

PROJECT FOR A NEW STEEL PLANT

Mr. Deputy-Speaker: There are as many as ten hon. Members who have indicated their desire to speak. The practice is this: the hon. mover or the person who tabled this will have ten to fifteen minutes. Why is the hon. Member sitting quiet?

Shri T. N. Singh (Banaras Distt.—East): I will certainly obey the ruling from the Chair. I shall be very brief, but I hope some latitude will be allowed to me.

Mr. Deputy-Speaker: Not more than 15 minutes. One minute each for the other Members.

An Hon. Member: Five minutes.

Mr. Deputy-Speaker: They will put only questions.

Shri H. N. Mukerjee (Calcutta North-East): In a discussion of this sort, you have followed the practice of letting everybody have his say, though, of course, you might have the unpleasant duty of having to cut out certain names.

Mr. Deputy-Speaker: What I suggest is this. Chits are pouring in. Already I have got ten names. I am prepared to abide by whatever the House wants. We have fixed one hour 15 minutes are allowed to the mover. Possibly in an indirect manner he wanted to suggest that there may be more latitude. The hon. Minister must reply. How many minutes would the hon. Minister require?

The Minister of Production (Shri K. C. Reddy): Anywhere between 15 and 20 minutes; it all depends upon the time taken by the hon. Members.

Mr. Deputy-Speaker: Then, 15 to 20 minutes, say, for the hon. mover. And 15 minutes, say, for the hon. Minister's reply. So, about 35 minutes will be taken away. Then there are only 25 minutes more. So, I suggest that hon. Members might form themselves into groups, and will try to suggest the

names, in an order of priority, whom they like me to call. Otherwise, I will have to call at random. Yes, Mr. T. N. Singh.

Shri T. N. Singh: Mr. Deputy-Speaker, Sir, when the hon. Minister of Production, the Minister of the youngest Ministry of our Government made his statement in the House on the 24th August, I was certainly very curious to know more facts about it, for, I felt, Sir, that the statement left many things unsaid, and that the information that we got was a bare outline; and sometimes outlines are misleading too. It was for this reason that I tabled this motion so that the House may have an opportunity to discuss this thing in a rather greater detail. I must say, here and now, that I do not want to be lengthy. I will try to be as brief as possible so that other Members here may also get an opportunity to throw light on this subject.

[**PANDIT THAKUR DAS BHARGAVA** in the Chair]

Sir, I have carefully read and re-read the statement made by the hon. Minister of Production. I say advisedly that it leaves many things unsaid, because just look at the beginning of the statement. It says: "The management of the company shall vest in a Board in which the Government and the combine will have representation proportionate to their respective investments." Now, we do not yet know what the particular investment of that company is going to be. It is, I am told, on a sliding scale dependent on the amount of purchases we make from Germany. They may even invest one crore or two crores and yet will they be entitled to representation? Supposing it invests Rs. 80 crores. If there is a membership of five, and if a party invests two crores, will they have proportionate representation, and if so, what will be that proportion? So, I felt that the whole thing was vague. We have committed, according to what I see here, to grant them representation, but they have not committed in regard

to the investments that they will make. Then, if they are committed in regard to the investments, they are only committed in relation to the amount of plants we purchase from that particular concern. Look at it again. We are told, according to the statement, that they are going to invest Rs. 9·5 crores as share capital of their own in this concern. But that is followed by the qualification: "the exact month depending on the value of the plant that they may supply." And here, the statement is silent. What is the relation on which it depends? It will be one-third, one-fourth or even one-sixth, of the value of the plant purchased. That again, I say, is rather vague. If the Minister had taken the House a little more into confidence it was not going to jeopardise any future negotiations. I do not know why it was held over. Yet rumour is away, on getting things about what are supposed to be very secret, and I understand and I think—I am not trying in any way to create difficulties in the way of any future negotiation that the Government may have on the subject—I think it is our right and privilege and it is up to the Ministry that they should know what the reaction of the people and this Parliament is, to certain suggestions which should be made. I am told, Sir, that their investment will be in proportion to one-third of the plant that we purchase from them.

Shri K. C. Reddy: It is graduated.

Shri T. N. Singh: Whether it is graduated or not, it is some mystery. But rumour is away on getting things out. I am giving you some indications: if the Minister wants to go into the details, I will certainly be very glad to do so.

Then, may I know why we sent only one individual to negotiate such a big thing. I am against that principle. I have nothing against that particular individual. I know him and have known him for a long time. But it is wrong to send somebody from here, whosoever he be, and ask him, give him a blank cheque to sign whatever

he wants. This is what is happening not only in this case but in other cases also. We have found from experience that this should not be done. Yet, this thing has been repeated. When we send a particular individual with such great responsibilities to commit this country, and the Government, can we not send a team with him so as to strengthen him? We have technical men, men who are experts. Can we not send a financial expert and also an engineer with him? He must know what an iron industry or a steel industry is. I want to know why a single individual was sent by this Government, and then he signed the agreement by himself. It is wrong that the agreement should have been signed abroad. It should have been signed here. Mistakes like that have been done in the past. Agreements have always been found faulty. In this case, we do not know where it is going to lead us. It is a sketchy agreement, I am told, to be followed by further agreements to clarify the position. In the meantime, they are committed to certain essentials and the revised agreement or the extended agreement that will follow will be governed by whatever we have committed ourselves to at present. Supposing they invest only Rs. 50 lakhs. Tenders are called, machinery and plant are purchased, but we do not purchase more than Rs. 1½ crores worth of machinery from these concerns. Then, as a shareholder of only Rs. 50 lakhs, they will have a say in our Board of Directors. After all responsibility goes with commitment. Why should we on our part commit ourselves in advance?

Or, let the Government admit right now that they do mean to purchase plant and machinery from them of the value of Rs. 30 crores: otherwise, why this Rs. 9·5 crores has been arrived at? How has it been worked? What is in the mind of the persons who went there, in that they have thought that this is the actual investment that the company is going to make. And yet it is said that whatever plant is to be purchased will be purchased after tenders have been

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invited—global tenders, mind you! We have been inviting global tenders in the past in certain other cases.

