

- (ii) Supplementary Statement No IV—Sixth Session, 1958 (See Appendix V, annexure No 74)
- (iii) Supplementary Statement No VIII—Fifth Session, 1958 (See Appendix V, annexure No 75)
- (iv) Supplementary Statement No XVII—Fourth Session, 1958 (See Appendix V, annexure No 76)
- (v) Supplementary Statement No XIX—Third Session, 1957 (See Appendix V, annexure No 77)
- (vi) Supplementary Statement No XVIII—Second Session, 1957 (See Appendix V, annexure No 78)

ANNUAL REPORT OF HINDUSTAN SHIPYARD

The Deputy Minister of Civil Aviation (Shri Mohiuddin). On behalf of Shri Raj Bahadur I beg to lay on the Table, under sub-section (1) of section 639 of the Companies Act, 1956 a copy of the Annual Report of Hindustan Shipyard (Private) Limited for the year 1957-58 along with the Audited Accounts [Placed in Library, See No LT-1327/59]

AMENDMENTS TO RUBBER RULES

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): I beg to lay on the Table, under sub-section (3) of section 25 of the Rubber Act, 1947 a copy of Notification No GSR 308 dated the 14th March, 1959, making certain further amendments to the Rubber Rules, 1955 [Placed in Library, See No LT-1328/59].

12.00 hrs.

ESTIMATES COMMITTEE
FORTY-FIFTH REPORT

Shri B. G. Mehta (Gohilwad): I beg to present the Forty-fifth Report of the Estimates Committee on the Ministry of Health—Medical Services Part II.

12.00 hrs.

* DEMANDS FOR GRANTS—contd.

MINISTRY OF STEEL, MINES AND FUEL
contd

Mr. Speaker: The House will now resume further discussion of the Demands for Grants relating to the Ministry of Steel, Mines and Fuel. Out of 8 hours allotted for this, 4 hours and 9 minutes now remain. All the Demands and the cut motions moved thereto on the 30th March have already been circulated to hon Members on the same day and they are now before the House. When should I call the Minister?

Shri Prabhat Kar (Hooghly) May I suggest that in view of the fact that the hon Minister has already taken one hour in the beginning and he is going to take one hour for reply, the time may be extended?

Mr. Speaker: Let me hear the Minister first.

Shri Nath Pai (Rajapur) He is not here.

Mr. Speaker: His deputy is here.

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): The hon Minister will take about 40 minutes for reply.

Mr. Speaker: All right, I will consider it—what more time is to be allotted.

Shri Nath Pai: The Minister for Iron and Steel, Sardar Swaran Singh, was kind enough yesterday to open the debate. There is another Minister equally concerned with one aspect of industry, oil. If he is not given a chance, it will not be fair. We would like to hear Shri Malaviya also. This may also be taken into account with regard to the adjustment of time.

*Moved with the recommendation of the President.

Mr. Speaker: The hon. Members are wanting a number of things. It is up to the Minister to choose whoever or both should reply. Therefore, we here cannot dictate to the Minister as to who should reply.

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): Shri Malaviya will not take more than 15 minutes.

Shri Nath Pai: That means 55 minutes.

Mr. Speaker: Therefore an hour more.

Shri Gajendra Prasad Sinha: Approximately one hour.

Shri Bose (Dhanbad): I was saying yesterday that there is another section, that of oil and gas. In this section the Ministry is working through the Oil and Natural Gas Commission. This Commission, as we find from the Report, has moved from Kashmir to Cape Comorin and from Assam to Jaisalmer and further down to Saurashtra in search of gas and oil. It has gone deep down into the womb of the earth thousands of metres below the surface in pursuing the mineral wealth. The details of its working in geological surveying, mapping and scientific prospecting in various ways, as indicated in the Report, will make a big volume. But it must be said to its credit that the Commission has already made many valuable discoveries. In Assam it has discovered both oil and gas in sufficient quantities for which refineries will shortly be erected in Assam and Bihar.

Gas and oil have also been found in Jwalamukhi and Cambay area and if everything comes up to expectation production will begin in these places in the near future. I may add in this connection that the Commission is working under various handicaps, particularly in the matter of drills and other equipment necessary for drilling holes, and if these machineries were readily available I have no doubt in my mind that the Commission would have shown much better results.

One thing will have to be realised in this connection and that is that prospecting for oil and gas is a highly costly and speculative job. There is no knowing when success will come or success will come at all or not. Still what the Commission has done is to be highly appreciated. With these words I support the Demands of this Ministry.

Shri Somani (Dausa): Mr. Speaker, Sir, I would like to confine my remarks to the steel section of the Ministry about which there was such strong criticism from a number of hon. Members yesterday. I would first like to deal with the criticism levelled against the Ministry for the policy followed by them in regard to the working of the private sector steel projects.

Hon. Members, Shri Nath Pai and Shri Morarka raised the points about the retention prices and also about the interest-free loans to these steel companies. I think that the entire criticism is rather based on some misunderstanding. I would first like to take the question about the retention prices.

Much has been made of the retrospective effect which was given by the Ministry to the increase in the retention prices last October as a result of the recommendations of the Tariff Commission. The real position is that the current scheme of retention prices of steel operative for the five-year period 1st April, 1955 to 31st March, 1960, was recommended by the Tariff Commission in their report dated the 30th November, 1955, and sanctioned by Government by their Resolution dated the 1st February, 1956. The retention prices were so fixed in pursuance of Government's direction on the subject as to enable the major producers to obtain, after meeting all their current charges and obligations including taxes and reasonable dividends on their share capitals, a reasonable proportion of the finances required for their expansion programme for internal resources. The scheme of retention prices sanctioned on the

above basis of the Government's Resolution of the 1st February, 1956, mentioned above, also contains the following escalator clause

"The retention prices recommended by the Commission may be adjusted from time to time to the extent that Government are satisfied that manufacturing costs if altered from the 1954-55 level as a result of changes in railway freights, changes in statutory price of coal and other fuel, raw materials, stores or machinery and changes in labour costs caused by labour legislation or adjudication or conciliation awards"

Shri Morarka (Jhunjhunu) This was the recommendation of the Tariff Commission

Shri Somani: This is the decision of the Government

Shri Morarka Was it accepted? No In the Resolution of the 1st February 1956, to which the hon Member is referring this was not accepted by the Government The Government said that whenever the representation is made the Government would consider that on merits

