things, and therefore a five year plan, that is, the fourth five year plan etc. were not ready. I want to know whether the annual report of one year that you have presented to us is a stable document on which we can rely at least for one year?

Shri T. N. Singh: I think you should safely rely on this annual report, as also on the perspective that we propose to place before the House.

Dr. M. S. Aney: One more question. You have told us, and we are very glad to hear, that we are now nearing the period when we are likely to be self-sufficient in the matter of steel. I wish that day comes sooner. You said that we are really producing 80 per cent. I want to know what is the market value of the 20 per cent that has to be imported as against the value of the 80 per cent that we produce today.

Shri T. N. Singh: I have said that for instance in the Bokaro steel project, estimated to cost over Rs. 600 crores, we will get a credit of only Rs. 100 crores from Russia. The rest will have to be provided by us.

Shrimati Vimala Deshmukh (Amravati): I want to make a suggestion. I hope the Minister of Iron and Steel will agree with me when I say that the farmer's needs, as far as iron and steel products are concerned, are very urgent and very much less as compared with his counterpart residing in the city. Taking this into consideration, I will request him to see that the agriculturists' demands are met with very promptly.

Shri T. N. Singh: I dare not disagree with you, madam.

Mr. Deputy-Speaker: I shall put all the cut motions to the House.

(The cut motions were put and negatived.)

Mr. Deputy-Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1967, in respect of the heads of demands entered in the second column thereof against Demands Nos. 65, 66 and 131 relating to the Ministry of Iron and Steel."

The motion was adopted.

Mr. Deputy-Speaker Shall we take up the Home Ministry tomorrow?

Some hon. Members: Yes.

17.55 hrs.

*CRITICISM OF INDIAN HISTORY

डा० राम मनोहर लोहिया (फर्रुखाबाद): अध्यक्ष महोदय, जिस चीज पर हमें चर्चा करनी है वह संयुक्त राष्ट्र (यूनाइटेड नेशंस) के तहत यूनेस्को ने जो मनुष्य का इतिहास लिखने के लिए अन्तर्राष्ट्रीय आयोग बनाया था और जो उसने किताब छपी उस पर है। यह है मनुष्य जाति के इतिहास की पहली जिल्द जो प्राग इतिहास और सभ्यता की शुरुआत से संबंध रखती है। इसको छपा

है इतिहास के अन्तर्राष्ट्रीय आयोग ने लेकिन इसकी जिम्मेदारी एक तो संयुक्त राष्ट्र, दूसरे संयुक्त राष्ट्र के द्वारा बनायी गयी संस्था यूनेस्को और तीसरे भारत सरकार पर पड़ती है। यहां तक कि इस अन्तर्राष्ट्रीय इतिहास आयोग के साथ पत्र-व्यवहार करने वालों में डाक्टर राधाकृष्णन तक का नाम है। यह मैंने जिम्मेदारी की बात की।

अब सबसे पहले यह बताऊं कि शायद किसी शास्त्र पर यह पहली बार बहस हो रही है इस लोक सभा में और इसलिए अगर कुछ बुनियादी बातों की तरफ ध्यान देकर मन्त्री महोदय और यह सरकार आगे से कुछ दिशा परिवर्तन करे तो बड़ा अच्छा होगा। कोई छोटी इधर उधर की बातों का मुझको जवाब नहीं चाहिए।

आखिर को इतिहास में जब गलती हो जाती है लिखने में, समझने में, तो उसके कितने भयंकर परिणाम होते हैं? आखिर इतिहास है क्या? यह है अतीत का बोध। जो कुछ पहले हो चुका है उसको किस ढंग से समझते हैं—अधूरा, पूरा, गलत, सही, इतिहास है अतीत का बोध। और अतीत का बोध भविष्य और वर्तमान का निर्माता भी हुआ करता है। अगर गलत समझे हैं तो गलत ढंग से वर्तमान और भविष्य बनता है और ख़ास तौर से मैं एक छोटी सी मिसाल देकर बताता हूँ। मन्दिर टूटे मध्यकालीन युग में। अब उसको इतिहास में लिखा जाता है। अगर सिर्फ इतना ही लिख दिया जाय कि मुसलमान विजेताओं ने आकर मन्दिर तोड़े तो यह बात सही जरूर है। लेकिन अधूरी सही है, सिर्फ एक पहलू है। तो इतिहास एक गुस्सा भर बनकर रह जाता है। लेकिन अगर उसके साथ साथ यह भी रखा जाय जो आधे सच को थोड़ा बहुत पूरा बनाता है कि उस वक्त के हमारे पुरखे कितने नालायक