Let me go a little more into the history of this agreement. A question was asked some months ago here about some team having gone to America for a loan, but the other part was not so much emphasised, namely, it was accompanied by a technical delegation also which was to negotiate for some iron or steel company here. So, first came America, then came Japan. Now comes Western Germany, a country under virtual occupation. Then again, the agreement virtually means an agreement with America. That is my contention. (*An hon. Member: No, no*) Yes, that is my contention, because there are other complications in that. After all Krupps and similar concerns have always been very intimately connected with the Government of their country. That is their history. Tomorrow, supposing Western Germany and Eastern Germany become one State, what will be the position of these concerns? Will they be in a position to honour the agreement that they are entering into today with us. That is another point which has to be borne in mind. It is wrong not to look to the implications of a fluid state of affairs. I submit that the whole thing is very fluid in that regard. In Germany itself, the whole position, political as well as economic, is fluid. That has to be taken into consideration in any agreement that is arrived at with them.

Thirdly, I want to know what is the special technical ability which we poor Indians—backward though we may be—do not possess in the matter of iron and steel. We have been carrying on this industry for a number of years. I hold no brief for anybody—I must make it very clear. Friends who know me, will bear me out that I have not even seen the face of the iron and steel magnates of this country. But I am saying that we have

got technicians, experts, people with experience in this line. Was it not possible to associate or get them interested in this matter? Did we explore the possibilities of it—at least I want to be assured on that point. If we explored the possibilities, let us know whether they were also demanding consultant fees of Rs. 2½ crores.

I am informed that it was possible to negotiate—leave aside Indians, because Indian technicians however qualified they may be would be ‘inferior’—with certain other firms outside India, who were willing to do the job, not for this heavy consultant’s fee. I am sure of it. Will the Minister here disclose the various negotiations with various concerns that have been going on for the last two or three years. He must disclose this if he wants to rebut what I am saying.

I must make it clear that I have no intention of jeopardising any future negotiations. Whatever Government is doing to increase production of steel, let it do. I do not want to be obstructive. I want more and more iron and steel factories to go up in this country. But I want at the same time to see that things are done in the proper way. I do not want that we should enter into ten negotiations and at last pitch upon one which is unfortunately not so good. So the hon. Minister has to assure us that there was no other concern outside India—leave aside India—which was not prepared to do things much cheaper and much better without any commitment regarding purchases, or proportionate investment.

After all we want this concern to be solely ours. We do not want any foreigner to have a say in it. We do not want even the ordinary man of India to have a say in it, because we want it to be a State concern. That is what I understand is the idea. It is going to be a State industry, without any private capital even. Is a

great foreign pre-war combine the proper body to invest money in our State concern? That is one of the important aspects which should have been taken into consideration. We cannot forget politics. Politics is intimately found up with economics, particularly the politics of Europe, Asia and South-East Asia.

So, these are the points to which I want to draw attention. Before I conclude I want to make one request. Let us not quarrel here about the site or the location of this concern. It would deflect the whole discussion. I would make an earnest appeal to hon. members not to involve ourselves at this stage into that discussion. Bihar may be anxious, Madras may be anxious for this agreement, or Orissa may be anxious. Bihar may be anxious for the plant to be located in that State: so may be Orissa or Madhya Pradesh. In parts we show so much anxiety that the other party always get the upper hand. Therefore in the interest of the future negotiations that may be carried on, for the sake of unbiased advice that the House may give, I would make an earnest appeal to members not to raise the question of site or location, but to discuss the entire question on merits. I have given some indications on which the discussion can go on.

Shri H. N. Mukerjee: Sir, it is important that we have this opportunity of discussing, rather telegraphically, the latest performance of Government regarding the production of steel. It was, Sir, on the 15th of August that somewhere in Europe, in lone splendour, the Secretary of our Ministry of Production signed a document which is today under consideration.

Now, Sir, I must refer in brief, to the record which our Government has got regarding steel production and we find that everything has gone away because of lack of steel. We were supplied with a copy of a pamphlet called "Programmes of Industrial Development" published by the Planning Commission in 1952, where men-

tion was made of forty protected consumer industries and other industries like automobiles, railway rolling stock, ship-building, sewing machines, bicycles, etc. etc., which were all held up because of lack of iron and steel. This has happened in spite of the fact that we have all the raw materials in abundance for the production of iron and steel.

Sir, in 1948-49 we got the services of three foreign consultant firms at a cost of Rs. 10,70,000 to report on where we should set up a one million ton steel factory, or two million ton factories as State enterprise. They reported very carefully, but the reports are still unavailable even to Members of Parliament. I find only one thing that is very noticeable about it. One of the three foreign concerns, Messrs. Koppers Corporation from the United States assessed that in 1953 the natural requirement of India in iron and steel would be 3.43 million tons. But we all know from the figures contained in the tomes of the National Planning Commission how very backward we still are. That is why we would certainly welcome any opportunity of having a fillip to our iron and steel production, but I am sure we are not going the right way. As a matter of fact, I saw some time back a statement made by Mr. Girja Shankar Bajpai before a Conference of Engineers that a twenty million ton target ought to be set for our country, to be achieved in about 20 years' time. But we are nowhere near that kind of thing.

In the meantime, our Government behaves in regard to the Burnpur steel factory in a very pernicious fashion. It acts as if it is not concerned with the production and growth of iron and steel industries in India. I have got some figures of production at Burnpur. It has gone down from December 1952 when it was 26,620 tons to June 1953 when it was 4,020 tons. This happens and the Government stands on ceremony and says here a lot of things about the intolerable way the workers are behaving when they were making a

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simple demand for the reconstitution of their Union. That is the background of this agreement.

I don't see the Prime Minister here who is very conversant with certain international happenings. It is so well known that Krupp von Bohlen, Thyssen and others of their kind like Demag have been responsible for some of the most dastardly activities as far as international financial racketeering is concerned and they are the people who are now being boosted as Adenauer is boosted in Bonn and they are now coming into the picture, getting the best of both worlds as it were. We find them getting Rs. 2.10 crores as a fixed fee, i.e., 3 per cent. of the estimated cost. We don't know what is going to happen or whether in four years' time this installation is going to be completed. We don't quite know how this Government is going to act in this matter because we all know that the experience of Government production has not at all been satisfactory.

Please give me five minutes' time so that I may round off the arguments that I have brought forward.

Mr. Chairman: Please be very brief.

Shri H. N. Mukerjee: I find certain terms are being offered to these people which show that actually they would get a very considerable sum of money and in the meantime no real effort is being made to develop steel production in this country. In regard to this, as you all know, Mr. J. R. D. Tata has told his shareholders that instead of investing Rs. 75 crores, for which Government propose to enter into contract with the German company, his company could achieve the same result with an investment of only Rs. 40 crores, while another Indian concern would do so with an investment of Rs. 65 crores. Here is a statement which says that Rs. 10 and Rs. 35 crores are being thrown away because of the present arrangement. I say this because Government is entering into an agreement with an international combine which has a very

dastardly reputation as far as racketeering in the international sphere is concerned. Government have entered into an agreement on terms which, as Mr. T. N. Singh has pointed, are extremely dangerous to the basic economic interests of our country. Government is not conscious of the need for going in for a substantial increase in our steel production if planning of any kind has got to be a reality. I say that this agreement is entirely unsatisfactory and we should express our strongest disapproval of what Government is doing in this matter.