Mr. Speaker: Very good

Shri Somani: What I have quoted is the Resolution of the Government itself under which they have accepted the recommendations of the Tariff Commission in so many words A provision in similar terms has also been made in clause 5 of the agreement dated the 23rd June, 1955, between the Government of India and TISCO regarding the expansion programme to be carried out by the steel company The increase in retention price as recommended by the Tariff Commission in their report dated the 24th May, 1958, and sanctioned by the Government on the 13th October, 1958, has been granted in accordance with the provisions of this escalator clause to cover only such increases in costs as have been accepted by Government as falling within the purview of the escalator clause

Shri Morarka: No Did the Government not ask that this should be examined only for the future? The Government in its letter of reference to the Tariff Commission says in so many words, Please examine this question 'for the future'

Mr. Speaker: Very good Hon. Member need not go on interrupting Let the hon Member have every right to speak

Shri Morarka It is in reply to my point He says that I made the criticism on some misunderstanding I want to point out that the hon Member is replying on the basis of some misunderstanding

Shri Somani: Why I say that it is based on a misunderstanding will be quite clear from the fact that what we are concerned with is not the retrospective character of the increase that was given That is my submission If the hon Member wants to take any objection to the recommendations of the Tariff Commission in regard to the increases which took place in the manufacturing charges during that period, that may have been a relevant contention But having accepted the principle that the Government of India are committed to give a fair increase in the manufacturing prices to the steel companies, if there is any genuine increase in the items of various manufacturing expenses it does not matter in the least whether the increase is given retrospectively or for the future

Shri Morarka: Why not?

Shri Somani: After all, if the increase would have been given for the future, the increase in terms of prices per ton would be much higher than what has been given

Mr. Speaker: Any hon Member is entitled to draw his own inference from the facts I have no objection to allow any hon Member to correct a palpable error or a mistake of facts But so far as inferences are concerned each hon Member is entitled to draw his own inference The other

[Mr. Speaker]

hon. Member who is not satisfied with it has to keep quiet in his seat.

Shrimati Bona Chakravarty (Basirhat): It is a matter of fact. What Shri Morarka has said is that that reference was for the future and Shri Somani says that it was for the past.

Mr. Speaker: That is all right. There is no quarrel then.

Shri Morarka: Yesterday I quoted it and I have got a copy of the Resolution of the Government here with me where it says that the Tariff Commission had to examine the question only for the future. The hon. Member says that I made the speech based on some misunderstanding. I request the hon. Member to place a copy of the Resolution of the 1st February on the Table of the House where it says that the Government accepted the recommendations of the Tariff Commission. The Government has not accepted them. They say, "We shall examine that question only on merits as and when the two companies come to us."

Mr. Speaker: The Government will explain it later on.

Shri Somani: I have got a copy of the Tariff Commission's report and there is, I submit, a misunderstanding in the mind of Shri Morarka in regard to the word 'future'. The point is that the Government of India in accepting the recommendations of the Tariff Commission accepted the principle of examining any increase in the manufacturing charges from time to time for the period 1955-59. And the word 'future' indicates that the Government of India at that stage were not in a position to correctly assess the increase in the manufacturing charges, and, therefore, when the reference was again made to the Tariff Commission for future, the word indicated, in my opinion, that commitment that was already made by Government that the prices for this five-year period, namely 1955-59 would be governed by the actual increase or decrease in the

manufacturing expenses that might occur and that if the Government of India would be satisfied after proper examination by the Tariff Commission that there has really been any increase in the cost of manufacture, then that increase could be given on a basis which may certainly be called retrospective but which is not retrospective in the sense that Government had already accepted this principle, that is, the principle of giving such increases or even bringing about reduction in the retention prices if in the light of the actual cost of manufacturing, such decision was warranted.

What I want to submit is that much is being made of the word 'retrospective'. Suppose the increase would not have been given retrospectively, then it would only have meant a greater increase for the future production of the company in order to compensate it for the increase in the manufacturing charges. Here, there is no question of any departure from the basic principle that was accepted by Government.

Shri Morarka: You must excuse me for an interruption here, for the simple reason that the hon. Member is trying to give some wrong mathematics to the House. If we had given the increase for the future only, if we had not given retrospectively this so-called smaller increase, Government would have saved Rs. 4½ crores; by giving the so-called smaller increase, Government have given to these two companies Rs. 4½ crores more than they would have given otherwise. Even if they had given Rs. 68 per ton only for the future as against Rs. 46 per ton as they have given for the whole period, Government would have saved Rs. 4 crores or so. Let the hon. Member multiply the figures of production with the actual increment that they have given and the amount that they would have given in case this would not have had any retrospective effect.

Sardar Swaran Singh: I think I must say that second speeches should not be permitted, because they virtually make out new points and

the like. Let the debate continue. Moreover. . . .

Shri Morarka rose—

Sardar Swaran Singh: I do not give in. So, let not the hon. Member get up in that manner.

Shri Morarka: I do not give in either.

Sardar Swaran Singh: The simple point is this.

Mr. Speaker: The hon. Minister is entitled to make the representation on behalf of Government.

Sardar Swaran Singh: The simple point is that it is true that if the increases are not given, Government can save; if Government do not give any increase, they can save several crores more. So, that is only an argument, not a question of arithmetic.

Mr. Speaker: I did not quite follow, I think Shri Morarka said that it would involve an additional payment of Rs. 4 crores. In the future, the accounting may be done, whatever amount is paid from time to time is only paid provisionally, and whatever is decided upon by the Tariff Commission will be given effect to, and it will be given effect to retrospectively; after so much of work has been done, if the Tariff Commission finds that this is the price that has to be paid for the work or for the article, then the price will be on the date on which the accounting finally takes place, in which case whatever has been supplied even before the price was fixed will also be covered by this higher price, and, therefore, so much extra has to be given. Therefore, what Shri Morarka seems to say, namely that it should not or ought not to be given retrospective operation, seems to have some force.

Now, because it will involve payment for what has been already supplied, the hon. Minister may say, there is no definite payment at any particular stage, the whole thing would be decided by the rate fixed at

the end, and, therefore, till then, every payment that is made is only provisional. That is one way.