सेठ गोविन्द दास (मंडला-जबलपुर-दक्षिण) : सभापति महोदय, मेरे पास सिर्फ ५ मिनट हैं और मुझे जो कुछ कहना है मैं बहुत जल्दी कह दूगा।

Mr. Chairman: How has the hon. Member assumed that he will be given five minutes?

Shri B. Das (Jaipur-Kenjhar): Please give me five minutes as I also want to put questions on this.

सेठ गोविन्द दास : मैं समझता हूँ कि मेरा वह समय नहीं काटा जायगा जो कि आपने और दास साहब ने ले लिया है।

जहांतक इस्पात के कारखाने का सम्बन्ध है सबसे पहले तो मैं सरकार को वधाई देना चाहता हूँ कि सरकार इस बहुत बड़ी कमी की पूर्ति कर रही है। मुझे इस बात का भी विश्वास है कि इसमें हमारे देश के जो लाभ हानि के मामले हैं वे पूरी तरह से देखे जायेंगे। श्री टी० एन० सिंह साहब ने एक यह बात कही कि हमको इस विषय पर विचार करने की या इस विषय को उठाने की आवश्यकता नहीं है कि यह कारखाना कहाँ स्थापित किया जायेगा। वह उत्तर प्रदेश के सदृश एक महान प्रदेश से आते हैं जो कि अत्यन्त घनबान प्रान्त है, हमारे देश का सब

से बड़ा प्रान्त है। उनको तो यह कहना बहुत सरल है, लेकिन उड़ीसा बाले या मध्य प्रदेश वाले जो कि गरीब लोग हैं, इस प्रकार को उदारता नहीं दिखा सकते। हम सभी देश को एक दृष्टि से देखते हैं और हमारे लिये उड़ीसा, मध्यप्रदेश, बंगाल, बिहार सब एक में हैं, सब भारत के टुकड़े हैं; परन्तु यह सब देखते हुए हमें यह भी देखना होगा कि सबसे अधिक सफल वह कारखाना कहां होगा। मैं माननीय मंत्री जी से पूछना चाहता हूं कि यह बात सही है या नहीं कि जहां तक इस्पात के इस कारखाने के लिये लोहे के खनिज पदार्थ का सम्बन्ध है, जहांतक कोयले का सम्बन्ध है, जहांतक चूने के खनिज पदार्थ का सम्बन्ध है, जो चौजे इस कारखाने के उत्पादन के लिये बहुत आवश्यक हैं, उनके पास रिपोर्ट आयी है या नहीं कि मध्य प्रदेश इस सम्बन्ध में सबसे उत्तम स्थान है?

इसके बाद दो चीजें और आती हैं, एक बिजली और दूसरा पानी।

Shri R. K. Chaudhury (Gauhati): Why has the hon. Member excluded Assam?

Mr. Chairman: Allow the hon. Member to proceed please.

सेठ गोविन्द दास : इन तीन पदार्थों के बाद जिन दो चीजों के प्रश्न और उठते हैं, वे हैं एक बिजली और दूसरा पानी। मैं माननीय मंत्री जी से यह भी पूछना चाहता हूं कि मध्य प्रदेश की सरकार ने उनसे यह बात कही है या नहीं कि हमारे यहां रायपुर में बिजली का थरमल स्टेशन है जो बहुत बड़ा स्टेशन है और हमारे प्रान्त की सरकार उस स्टेशन से...

Shri T. N. Singh: On a point of order, Sir. The scope of the discussion is limited to the agreement and does not include any other things. I want him therefore to confine his discussion to the agreement and the

statement as made thereon. The whole point regarding the location is irrelevant. May I submit that this should not be discussed?

श्री रघुनाथ सिंह (जिला बनारस-
मध्य) : विषयान्तर हो रहा है।

Mr. Chairman: It seems the statement made by Shri Reddy does not make any reference to the agreement.

Shri K. C. Reddy: The statement relates to the agreement and there is a sentence in the statement making a reference to the agreement.

सेठ गोविन्द दास : सभापति महोदय में यह कहना चाहता था आपसे कि जहां तक इन तीन खनिज पदार्थों का सम्बन्ध है उसके अतिरिक्त दो प्रश्न और उठते हैं एक बिजली का और दूसरा पानी का। तो मैं माननीय मंत्री जी से यह पूछना चाहता था कि मध्य प्रदेश की सरकार ने उनसे यह बात कही है या नहीं कि रायपुर में हमारे यहां पर थरमल प्लाट है और उससे

श्री विभूति विश्व (सारनव चम्पारन) : पाइंट आफ आर्डर। मैं यह कहना चाहता हूं कि आपने कहा कि लोहा बनाने के लिये कोकिंग कोल की जल्लरत पड़ती है। वह सिवाय बिहार के और कहीं नहीं है।

Mr. Chairman: Having raised a point of order which it is really not, the hon. Member stands and begins to make a speech without being called. He cannot be allowed to interrupt the proceeding in this way.

सेठ गोविन्द दास : सभापति जी, मेरे भाषण के बीच बीच में जो मेरा समय गया है उसको भी आप कृपया घटी में देख लें।

मैं बहुत जल्दी खत्म करना चाहता हूं लेकिन कई लोग बीच में समय ले लेते हैं तो मैं क्या कर सकता हूं। मैं यह कह रहा था कि मध्य प्रदेश की सरकार ने इस बात की

[सेठ गोविन्द दास]

माननीय मंत्री जी को लिखा है या नहीं कि जो रायपुर का बिजली का थरमल प्लांट है वहां से वह अपने खर्चे पर उनको यथेष्ट बिजली देगी और जहां तक पानी का सम्बन्ध है वहां तक तन्दुला नहर में पानी जायगा जिस पर मध्य प्रदेश की सरकार अपनी ओर से ६ करोड़ रुपया खर्च करने को तैयार है। इस प्रकार से यदि आप देखें तो लोहे के पत्थर की दृष्टि से, चूने के पत्थर की दृष्टि से, कोयले की दृष्टि से, बिजली की दृष्टि से और पानी की दृष्टि से, सब दृष्टियों से, हमारा मध्य प्रदेश सबसे अच्छा है।

फिर उत्पादन के खर्च और वितरण के खर्च का प्रश्न आता है। वहां पर यह भी बहुत सस्ता हो सकता है, और इसके बाद अनेक दूसरी परिस्थितियां आती हैं जैसे सुरक्षा। मध्य प्रदेश बीच में होने के कारण सुरक्षा भी वहां पर इस कारखाने को जितनी मिल सकती है उतनी कदाचित किसी और जगह नहीं मिल सकती। (Interruption)

Mr. Chairman: Order, order. The hon. Member is shouting from there so that the proceedings may be stopped.

श्री सिहासन सिंह (जिला गोरखपुर—दक्षिण) : माननीय सभापति महोदय, मैंने यह कहा कि विषय तो है लोहे का

Mr. Chairman: I do not understand the interruption of the hon. Member. When I ask him that he should not shout he begins to make a speech. How can the debate in the House be conducted in this manner?

सेठ गोविन्द दास : सभापति महोदय, मैं तो आप के सामने इस सम्बन्ध में अनेक विशेषज्ञों की राय भी पढ़ना चाहता था....

श्री सिहासन सिंह : हाउस में डिबेट होने के लिये रुल यह है कि जो सदस्य बोलें, वे विषयान्तर न करें। हमें अधिकार है कि सभापति महोदय का व्यापार इस तरफ दिलावें कि विषयान्तर की बातें हो रही हैं?

सभापति महोदय : इन को ज्यादा से ज्यादा तीन या चार मिनट के लिये बोलने का समय मिलेगा। उसी में जो कुछ इन को बोलना है वह बोल सकेंगे। तो इस में बहुत बाहर की बातें यह कहां से कह सकेंगे, इस में इरंगेबैंस का सबाल कहां है?

I would request the hon. Member to conclude his remarks soon.

सेठ गोविन्द दास : जहां तक मेरा अनुभव है, मैंने आज तक कोई विषयान्तर नहीं किया। लोहे के, इस्पात के, कारखाने का जो सबाल उपस्थित है उस के सम्बन्ध में जितनी बातें होंगी, बिजली होगी, कोयला होगा, पानी होगा, पत्थर होगा वह सब आप के सामने रखनी होंगी। मैं इस विषय में अनेक विशेषज्ञों की राय भी बतलाना चाहता था, लेकिन मेरे पास समय नहीं है।

मैं कहना चाहता हूं कि समूचा भारत हमारे लिये समान रूप से प्रिय है, लेकिन यह इस्पात का कारखाना कहां स्थापित होने से सब से अधिक लाभप्रद होगा, यह बात में आप के सामने रखना चाहता हूं। मैं माननीय मंत्री जी से पूछना चाहता हूं कि उन के पास मध्य प्रदेश की सरकार ने इस प्रकार के पूरे प्रमाण उपस्थिति किये हैं या नहीं कि जिन से सिद्ध हो जाता है कि मध्य प्रदेश ही इस कारखाने के लिये सर्वोत्तम स्थान है?

Mr. Chairman: Shri B. Das. I would request the hon. Member to

put only questions, because if everybody wants to make a long speech the others will not get a chance.

Shri B. Das: I would like my friend the hon. Minister of Production to assure my friend Mr. T. N. Singh that somehow he has caught the German-phobia instead of the American-phobia and America wanted to patronize India through the American advisers. I would like him to ask my friend whether the American advisers on steel factory have not played the part of the dog in the manger and postponed the steel works coming into India for the last three years. If my friend Mr. T. N. Singh only knew how Koppers have played the dirty game,—the usual dirty game of Dulles and others! I was surprised that my esteemed friend Shri H. N. Mukerjee has caught the German-phobia today. Germans have never done any harm to India like U.K. or U.S.A. They might have owed us some money in the non-payment of money on 1st War reparations. (*Interruption*). We are not discussing high politics. If we do I will tell you that the Germans fought against U.K., our sworn enemy. Today because people have some suspicions against Germany, they want that we should hang on the apron-strings of America. Certainly not. And the Americans, Koppers will never do it. They are against any industrial expansion in India. Mr. Mukerjee gave quotations, Tatas and others. Tatas want to do everything! We have given seventy to eighty crores to them by way of protection of the steel industries. Why are Tatas not able to stand on their own legs by now? The hon. Minister's statement contained some insinuation that Indian manufacturers are working against the establishment of other steel concerns. There were handicaps; there were postponements. What happened during the Britishers' time and in Dr. Syama Prasad Mookerjee's time, is well known. I am not pleading for Orissa. I stand on my right there. The Orissa plant did not come into existence because certain other events happened in the Ministry of Industry and Supply. That is why SCOB and

the other company was unified and the result is the Burnpur labour war of which we see an exhibition today. They were unfit to get that help. I was against it; but for party reasons I had to support that. Let my hon. friend the Minister explain all these to Mr. T. N. Singh. (*Some hon. Members: To the House*). It was in Dr. Syama Prasad Mookerjee's time that these things happened. Let us have this steel works with advice and co-operation of the German Firms. We will never regret it.

Pandit Lingaraj Misra (Khurda): After the appeal of Mr. T. N. Singh not to bring in the question of the location of the proposed Iron and Steel plant into the discussion, I was very reluctant to speak. But, my revered friend Seth Govind Dasji has set the ball rolling and he has tried to prove that the Central Provinces is the best place for the location of the iron and steel plant. During the Budget discussions, I had quoted facts and figures from the official reports of the Geological Survey of India and the opinion of the geologists and experts to establish that Orissa is the most suitable place for the Plant. He has talked of a thermal station that has now been started in his State. But, he has conveniently forgotten that the Hirakud dam project on which we are going to spend 92 crores of rupees will produce power to the extent of 3 lakh kw. In a recent report received, regarding survey of the load for the Hirakud Power Station, I find that all the industries that are near about Hirakud will consume only 65,000 kw. Hence, if the Government of India means to get back the money which they have advanced, from the Orissa Government, if not for anything else, Orissa should be the first place for the location of this plant.

Some Hon. Members: No. C.P.

Pandit Lingaraj Misra: If there is to be a second plant, C.P. may be considered. I do not want to say anything more. I only record the claims of Orissa to be the first place for the establishment of the plant.