Sardar Swaran Singh: Your second alternative is generally the basis on which these payments are made, because additional expenses have to be incurred as they fall due. Government later on make a reference to the Tariff Commission, and it is quite often that the increases are given with retrospective effect to cover additional expenditure that has, in fact, been incurred.

Shri Nath Pal: The hon. Minister has never explained why from April 1955, retrospective effect should be given. That is what staggers us.

Mr. Speaker: Very well. That is a matter for explanation.

Shri Somani: So far as this production issue is concerned, the company's contention has been that the estimate of production that was taken by the Tariff Commission at the time of the original inquiry was much higher than what has been the actual production in the subsequent years. The whole price structure as recommended by the Tariff Commission at that period was based on certain calculations of production based on the expansion and other modernisation programmes, and the company has made out a case, and I think they have also represented to the Government further, that the Tariff Commission has not done full justice to this principle of giving an adequate increase in the retention price due to the increases which have been brought about in the manufacturing expenses, and also due to the fact that the company has not been able to produce that quantity of steel which was envisaged to be produced, by the Tariff Commission, at the original period of the inquiry. My whole submission is this, that the question of retention prices. . . .

Mr. Speaker: Was it in the original agreement that whatever the Tariff Commission decides upon will be given even from the start? Was it said there

[Mr. Speaker]

that whatever price may be fixed may be fixed tentatively, we agree at a particular rate, but this is subject to whatever the Tariff Commission may fix, in which case it will apply retrospectively from 1955? Unless there is such an arrangement, if subsequently there is payment to them of something more, that will come into operation only from the date from which it is fixed. That has been the bone of contention.

Sardar Swaran Singh: The Tariff Commission's recommendations are after all recommendations as to the items that have to be taken into consideration. About that, there is an agreement that they will be entitled to ask for additional payment if there is an increase in such and such items of costs.

Shri Somani: I was just labouring the point that the impression of the hon. Member that the Tariff Commission is so liberal in fixing the prices for controlled commodities is not correct. I have myself an experience of the way in which the Tariff Commission works. I am connected with the cement industry, and I know, the procedure—which has been followed by the Tariff Commission in fixing the prices of controlled commodities—has been such that after a thorough and comprehensive inquiry recommendations were made which in my opinion hardly did full justice to the question of giving fair prices to the industries concerned. Their approach has been so thorough, so rigid and so comprehensive that it would be a wrong impression on the part of any hon. Member to conclude that the Tariff Commission has in any way been liberal to the industries concerned while making their recommendations as to the price structure.

Shri Morarka: Here again, may I interrupt?

Mr. Speaker: I am not going to allow this.

Shri Nath Pal: We remember the case of TELCO.

Shri Morarka: This will be my last intervention. Why was Government obliged not to accept the recommendation of the Tariff Commission?

Mr. Speaker: I agree, the hon. Member may be enthusiastic. . . .

Shri Nath Pal: We only remember the case of TELCO, which runs counter to what Shri Somani says.

Shri Morarka: I remember this thing also.

Mr. Speaker: I do not know what to do in the circumstances. I have always felt that instead of having a general discussion like this, as soon as the general discussion on the Budget is over, the whole Budget may be referred to a Committee of the Whole House, which can split itself into a number of sub-committees, and each sub-committee may sit with the officers in the Ministry and look into these matters and exchange views—and if necessary, the press also may be allowed to be there; there is nothing private about it—in which case, all the recommendations of the Estimates Committee and the Public Accounts Committee can be put before them, and such discussions can be had certainly across the table. That will be very useful.

But as it is, we are again having on each Demand a general discussion. That is what exactly is happening. Except in the case of one or two hon. Members who know intimately, and who apart from their study, have intimate knowledge of these facts, in the case of the others it becomes a general discussion. When hon. Members who know these subjects intimately want to have their say, we have not got the time here or the opportunity to give to them, for, when an hon. Member speaks once, he would not be allowed normally to speak again. I have gone out of the way to allow Shri Morarka to speak three or four times, after he has concluded his speech once.

Shri Mararka: I am grateful to you for it.

Mr. Speaker: All the same, I do not think I have been enlightened. Personally, I am not a veteran; even now, after all these interruptions, I am as I was originally. Now, this is the difficulty. I am yet to devise some method.

I would request hon. Members on both sides to find out how-best, when there is a doubt, the matter could be resolved. I do not know what to do. I would normally ask the Estimates Committee or some other committee to look into this matter, but, again and again, asking the Estimates Committee when the matter is here is not proper. We must devise some method by which these differences could be resolved. If really so much of money has been spent, then we would like to know before we spent; and if it is not spent, then the doubt ought to be cleared up.

I am sure the hon. Minister will try to take both sides into account and try to explain to this House why this misunderstanding has arisen. Let there be no more interruptions now.

Shri Dasappa (Bangalore): What about the committees?

Mr. Speaker: As for those committees, it is left to the hon. Members to pursue that matter. Let them all think about it properly themselves, and then let us think of it.

Dr. Melkote (Raichur): I move that the whole House endorse the view that you have placed before us that the whole question be submitted to a sub-committee. May I suggest that the Speaker move in this direction and help us?

Mr. Speaker: Under the rules as they stand, I have no authority to refer any of these matters to a sub-committee. Let us wait and see. The hon. Minister will certainly explain these differences, so that the whole House may get cleared of this doubt. And if still something persists, some

doubt, I shall try to find out how best it can be resolved.

Shri Nath Pal: It will be of great importance, what you just now said, and I hope not only this Ministry but others will bear this in mind.

I will point out a very relevant instance. The doubts we had raised on the 25th November in this House have been fully confirmed, in toto, every word, by the Estimates Committee, but we did not get any reply on this point yesterday. We hope he will bear in mind what you just now said by way of guidance.

Shri Somani: I welcome the suggestion made by you, and indeed, I would like that this whole matter about the Tariff Commission's recommendations and the Government's decisions thereon in regard to the retention prices given to Tata Steels is enquired into thoroughly to clear away any doubts in the minds of any hon. Members that anything but bare justice has been done to the industry in giving retrospective effect to the increase in the retention prices.