ठाकुर युगल किशोर सिंह (मुजफ्फरपुर उत्तर-पश्चिम): श्री टी० एन० सिंह के अपील करने पर मैं यह सोच रहा था कि स्थान निर्णय का सवाल अभी पेश किया जाय या नहीं। फिर भी अन्य प्रान्त के लोगों ने इस सवाल को हमारे सामने रखा है। मैं भी एक प्रान्त से आया हूँ। लेकिन अपने प्रान्त की दृष्टि से मैं आप के सामने इस प्रश्न को नहीं रखना चाहता हूँ। मैं सिर्फ देश की दृष्टि से इस प्रश्न पर विचार करने को आप से अपील करता हूँ।

पिछली २४ तारीख को जब हमारे प्रोडक्शन बिनिस्टर ने यह कहा था कि इकानामी आफ प्रोडक्शन एंड डिस्ट्रीब्यूशन ही एकमात्र आधार उन के सामने होगा, इस बात का निर्णय करने के लिये कि किस स्थान पर यह कारखाना खोला जाय, तो इस सम्बन्ध में कुछ बातें करना जहरी हो जाता है। मैं उस में सिर्फ एक बात और जोड़ना चाहता हूँ कि उन को यह भी कहना चाहिये था कि जल्द से जल्द यह कारखाना कहां खोला जा सकता है। जहां तक इकानामिक डिस्ट्रीब्यूशन और इकानामिक प्रोडक्शन का सवाल है, मैं समझता हूँ कि रा मेटीरियल्स के बारे में हमारे कुछ दोस्तों ने कहा है कि लोहा, चूना और कोयला, ये सारी चीजें उन के प्रान्तों में सस्ती मिल सकती हैं। ये बातें यहां कहने से ही प्रमाणित नहीं समझी जा सकतीं। उस के फैक्टर्स हैं, फिरस हैं, स्टैटिस्टिक्स हैं। बड़े बड़े विशेषज्ञों ने इन की जांच की है और जांच कर के उन्होंने बतलाया है कि दूसरे प्रान्तों में यह चीजें सस्ती मिल सकती हैं। प्रोडक्शन के मामले में सभी विशेषज्ञों ने जो अब तक रिपोर्ट दी है, उस में सबोंने एक ही जगह बताई है जहां ये चीजें सस्ती मिल सकती हैं, लोहा सस्ता बन सकता है।

जहां तक डिस्ट्रीब्यूशन का सवाल है, इस के बाहर भेजने के खर्च का सवाल है, उस में कुछ मतभेद हो गया है। कुछ लोगों का कहना है कि एक साइट ठीक है दूसरों का कहना है दूसरा साइट ठीक है। दो तीन तरह की साइट उन्होंने बतलाई हैं। किसी ने कहा कि कलां साइट अच्छी है और किसी ने कहा कि दूसरी साइट अच्छी है। मैं चाहता हूँ कि आज इस का भी ऐलान हो जाना चाहिये। पहले जो एक कमेटी बनी थी उस ने एक सिफारिश की है। उस के बाद एक्सपर्ट लोगों ने दूसरी सिफारिश की है उसके बाद से अब तक की स्थिति में बहुत भारी तबदीली हो गई है।

इसलिये मैं चाहता हूँ कि एक्सपर्ट लोगों ने उस समय जो कुछ देखा था, जांच की थी और तय किया था, जैसे वाटर सप्लाई के बारे में, ट्रांसपोर्ट के बारे में, इन सब चीजों के बारे में जो तबदीली हुई है, उस की पूरी तरह जांच करने के बाद ही कोई साइट का निर्णय किया जाय और इस सम्बन्ध में हर प्रान्तीय सरकार को अपनी अपनी बातों को रखने का मौका दिया जाय, ताकि वे अपनी बातें रख सकें। इस में किसी भी सरकार को वंचित न किया जाय। इस सब के बाद ही साइट का निर्णय हो कि कहां जल्द से जल्द और सस्ता लोहा बन सकता है।

Shri Joachim Alva (Kanara): Tata Steel Deferreds are the kings in the Indian Stock Exchanges; but the production of steel is our weakest spot, the most vulnerable spot of our Defence and heavy industry. I want to ask the hon. Minister: what is the position of our steel production as compared with other countries? In the year 1913, the Czarist regime in Russia had fixed a target of 4.2 million tons—in feudal, ignorant and illiterate Russia! And we, in the year 1957, are going to produce only 2.7 million tons. This is a hopeless failure in the matter of steel which we need for

our ships, automobiles and planes, and which we need for building up India as a great land of defence against any kind of possible enemy attack.

In 1946, Stalin had planned the trebling of the pre-war steel production so as to reach the target of 60 million tons. In its peak period, the principal producer, America, reached 80 million tons. Poland, after World War II—Poland, divided and ravaged by the war—now annually produces 5 million tons. And I do not know why the Government of India is not putting all its brains and men together to produce steel, whether it be under the Germans, or the Japanese or the Anglo-Americans. The American oil refineries have been given a lease of 25 years; but we do not want the Americans to follow us with their guns, at the end of that period or refuse us oil during a war. As against the Germans, as an hon. Member said, we have no grudge, though the American shadow is cast over them in West Germany. However, we want steel to be given the highest priority. Steel is the real strength and the guts of our national life, of our defence, of our industry. In Russia, Sir, they simply stopped the production of consumer goods, when Stalin planned the production of steel. He said: "We do not want to produce any kind of consumer goods". The women went without stockings, the men went without shoes, but in India we are glutting our land with all kinds of lipsticks and powders and all kinds of other consumer goods. Thus we have forgotten our duty towards steel. We imported about 178,000 tons of steel in 1951. And we have got an iron ore of 1,500 to 2,000 million tons in our country which has got 60 to 70 per cent. of iron contents; compared to forty per cent. iron contents in Europe. And what are we doing? We have got gold in our hands and we are not exploiting it? We have got perhaps corrupt officials. Anyhow, I want to congratulate the hon. Minister, Shri Reddy. He has been the ex-Chief Minister of Mysore

where iron and steel are produced. At least I congratulate him for placing us on the map of steel production. We need three more factories in three different places, all first class. We do not want to allow monopoly to Tatas, who have received all kinds of benefits and protection at the hands of the Indian nation. We frankly need more steel plants. I am distressed to see this spectacle of all my friends wanting the Kamadenu. They want to have the steel plant here or there. We want the Kamadenu, the sacred cow, but everybody forgets that we have to distribute the milk unto all the people, not unto a few folks, here and there. Every one says: "I shall have the Kamadhenu (कामधेनु) for myself", meaning that God take care of the rest. It is not the place that matters. The place is immaterial; it is only of secondary importance. The highest priority must be given to steel production, whether it be under the Germans or the Japanese—and not Americans—and the agreement should be placed before the House. I am sorry I have to go on fast because the time at my disposal is very short.