In this connection I may draw the attention of the hon. Minister to the dividends that are being distributed by Tata Steel and Indian Iron. The dividends do not exceed four or five per cent return based on the present stock exchange prices of these shares. If the return that the investor gets from investment in the shares of these big companies is only four or five per cent. I do not think there is any case in pointing to the question of the retention prices, because in no way are the resources which are placed at the disposal of the companies being frittered away by way of dividends to the shareholders or in any other way. On the other hand, they are being usefully utilised in the huge expansion programme which both the companies have undertaken. What I wanted to convey is that the companies concerned, under the direction and advice of the Government, are following a very rigid and conservative policy in the

[Shri Somani]

question of dividends, and are doing everything possible to see that their huge expansion programme is implemented in the manner decided and in full conformity with our national policy. Therefore, no impression should be created as if the Ministry has been in any way liberal to the claims of this industry or has in any way done anything which is not warranted by the needs of the national economy.

Before concluding this point and coming to the public sector projects, I would also like to make a brief reference to what my hon. friend Shri Nath Pai said about the interest-free loans to these companies. There is a long history behind these loans. It is not as if these interest-free loans have been allowed as a gift to these companies. This scheme has been evolved after very long deliberations and negotiations, and in consultation with the World Bank by the Government in a manner quite different from what the company itself had wanted. It was early in 1952, I think, that TISCO represented to the Government in regard to the needs of their expansion programme, and they wanted an increase of about Rs. 100 per ton in order to enable them, after paying the taxes, to build a fund exclusively earmarked for the purpose of expansion. So far as the needs of expansion were concerned, Government were fully agreed with the soundness of the proposal, but certainly Government did not entertain this proposal. On the other hand, Government did increase the prices and pay this increased amount to the equalisation fund and from that fund these loans have been given. As a matter of fact, Shri J. R. D. Tata, Chairman of TISCO, has referred in one of his speeches to this and stated that this loan which has been given by the Government, as a matter of fact, is legitimately an amount which belongs to the company itself. The Government, instead of allowing the amount to be secured by way of increase in the retention

prices, has given it by way of loan in order to comply with certain requirements of the negotiations which the company had carried on with the World Bank. This interest-free loan was regarded as equity capital by the World Bank, and it has helped out steel companies to secure valuable financial assistance from that institution. Even if interest had been charged, naturally these interest charges would have been the expense of a revenue-character, and to that extent the Tariff Commission or the Government would have had to give a corresponding increase in the retention price. Therefore, I do not think there is any point in my hon. friend, Shri Nath Pai, making anything about any favour being shown by the Government in these interest-free loans to these companies.

Shri Nath Pai: Do you refer to the Steel Stabilisation Fund of Rs. 17 crores?

Shri Somani: Whatever it is, whether it is Rs. 17 or Rs 10 crores, I am only trying to state that the whole question of these interest-free loans was negotiated for a long time in consultation with the World Bank, and the Government did not accept the proposal as submitted by the steel company, but have taken action absolutely in conformity with the needs of expansion on the one hand and the other various factors which have got to be considered in this connection.

Now, I would like to say a few words about our public sector projects, about which so much has been said yesterday, again especially by our friends Shri Nath Pai, Shri Morarka and others. I do not in the least minimise the criticism that has been made about the administration of these huge projects, but I would like to submit at the beginning in this connection certain salient features which have to be kept in mind if we are to do full justice to the issue.

First of all, I readily agree with the suggestion contained in the Estimates Committee's Report, as also what was said by Shri Nath Pai yesterday that the Government did make a great mistake in not undertaking the construction of one steel project under the First Five Year Plan. If there had been one steel project under the First Plan, certainly that could have been undertaken 40 to 50 per cent cheaper than what we have had to incur during the Second Plan, and moreover, the experience and the organisation which would have been available would have been very valuable in the implementation of the programme of construction of the remaining two steel projects. But that is a matter of over-all policy of the Government and the Planning Commission as well.

What we are today concerned with is, once the decision having been taken to establish three steel projects simultaneously, how that programme has been executed by the Ministry. As I said, this programme of establishing three steel projects simultaneously is so gigantic and so ambitious in nature that it would not be doing full justice to the work of the Ministry if the hon. Members do not keep in mind the gigantic and unprecedented nature of the burden that was placed on the Ministry in executing such huge programme of construction of three steel projects simultaneously. Remember again that they were asked to undertake this programme of the three steel plants at a time when the two big steel companies in the private sector had also embarked upon a substantial expansion of their units. That meant that the Ministry could not avail itself of the resources or of the experience of valuable technical personnel which could, in the ordinary circumstances, have been made available, if the two units in the private sector had not simultaneously a very big programme of expansion for their own units.

Then again, it should be remembered that these projects have not been established in important cities like

Calcutta and Bombay where adequate facilities of everything are available. These projects have been constructed in out-of-the-way places where there have been so many formidable difficulties in the beginning of township, of housing, lack of adequate transport facilities and so many other problems. The hon. Minister yesterday said that about 150,000 workers are at present engaged in the construction of these three steel projects. That shows the magnitude of the task in which the Ministry is engaged. There are a hundred and one other problems. As one who is connected with the private sector, I myself realise the nature of the formidable difficulties which we have encountered in the last few years in implementing even much smaller projects in various places. Therefore, while it will be certainly fair to criticise the many deficiencies and defects that have been discovered in the working of this Ministry in the implementation of these projects, it will be necessary to realise the nature of the task which was being undertaken.

Having realised the difficult circumstances under which the Ministry was asked to undertake the construction of these three steel projects simultaneously, we have to examine the nature of the deficiencies that have been pointed out by hon. Members who have so vehemently denounced the working of these public sector projects. In this connection, I find that the major criticism has been about the increase in the original estimates. That is true, because from the original estimate of the three steel plants of Rs. 353 crores, the projects are now estimated to cost, including all the items which were left out at the original stage, something in the neighbourhood of Rs. 560 crores. There is no doubt that this increase is a colossal one, one which can give a very alarming picture. But then we have to take into account certain other features which led to such enormous increase in the estimates. It has been pointed out that compared to the original specifications, a lot of additions and improvements were made in

[Shri Somani]

the projects themselves. It would perhaps have been possible to control this increase if the specifications originally formulated were adhered to. But I think the Ministry acted wisely in accepting the suggestions of their technicians to make certain additions and alterations which, though involve a great amount of additional capital outlay, will ensure greater and more efficient working of these units.