When the British got a licking in Iran, they had to go a hunting for places for oil refineries; hence they came to Bombay and we gave them a 25 years lease. If at end of 25 years, our country still adopts a neutral and independent attitude, we shall have gained. We can produce as much and as quickly as possible. Though there may be bad spots in this agreement we welcome it. We shall have more steel factories, and irrespective of whether there is a boom of the Tata Defferrals in the Indian Stock Exchanges or not, we shall see that steel is produced which means more factories and more employment for our young men, so that the weak spots of our economy, of our defence, of our heavy industries can be removed and the gaps may be filled in and thus we may achieve a bright, safe future for India.

1 P.M.

Shri L. N. Mishra (Darbhanga cum Bhagalpur): I do not know why in

[Shri L. N. Mishra]

the Agreement no decision has been arrived at as to the location of the plant. I would like to say here that in such matters we cannot brush aside the economic conditions of India. I think we have to work under the conditions of price market in India. Therefore, the location of this industry should be at a place where the production of steel will be cheapest. We need at this time least-cost products. We cannot ignore the question of consumption propensity and therefore, I feel that we should consider the place where it can be produced cheaply—at a low cost.

You will agree that three factors mainly govern the production cost: firstly, the cost of assembly of raw materials; secondly, freight charges; and thirdly, power charges. To my mind, a solution to these three problems will be found in Sindri in Bihar. So far as the cost of raw materials is concerned, it has been decided after calculation of comparative cost that it is cheapest at Sindri. Therefore, I feel that the Government should not ignore the recommendation made by Messrs. Kopper & Co. that comparison of assembly cost is a true measure of the value of the plant site. Secondly, in the matter of transport, Sindri has the advantage of lying on the main railway system of India.....

An Hon. Member: It is not a central place.

Shri L. N. Mishra: We can quickly go from Sindri to Calcutta which is at present the best market for finished steel goods. If we have it at Sindri, we can utilise all the empty wagons that carry coal to Jamshedpur. So far as the power question is concerned, you know Sindri lies in the heart of the D.V.C. area where we have abundant power and abundant water supply also which are very badly needed for any steel plant. Therefore, I feel that these three considerations support the claim of Sindri to have this steel plant.

I do not know why regionalisation has been given the first consideration in the selection of the site. Regionalisation need not be allowed to dictate us. In the days of 'atomic' war it does not matter whether we have it in Sindri or in some other place in Madhya Pradesh or in Orissa. If Sindri is bombed at 9 A.M. alternative site in Orissa or Madhya Pradesh can be bombed at 11 A.M. Therefore, I say that we must locate it at a place where we can produce steel most cheaply, in the most efficient manner and at the earliest possible time. I have nothing more to say.

The Minister of Production (Shri K. C. Reddy): I welcome this debate on the statement that I made on the floor of this House on the 24th August because it gives me an opportunity to throw some more light on the agreement that we have entered into with the German combine in relation to the new steel project.

In the course of the debate certain doubts and misgivings have been given expression to which I shall try to dispel to the best of my capacity within the short time at my disposal. Many points have been made, some of them minor points and some of them major ones. I am afraid it will not be possible for me, within the short time at my disposal, to take up every one of those points made by the various members and to give a full answer. So, Sir, I shall confine myself to some of the more important ones.

No hon. Member in this House has said that this steel project was unnecessary or that more production of steel was not called for in view of the requirements of our country. If anything, a criticism has been made that in view of the large requirements of our country, we have been lagging behind in the production of steel; we ought to have gone ahead for the establishment of a steel plant in our country much earlier and so on and

so forth. So, this steel project has not come a day too early.

We must congratulate ourselves that we have been successful in securing this agreement with the German combine for the establishment of this project. Sir, the Government contemplate in the very near future to go ahead with their plans to have yet another steel project of another half a million ton capacity. The Government are fully aware that there is great need for expanding the production of steel in our country. As Mr. Joachim Alva was pointing out, when we compare our steel production with the production in other countries, we are very far behind and we are conscious of it and we must make every effort to increase the production of steel in our country. Our present requirements are in the neighbourhood of about two million tons. By 1957, the requirements on the lowest estimate will be about 20,80,000 tons, and our production, even taking into account the expansion programme that the private units have undertaken, by 1957 will be about 16,50,000 tons. So the immediate need we have got to fulfil in our country is to put up a steel plant which will produce at least on a lowest estimate one million tons. It is for that purpose, Sir, that we have gone ahead with the plans for this steel project which should have come off earlier. We had to contend against forces which we could not control then and there and it is only now that we have been able to take firm steps to establish this steel project.

Mr. Singh raised many points, some of them minor as I said. One of the main points that he made was, was there not any other party whom we could think of. He referred to the political situation in Germany and said there could have been several other parties with whom we could have negotiated. I want to say categorically that every effort has been made by the Government to find out all the possible parties with whom we could have collaborated in the

establishment of a project of this nature.

In the first place, we wanted to make sure that this project was a state project and that the State had full control over the project. In the second place, we wanted to have suitable technical collaborators, unimpeachable in their integrity, unquestioned in their efficiency and in whom we could have complete confidence. We have been trying to find out such collaborators for the last two or three years. We have contacted interests in U.S.A., we have contacted interests in Japan and we have also tried to see what progress we could make with U.K. interests. We have tried all possible means and I am here to say without any doubts or misgivings in my mind that the agreement we have ultimately entered into with the German combine is the best we could secure under the existing circumstances.

Shri T. N. Singh: Did we negotiate with any U.K. firm or the U.K. Government; and what happened in that?

Shri K. C. Reddy: I cannot go into all the details. We discussed with U.K. firms and indirectly also the Government must have come into the picture. We did not directly negotiate with the U.K. Government; and in matters of this kind we do not generally negotiate with the Governments as such but only with the parties concerned.

Shri T. N. Singh: What happened there?

Shri K. C. Reddy: I am afraid that Mr. H. N. Mukerjee for whom I have great regard, in his anxiety to use facile language and to be eloquent, went off the rails a bit. He referred to the Germans and their country—I am afraid—in some unguarded language. He spoke of the dastardly past of Demag and Krupps and so on and so forth. I wish only to state this, Sir, that if there is any single party in the whole world who know steel production, who know all the details about it and who are acknowledged experts in the field. I would

[Shri K. C. Reddy]

say unhesitatingly that Demag and Krupps are entitled to claim that distinction. In our own country, in the State from which I come, Demags have been mainly responsible for the setting up of the plant of the Bhadravati Iron and Steel Works. I have no hesitation in my mind that the German technical assistance shall be a great benefit and blessing to India.

Shri T. N. Singh: What was the consultation fee in their case?

Shri K. C. Reddy: That is another point.

Shri T. N. Singh: May I know whether this was the very combine of firms whose help was sought by the Pakistan Government for investigating the desirability of opening a project in their own country.

Shri K. C. Reddy: The hon. Member is quite right. My hon. Friend, Mr. T. N. Singh has asked why one single man should have been sent for negotiations. I do not know what exactly were his misgivings but I can say that throughout these negotiations our Ambassador in Germany was also associated with Shri Chanda, Secretary, Ministry of Production.

Shri T. N. Singh: I wanted to know why a team of experts and engineers was not sent.

Shri K. C. Reddy: It is a matter of policy. Sometimes we have got to do things quickly.

Dr. Jaisoorya (Medak): Would the hon. Minister tell us the technical qualification of the gentleman who went to Germany?

Shri K. C. Reddy: That does not require so much of technical qualification. It requires general qualifications.

If the hon. Members will bear with me for a minute I would go further and say that the criticism that complete freedom was given for the official who went from here is based on wrong information.

Shri T. N. Singh: Within certain limits there was a freedom.

Shri K. C. Reddy: I want to take the House into confidence and say that at every stage the Government were in close touch with the negotiations that were being carried on in Germany from stage to stage. They were being informed and the Cabinet also used to meet to consider the progress that had been made and also went into the merits and demerits of any particular proposal and it was only after definite instructions from this end that the officer concluded the argument. The statement made by my hon. friend, that the preliminary agreement was signed at Bombay is not correct.

Shri T. N. Singh: Had the Cabinet considered the preliminary agreement in detail before it was signed. That is my point.

Shri K. C. Reddy: All the main heads of the agreement—the substance of them was before the Government and the Cabinet had given its closest attention to all those particular heads. I should not like to miss this opportunity.....

Shri T. N. Singh: Our experience of previous phraseology is not very happy.

Shri K. C. Reddy: The Government on its part is satisfied with the very admirable way in which these negotiations were carried on in Germany. The Government have assured themselves that the best possible agreement has been secured. The detailed agreement has yet to be finalised. The German team is coming here by the end of September and the final agreement is going to be signed in this country.

Shri T. N. Singh asked one or two questions about the management and the Board of Directors. It has been clearly pointed out that the representation of the German combine on the

Board of Directors will be proportionate to the investment that they would ultimately make. On calculation you will find that out of 72 crores.....

Shri Sinhasan Singh (Gorakhpur Distt.—South): What items of consultation will be included in the fee of Rupees two crores and ten lakhs?

Shri K. C. Reddy: I will answer that point later. Mr. T. N. Singh asked what proportion they will have on the Board of Directors. The answer is simple. Their representation on the Board of Directors will be in their proportion to their investment. If their investment is negligible they will not be entitled to even one seat out of nine or ten. No change will be made regarding that point. It is quite simple and clear. If they invest, say, about nine crores as we expect, then out of seven or eight members on the Board of Directors they can claim one place on the Board.

Shri T. N. Singh: Your preliminary agreement says that there shall be representation. What will be the number of representatives? That will have to be decided according to the capital invested. But it will be found —take it from me—when lawyers are consulted, that there must be one representative, whatever the investment. That is what I am saying.

Shri K. C. Reddy: This is the relevant sentence from the statement that I made on the floor of this House with regard to the point that Mr. Singh has been raising: "The managing company will be vested in a Board in which the Government and the combine will have representation proportionate to their respective investments".

Shri T. N. Singh: Look at the phraseology of the agreement.

Shri K. C. Reddy: It has been stated clearly and hon. Mr. Singh need not have any doubts about that point.

Then Mr. Singh asked whether we have made up our minds to place the orders with the German firm for our plant. We have not made up our minds at all. Our mind is open and I have stated in the statement that I have made on the floor of the House, that there will be global tenders and only on a competitive basis any particular tender will be accepted keeping certain essential factors in view, namely, quality, time of delivery, so on and so forth. But it is anticipated that the Germans have efficiency in this field, and it is expected that it may be possible to purchase a good part of the plant if not the major part of the plant from the Germans and if it materializes, as we hope it might materialize, then, their investment will be in proportion to the value of the plant that will ultimately be supplied to us by them. Mr. Singh asked what is the proportion. I would like to say that, with regard to that, the formula is this: if the value of the orders is up to the equivalent of the first 20 million dollars, then the German investment will be 25 per cent. of it. Up to the equivalent of the second 20 million dollars, it will be 30 per cent. In excess of 40 million dollars it will be 33-1/3 per cent. subject to a ceiling of 20 million dollars. That is the formula which we have embodied in the agreement with regard to the investment.

Then, Sir, reference has been made to the political aspect of the agreement. I do not think this is the occasion for me to enter into and rebut the points that have been made by my friend Mr. Hiren Mukerjee. Some hon. Members raised: supposing something happens tomorrow, supposing East Germany combines with West Germany and another point that was made—that West Germany is practi-

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cally a stooge or tool in the hands of America and so on and so forth: we cannot go meticulously into doubts or apprehensions of this kind, and I will not therefore waste the time of the House by answering them much as I would like to. Someone said: "supposing a war breaks out—political conditions are so very uncertain". Well, political conditions are so uncertain everywhere, not only in the continent of Europe—East Germany or West Germany—political conditions are uncertain over the whole world and anything may happen any time in any part of the world. So, on that score we should not hold up our programmes; on that score we should not hesitate to accept the best thing that comes along. We have to view these problems from that perspective, instead of worrying ourselves by imaginary apprehensions, or even apprehensions for which they may be some basis, because we have to take some risk in these matters if we are to do anything worthwhile in a satisfactory way.

Shri H. N. Mukerjee: May I ask one question of the hon. Minister? Has Government made a comparative examination of the cost to the country as between the result of the agreement with Krupp-Demag and the expansion of our existing steel plants especially when we find that a one-million ton steel plant could be set up at half the cost of Rs. 35 crores or so and we could make a real good saving.

Shri K. C. Reddy: I was about to take that point when the hon. member just interrupted me.

He referred to a speech that had been made by Mr. Tata. I do not know the exact language used by Mr. Tata in his address. I think he has been quoted by someone else. I do not know what he has said. Assuming that what has been quoted is cor-

rect, I would like to mention the following for the information of the House.