We have been told that purchases were made from abroad of structural steel, refractories and many items of stores which were originally intended to be purchased in this country itself. There have, of course, been increases due to the under-estimates made by the consultants, due to increase of prices and wages in Europe and so on.

Now the important point we have to remember is, that having entered into a commitment as regards this enormous increase, the hon. Minister had, I think, in the budget discussions in May 1957, given certain revised estimates. The major point before us is whether these revised estimates of 1957 are also going to be increased to an enormous extent. Fears were expressed, and certain items were also given. But in this connection, I can only go by what the hon. Minister said in his opening statement yesterday that he does not see even today that there will be any significant increase in the revised estimates that were given to the House in May 1957. So long as the Ministry can, from the actual completion of the three projects, prove that their revised estimates have not substantially been exceeded, I do not think that the alarming picture painted about the increase in estimates has got any substantial justification. But if really, as hon. Members pointed out yesterday, even these revised estimates will be exceeded enormously and substantially then certainly that is something which would require a more detailed explanation than what was given in the beginning. I would therefore request the hon. Minister to again clarify in

his reply whether he stands by the assurance that he gave in his opening statement that so far as the revised estimates are concerned, there will not be any major or significant increase.

Then the question of delay may be taken into account. In this connection, I would like to submit that even so far as the expansion programmes of TISCO and IISCO are concerned, there has been a substantial increase compared to the original estimates which they had put before the shareholders or the public at the time these programmes were formulated. There has also been quite some delay in the implementation of these programmes. If the private sector projects, with all their efficiency and experienced organisation at their disposal could not avoid the enormous increase in their capital outlay and also delay in the execution of their expansion programmes, I think the picture that has emerged of the completion of these three projects has to be viewed in its proper perspective. After all, you want to undertake an ambitious programme of industrialisation. I hold no brief for the ICS officers who may have been on the job, but I certainly was pained to hear from my hon. friend, Shri Nath Pai, that there was a conspiracy to run down the public sector on the part of the ICS officers concerned. I think that was the unkindest cut. I would like to appeal to hon. Members to see the difficult circumstances under which our officers are working, and it will do no good to those who have got so much in their heart for the welfare of the public sector projects to condemn them outright. I do not think my hon. friends, Shri Nath Pai and Shri Naushir Bharucha left any adjective in the dictionary untouched so far as the black side was concerned.

Shri Nath Pai: Just on a point of personal explanation....

Mr. Speaker: Whatever has been said is there....

Shri Somani: Words like 'extravagance', 'bungling', 'messing' were utilised. But I do not think it does any

credit to Members of this House to condemn a programme of such a gigantic nature which has been undertaken by the Ministry in these terms. The nature of the projects should clearly have given a warning to us that if these three steel projects are to be implemented simultaneously, then mistakes—serious mistakes—or lapses are bound to occur. They are inevitable. It would have been marvellous if they had been able to steer clear of those things. It is a very difficult position for anybody.

We have been told about the contractors and so many other things. But when day to day problems have to be decided, either you follow the strict and rigid rules of red-tapism or you act in a businesslike manner. Either you delay the projects or take the risk of being criticised later. I think it is much better in the national interest that these projects have been completed more or less according to scheduled than that the policy of following rigidly the rules was followed, which would have kept the officers free from criticism.

My whole submission is that so long as no definite charges of *malafide* are proved, it would not be advisable to make such sweeping and general statements of condemnation of the whole department. The entire debate of yesterday as well as the other day when we were discussing the projects painted a picture which, if true, will mean that the public sector should cease to function.

Shri Nanshi, Bharucha (East Khandesh) No, no

Shri Nath Pai: We want it to succeed. We want to defend it.

Shri Soman: I can understand constructive suggestions being made and criticisms being made which are of a constructive character. If you will read the various adjectives which have been used, you will find that we are not fit or competent to undertake any job whatsoever. The black or

dark side has been painted in that manner. I do not agree with it. But I personally say that there have been serious mistakes and lapses, and before I conclude, I would like to say a few things about the organisation. But I would appeal to my hon friends that it is better that such matters are discussed in an informal way with the Minister, than that such a dark and black picture should be painted in this House which leaves a very undesirable impression in the country as if the public sector projects are being run so inefficiently, so irregularly and in a manner which is causing such a drain and waste of public funds.

Coming to the question of organisation, I myself agree that the hon Minister should give serious thought to put the organisation on a purely commercial basis so that the three steel plants can run in a sound and scientific manner. Various constructive suggestions have been made in the Estimates Committee's Report. I would certainly like that the Ministry examines in detail these various constructive suggestions and takes concrete and effective measures to ensure that the administration of these projects is put absolutely on a commercial, sound and scientific basis.

In this connection, we have had a lot of suggestions coming during the recent few years as to how our public sector projects should be conducted, the administrative machinery, the board of directors, the cadre of technicians and so on. I mean all these points have been discussed threadbare during the last few years by various committees and various suggestions have been made. It is high time that the Ministry took serious note of all these suggestions and put things in a manner which would not give rise to these criticisms.

One thing more—and that is about the optimistic view taken by the hon. Minister about the supply of steel. Here I want to give a little warning. I have experience of cement. A little over two years ago there was such an

[Shri Somani]

acute shortage of cement that we were compelled to import cement from foreign countries. But, suddenly, with the progressive increase in production, we today find ourselves in a position where the manufacturers of cement have to export part of their products.

Our steel production is going to be doubled very shortly. We have at present over 2 million tons of supply of steel. It is going to be 4½ million tons. It is high time that the hon. Minister and his Ministry gives serious thought to see how this doubling of the supply is going to be utilised. We should not be suddenly faced with a situation as it happened in the case of cement, that steel production will not be utilised and the steel projects will find themselves in difficulty. This is a problem which should receive detailed consideration at the hands of the Ministry. It will not be sufficient just to say that with our growing and expanding economy and with the progressive increase in the need for steel we will have more than double demand, and we will be able to export a part of our production. I would like this matter to be very thoroughly examined before any new scheme for a fourth steel plant or plans for the expansion of these three undertakings is undertaken. It is essential that we should take proper measures to see that our production which is going to be doubled shortly will not be left unutilised.

Shri Naushir Bharucha: Not shortly, not till 1968.

Shri Somani: Anyway I wanted the planning to be done in a manner which will ensure the proper utilisation of our progressive increase in production.

In the end, I will only say that it was not in a spirit of criticism of what my colleague had to say that I said this. I must agree that the criticisms to a great extent are just and that everything possible should be done to ensure that our public sector projects function in an efficient manner.

But I felt strongly, in view of the impression created yesterday, that I should like to express something about this.

Shri Nath Pai: Sir, a word of personal explanation, as he referred to me. It is very nice to hear somebody put up a stout defence for the Ministry. But he should not give an impression to anybody that I was trying to denounce the civil servants. I had said that I will be the last person to abuse the parliamentary immunity which a Member enjoys to denounce people who can never have an opportunity of saying what they feel. I cited an example. I only asked this: Was it proper, was it advisable, was it good business to send one single serviceman to Germany to sign a deal worth Rs 90 crores. He comes back and we find that the German association on monetary basis of Rs 9 crores cannot be had because he did not give thought to the simple thing of Rs 9 crores being taken in this country at the rate of 12 per cent. This is what I had in mind. The Estimates Committee also say this.

"They also find it strange that the administration of the Rs 560 crore steel projects rests largely with two to four officials or erst-while officials of the Government who have had no previous experience of steel industry, or of any industry for that matter."

And it is in this spirit we pleaded that they are good administrators but they have no business knowledge and steel is a business. Let us use the talents of men like him. I have no objection. But I did not cast any aspersion. That is what I want to say. Again the Estimates Committee ended by saying that the association of civil servants will have to be terminated and we will have to get competent men. Now, I think he will agree with me.

Shri Feroze Gandhi (Rai Bareilly): Sir, before you put up Demand No

43—Exploration of Oil and Natural Gas—to the vote of the House, I would like to draw your attention to something.

Shri Speaker: Does the hon. Member want to intervene in the debate now?

Shri Ferose Gandhi: There seems to be some mistake. I want to draw your attention to it.

Mr. Speaker: If the hon. Member wants to speak I will allow him an opportunity.

Shri Ferose Gandhi: I do not want to speak. This may take only a little time.

Mr. Speaker: Has he already spoken?

Shri Ferose Gandhi: No, Sir. The hon. Minister... .

Mr. Speaker: The hon. Minister is here.

Shri Ferose Gandhi: The hon. Minister is here. I want to draw his attention to this. In Demand No 83, Major Head—36, Directorate, Oil and Natural Gas—A 1, page 12, you find in 1958-59, for 390 officers the revised estimate for 1958-59 is Rs. 11,95,000. The number of officers has gone down to 336 in 1959-60 and the Budget estimate for 1959-60 has risen to Rs. 18,86,000, that is, by 7 lakhs. Then, under A. 2, for an establishment of 2850, the revised estimate for 1958-59 is Rs. 13,24,000. The number has diminished to 2222 in 1959-60 and the Budget estimate for 1959-60 has increased by Rs. 10 lakhs to Rs. 23,88,000. I just wanted to know whether this is a printing error. If it is a printing error it could not be put to vote.

Mr. Speaker: Are there no explanatory memoranda for this?

Shri Ferose Gandhi: There is nothing Sir. I have already pointed it out to the hon. Minister.

Mr. Speaker: The hon. Minister will note it and reply in due course.

8 LSD—4

Shrimati Benu Chakravarty: Mr. Speaker, Sir, we have just had a delectable sight of seeing how Mr. Somani has rallied to the side of the Ministry.

Mr. Speaker: What I was wondering was that hon. Members who are wedded to the public sector have formed a private businessman to support the public sector, himself opposing it, according to him. Now, Mr. Nath Pai has explained it. The hon. Member may go on.

Shrimati Benu Chakravarty: Sir, I do not know what really was the point in your intervention at this stage. In any case, it was quite a delightful thing to see Mr. Somani rallying to the aid of the Ministry. But the last sentence which he uttered gave the real clue to the whole story and that was that we should not have any more steel plants in the public sector.

Shri Somani: No, Sir, I never said that.

Shrimati Benu Chakravarty: And the real reason for that is whatever price we may have paid—there is no doubt that we have paid through the nose—there is one truth, that the country is going to produce steel in the public sector and the price of private sector steel will come down, whatever happens. I think that the conclusion Shri Somani has drawn from cement cannot be applied in the case of steel because cement still continues to be produced in the private sector. And, if my information is correct—of course, Shri Somani says that the Tariff Commission is very rigid and very conservative and has tightened the screw on and all that and the profits derived from cement are not enough for him—in spite of all that he says, the profits of cement are still on the high side. I am sure, in a poor under-developed country like India, if we could have brought down the price of cement, if there was really some competition

[Shrimati Renu Chakravartty]

from the public sector in the cement industry, there would have been no question of a surfeit in cement

As far as steel is concerned, this kite-flying has been going on for some time that we are going to be surfeited in steel. We shall not be able to sell steel. But, in a country like India, if we really want to industrialise, if we really want to have modern implements and the latest methods in agriculture is there any limit to which steel can be utilised, provided we can make it economical and within the purchasing power of the people? Every person will use it if really we can do it. Therefore, this question which is being raised by the Tatas and Mr Biren Mukerjee and now by Mr Somani, "please do not go ahead, please do not go ahead", is in a way affecting the public mind. I think this has to be taken very seriously and we should have no idea of trying to restrict what we should do. The sky is the limit. What is our restricting factor? The restricting factor is money at our disposal and that is where economy has to be brought about.

It is very surprising that Mr Somani had no constructive criticisms to offer. He could not say how we could economise and how we can go forward. There is a feeling in the country that criticism against the public sector means that we are against the public sector. Before I start, I want to say very clearly (*Interruptions*): At least that is being tried to be shown and I think the intervention from the Chair was out of fear.

Mr. Speaker: Yes; out of fear.

Shri Nath Pai: And you did very rightly, Sir.

Shrimati Renu Chakravartty: I want to make a categorical and clear statement that when we make criticisms they shall be sharp criticisms.

They are so because we want the Steel Ministry and the Hindustan Steel Private Ltd, and the other industries connected with steel to come out and have the pride of place in the country and not because we think the private sector has done better. We have a private sector in this industry for the last so many years. What has been its record? Has it been better? If we go into the rottenness and all the mistakes, then we will know. I am glad that Shri Somani has admitted that they were making mistakes. Our criticism is to see that there is a sharp break from this rottenness and new standards may be set up so that the hire and fire system of private sector is replaced by a system where no profit criticisms but merit may be rewarded. We want to have a new social outlook in this sector. That is why we are saying these things. Economy on the one hand and a new outlook on the other are the two main, basic things which we want to see followed in the public sector.