Tatas, ISCO and Mysore Steel Company, the three units have all expansion programmes in their hands. These companies will require about Rs. 72 crores for their expansion programme: Rs. 33 crores for Tisco; ISCO, first stage Rs. 5 crores and Rs. 31 crores second stage and Mysore Iron and Steel Rs. 3 crores. This expansion programme will be completed as I have already indicated by the year 1957. But what will be the result—equivalent in terms of increase of production? The production in 1952 in all these three plants is about 1,100,000 tons. In 1957 when all these expansion programmes would have been implemented the production will be 1,650,000 tons a nett addition of 500,000 tons, or a little more over the present production. I ask the hon. member if Rs. 72 crores were required for expanding the existing plants resulting only in an increased production of 500 or 600 thousand tons, whether increased production of 500 thousand tons of steel, for Rs. 72, crores, at the present high cost, would not be an economic proposition or not.

Shri H. N. Mukerjee: May I ask a counter-question of the hon. Minister. If that be so, what are the calculations on the basis of which we are expecting this Rs. 72 crores Indo-German combination to produce in four years' time half a million tons, or something like that.

Shri K. C. Reddy: I could not quite follow the hon. member.

Dr. Jaisoorya: What is the installed capacity—1 million or half a million?

Shri K. C. Reddy: Half a million tons capacity to begin with to go up to one million in due course.

Dr. Jaisoorya: Half a million for Rs. 72 crores—don't you think this is below the optimum?

Shri K. C. Reddy: Rs. 72 crores is now the estimate that has been made for putting up a half million ton plant, but if we go up to 1 million ton capacity, it is on the cards that the capital investment will be proportionately less. Possibly—no estimate has yet been made—an addition of Rs. 40 crores or Rs. 45 crores may result in a 1 million ton capacity plant. So, the argument that has been put forward by my hon. friend, has no basis whatsoever.

Dr. Jaisoorya: You have not understood my question: Are you aware that half a million ton is below optimum plant?

Shri K. C. Reddy: Opinions may differ on that point. It may be safely assumed that half a million ton capacity plant is a good enough unit, even from the economic point of view. Let it not be forgotten that all the existing units in our country began with much less capacity. Bhadravati started with 25,000 tons which is now stepped up to 1 lakh tons. What was the production with which Tata started; what was the production with which ISCO started? We must keep realities in mind and not be carried away by abstract considerations.

Shri H. N. Mukerjee: You could increase production in a country like ours. It is necessary and absolutely imperative to produce up to installed capacity, or at least up to the optimum capacity. You do not do so for reasons which we do not appreciate at all.

Shri K. C. Reddy: The intention of the Government also is to instal a plant of one million or two million ton capacity, but we have to cut the cloth according to the length and we have got to see our resources. We have got to see what technical men we have and there are so many other factors. It is all very well to

say that we should start steel plants in this country, but how is the wish to be translated into reality. The circumstances under which we are working and the facilities that are available are the aspects which the administration has got to take into account.

Shri H. N. Mukerjee: We wish to change the present realities.

Shri K. C. Reddy: I don't think I need take the time of the House to refer to the various observations made by three or four hon. Members regarding the site where the plant has to be located. Government are fully aware of the claims and counter-claims and the suitability or otherwise of the various sites. Various technical committees have gone into this question and the latest opinion of the Technical Commission is also available to the Government. I can only say at this stage that the economics of supply and distribution will be kept in mind by the Government before finally deciding as to what should be the site where the new plant has to be located. I cannot go into the details of that controversy, but I can give the assurance once again on behalf of the Government that after the German representatives come here by about the end of this month and give their technical opinion, Government will finally decide as to where this plant should be located. It is not as if Government has absolved themselves of any responsibility in this matter. No doubt the advice of the German representatives will be taken, but Government will ultimately be the body that will take the final decision.

I am glad that this debate came up before the House and I hope I have been able to clear certain doubts. Mr. Singh had made the observation that my previous statement was sketchy, but now I want to assure the House that at the earliest possible date, the agreement that has been entered into

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between the German combine and our Government will be made available to the House and every opportunity will be taken to take the House into confidence with regard to this matter on all essential points. I hope the House will be satisfied with the agreement that has been entered into with the German combine, and will give its blessings and also wish godspeed for this project.

Mr. Chairman: The House will stand adjourned till 4-15 P.M.

The House then adjourned till a Quarter Past Four of the Clock.

The House re-assembled at a Quarter Past Four of the Clock.

[MR. DEPUTY-SPEAKER in the Chair.]

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1953-54—Contd.

Mr. Deputy-Speaker: The House will now proceed with the discussion on the Demands for Grants. Mr. Gurupadaswamy. Has he changed his seat?

Shri Kidwai: He wanted to avoid your eye.

Shri M. S. Gurupadaswamy: In the morning I was just stating that the decision of the Government to import.....

Mr. Deputy-Speaker: He has already taken three minutes.

Shri M. S. Gurupadaswamy: No, Sir. The decision of the Government to import sugar is a very unfortunate one. I was stating in the morning some of the reasons given by Mr. Kidwai on the last occasion for the fall in production of sugar during 1952-53 I want to analyse the reasons and show whether they are tenable or not.

The first reason given by him was that there was decrease in the produc-

tion of sugarcane by about 5 per cent.....

Shri Kidwai: I do not remember to have said this.

Shri M. S. Gurupadaswamy: That is the statement made on the floor of the House. I do not know whether he is disputing his own statement. If he apparently means that there has been decrease in the production of sugarcane I, want to ask him what were the reasons for the decrease of cultivation of sugarcane. If the reasons are floods, natural calamities, I may draw his attention to the fact that in certain areas like Punjab and other places, conditions this year are far better than the conditions which were prevailing last year. So there is no reason to say that the sugarcane production has decreased. Or it may be due to lack of enthusiasm or incentive in the sugarcane growers because the prices that they have been getting have been too low. They might have thought of growing some other crop than the sugarcane crop. That may be the reason but the solution lies with the Ministry. They should have taken proper measures to instil enthusiasm in the agriculturists and not allowed the acreage to fall. But no measure has been taken by the Government to prevent decrease in the acreage of sugarcane.

The Food Minister said that there was a diversion of certain percentage of sugarcane to the manufacture of jaggery. The reason for this diversion can be attributed to the fact that the price of jaggery was a little bit higher and the cultivators thought of producing jaggery instead of producing sugar. But I want to ask him whether the production of jaggery in the country was insufficient? Had he not got sufficient stock to meet the local demand? What were the reasons for the rise of price of jaggery if there had been sufficient demand for jaggery? If there had been diversion of sugarcane to the manufacture of jaggery,