18 hrs

Having said that, I would like to go to my first suggestion. The Ministry of Steel, Mines and Fuel is a strategic Ministry—the three departments dealing with industries which are basic to the essential needs of industrialisation. My first idea is it is a hotch-potch Ministry which really does not do justice to any of the three major departments. It should be split up if we want to do justice to each of them. If any country could go forward successfully developing steel, coal and other mineral ores and petroleum, then that country will have got the Aladdin's Lamp and found the way to the land of prosperity and plenty. Therefore, I would very much like the Government to consider this point especially because we have allocated for all these—steel, mines as well as petroleum—special places in

the public sector. They belong to the special schedule, whereby the further development will be entirely in the public sector, as such the responsibility of the Government will be very much heavier than in many other departments of Government. Therefore, I make this suggestion that this Ministry should be split up.

Acharya Kripalani (Sitamarhi)
Adding more jobs

Shrimati Renu Chakravartty. I have one lurking fear because I have seen the top heavy administrative set-up not only in this Ministry but of almost all Ministries. I was surprised, as I was going through the figures, that the officers' pay was quite disproportionate to the staff's pay and the allowances and honoraria and other things. For instance, let us take the Department of Iron and Steel. I have just called out a few figures: 31 officers draw Rs 2,17,000. One Secretary seems to be drawing about 48,000 a year which comes to about Rs 4,000 per month. In comparison to that 150 class III and 62 class IV servants draw Rs 2,20,000. This morning we had a question about the socialist pattern. It is surprising how this terrific disproportion can still exist. In the travelling allowance, dearness allowance and other honoraria, here of course I must say that the dearness allowance and other things under the category should according to us be incorporated into the wages. If I come to the Iron and Steel Control organisation, what do I see? There are 35 officers drawing Rs 3,64,000 in comparison to 706 class III and 128 class IV drawing Rs 13,27,200. The travelling and the dearness allowances come to Rs 10,72,000. I do not want to go into the Department of Mines and Fuel. The anomalies have already been pointed out. There, 75 officers draw Rs 8,21,000 of which almost a lakh of rupees is paid to one Deputy Secretary and six Under Secretaries in comparison to two deputy assistant

petroleum officers whose pay seems to be reduced. In comparison to that in the Department of Mines and Fuel, 424 class III and IV people get Rs 4,62,300.

Mr. Speaker: The salary is the same for all these servants. The only question is whether so many are necessary or not.

Shrimati Renu Chakravartty: If that is so, if that is absolutely on par with Ministries, how is it that there is so much discrepancy between even the Department of Mines and Fuel and the Department of Iron and Steel?

Mr. Speaker: Therefore, the one question is this: If the salaries are equal to the salaries here, why should so many be appointed? That will be the point.

Shri Nath Pal: There are disproportionately low and high salaries also in the same Ministry.

Shrimati Renu Chakravartty. I only want that the three Ministries should be split up. Here we see how disproportionately things happen in the Government departments. I know the explanation which the Minister will give. He will say that it is the set rule and set pattern. We want to get out of these set rules and patterns. Let us have more people. I do not mind. But let us have some less disproportionate figures placed before us.

None of us will have time to deal with petroleum. Coming to the question of steel, what I want to say is that these discussions are taking place at a very important time. With the commissioning of the two blast furnaces, we have reached the end of a period which I would like to term as a period of exploration. We have now reached a stage when we can look back at our mistakes and achievements. We should be in a position to know our basic mistakes. Although

[Shrimati Renu Chakravartty]

the Minister has said that we are going to learn from our mistakes, what have been our basic mistakes? That is not very clear. Are we trying to rectify them? The Estimates Committee's report will be very useful to the Ministry and I hope he will give good thought to it and adopt the recommendations made therein.

The second reason why I say that this is a very important time when we are discussing this report is this. We have reached a very critical stage. On the one hand we want a rapid expansion of the steel industry and on the other hand the situation especially in the context of foreign exchange difficulties has made us very careful regarding expenditure. These two things have to be combined together. We have to husband our resources to the utmost. The third reason why the discussion now is important, is that we have now reached a period when the Third Plan is to be formulated. What perturbs me is not that mistakes have been committed. They have cost us dearly; they are bad but we do not seem to have learnt from our mistakes. What disturbs me most of all is the statement made by the Minister in his speech yesterday. He says:

"In this process, mistakes would, no doubt, have been made and almost everyone engaged in the task would be able to say in the light of experience how things might have been done better.... our endeavour should be to benefit for the future from the many and varied experience of the past."

That is good. But then what does he say:

"... That cannot be done hastily or in mid-job, so to say."

First the job should be finished and then only things can be improved. When a person gets into the mire, one

tries to get out of the mire even in mid-way and he does not try to get more into that mire. So, he puts an excuse: after all we are in the middle of the job and so let us not do anything to change the policies or anything in the middle or at the moment. I think it is a very dangerous thing. We have to change where we have made mistakes so that we do not make further mistakes. There can be no excuse that there will be further delay. These explanations would not do. I am sure that there are many avenues where we can make amends even now. That is what I am going to suggest. I do not want to go into the past. The past is there; Shri Morarka dealt with it and in the Estimates Committee also it has been very categorically stated. Let us see what is happening today. To my mind, our greatest difficulties arose out of two basic weaknesses: defects inherent in agreements and contracts as a result of which the foreign consultants and suppliers of machinery took full advantage and made us pay through the nose. That has been amply explained on the floor of this House and by the Estimates Committee. The second thing is our abject dependence on foreign experts. These were the two basic defects. We have now reached a stage when we must learn from our mistakes and when the expansion and economy must go hand in hand. We have to so plan, coordinate and design our projects keeping a sharp look at the special characteristics of our own raw material position, technical manpower position and we have to set up a strict list of priorities and of doing things in the most economical way possible.

Sir, Shri Somani said, well, mistakes are made, costly mistakes are made, what can be done. We cannot afford to do that. Of course, mistakes are made, genuine mistakes are made, but it is about avoidable mistakes that I am talking about. Let us be clear on that score. Let us not mix up matters.

This can only be done if we make full use of our Indian technicians. I want to make a very strong plea on behalf of our own technicians. If we inject into the Hindustan Steel Limited engineers having knowledge of steel technology, and if we shake ourselves and the Hindustan Steel out of the slavish mentality of depending too much on foreigners, I am sure we shall be able to do a much better job.

How can we expect foreigners, especially those who themselves come from the private sector like Krupp-Demag, GHH or ISCON not to help themselves to their own self interest and rather guard our national interest? In Bhilai, it is true that things have gone better because it is from a Government to Government basis. There private profit is eliminated. Even here, I would say that a very good job was done in the case of Bhilai because we sent our own team of experts to the Soviet Union, they visited many of the steel plants there and the Soviet experts helped them. Our technicians also gave them an idea as to what would be the most suitable things to adopt in our country under our own conditions. That is why, I say, Bhilai has come out to be the best. It is only because there has been the greatest co-operation between our technicians and the Soviet experts. (*Interruption*). It is true that we have many more experts there, but I think on the whole everybody will agree that if we can do with lesser people the Russians won't mind, they would go away. That is the one area where Indians have been taught to be in charge even in the commissioning stage. The large number of Soviet experts who remain there will commission the plant, but actually the Indians will be in charge. They will stand beside them and teach them, and as soon as they have been taught they will go away. But at Rourkela and Durgapur, we have found that if there are foreign experts they will help the foreigners—the Germans will help the Germans. We

have found that Krupp-Demag helped GHH and GHH helped the German carpenters. ICC helped ISCON and we had to pay heavily.

Let us see what is happening at Durgapur. Actually the Estimates Committee has not said very much about Durgapur because it is just starting its work. Now, here again we find that this wonderful package deal of ours was a package deal in everything else except in one very important aspect. The commissioning contract is not there. As soon as they erect the plant they will hand it over to you and then the commissioning is left to you. It is a very serious defect that has been brought to notice. We will now have to think about having a commissioning contract. What it will mean to us in terms of money and other things, I do not know. We have been assured that the estimates will not jump up any more. I suppose the hon. Minister will say that he only made the estimates up to the point of construction and for the commissioning it will be separate.

Sir, I do not want to go again into the whole question of defective piling at Durgapur. It is a scandalous state of affairs. We have got the ICC. We have got the ISCON. We have paid once over Rs. 15 crores to ISCON. Earlier we have paid Rs. 8 crores altogether for six years to ICC. All this has happened. What was the ICC doing? Was it not there to safeguard the interests of Government? It was our engineers that detected the mistakes. It is a fantastic position that we are paying through the nose, we are having tier upon tier of foreign consultants, and still even the pilings, the foundations even are being done without our consultants, who are supposed to be ICC, protecting our interests. What were they doing?

Again, Sir, I want to raise a very important question in this House, regarding the entire atmosphere at Durgapur. The entire atmosphere at

[Shrimati Renu Chakravartty]

Durgapur is vitiated with the stinking atmosphere of the white man's superiority. I was surprised to read in the *London Economist* of 14th February, 1950 where they talk about racialism and say

"It is hard to believe that, eleven years after India became free and sovereign, a colour bar should still be applied in a Bombay swimming pool"

Then they say

"Such a bizarre exception might be held merely to prove the rule, but there are many less bizarre, and more alarming instances, ranging from the supercilious conduct of certain senior British staff at Durgapur, where Indo-British teamwork is furthering India's steel programme "

Sir, most of our Indian technicians, some of them very experienced, have felt the pinch of the behaviour of these people. Our engineers are not allowed to do anything. We are told that according to our agreement there is nothing about know-how, we are not supposed to get any know-how. No blue-prints are allowed to be kept by us. The blue-prints are sent to the General Manager and quickly taken back again before we can even keep a copy of them. They say we are not entitled to have any know-how. Again, of course I do not want to take up the case of individuals, I think the hon. Minister should know that there are individuals whose behaviour is not as it should be. In the General Manager you have a very kind gentleman, a man trained in the pucca ICS tradition. He is very nice and amiable, but I am afraid that he is unable to take decisions. He is timid and he is unable to see the new social forces which are growing around him. He is still over-burdened with his old bureaucratic mentality, and I am afraid such a person cannot stand up

to these white people who are behaving in such an arrogant manner. The atmosphere there has gone to the level that they almost amount to saying "Mr Sen, when we have finished and everything is ready we will hand them over to you; before that, please do not come to us."

Mr. Speaker: Are not our engineers allowed to know how they are setting up the plant and machinery?

Shrimati Renu Chakravartty: We have not got it in the contract. That is a big weakness in the contract itself.

Mr. Speaker: If anything goes wrong what are we to do?

Shri Nath Pai: God alone knows, or the Minister knows. We pay Rs 14 crores for these technical services.

Sardar Swaran Singh: That is not precisely correct, Sir, I will clarify that.

Shrimati Renu Chakravartty: I hope he will clarify.

Mr. Speaker: Anyhow, I remember to have admitted a question the other day wherein it is said that those people are still thinking they are the masters in this country. (Interruption) It is stated that the directors there still seem to feel that they are the old Europeans who are ruling this country.

Dr. Melkote: That is the impression created.

Mr. Speaker: That is a question which I have admitted. I do not know what the answer will be.

Sardar Swaran Singh: My answer will be "No", that that is incorrect.

Shrimati Renu Chakravartty: I hope the hon. Minister will take the House into confidence. We all come from that area. Even those who do not come from that area will very

well know the atmosphere there if they have a talk with our technicians and our engineers who will give expression to that humiliation.

Sir, to say the least about humiliation, we have developed a phobia about foreign experts. All experts are not experts. Many are for less experienced than our own engineers. Take the case of ICC itself. They are supposed to look after the interests of Government of India. We know how they have looked after our interests. Except for the head of the ICC, Mr Bankston, all others could easily have been scrapped. Yet they are our overall consultants. We have our own consultants in each project, and on the top of that they are our overall consultants for which we pay crores of rupees. They are also our consultants at Durgapur. Any reference to ICC cannot be answered by them. They refer it back to the consortium, whoever is supplying the plant. Yet, ICC is supposed to be on behalf of the Government of India, doing all the forward thinking, looking into everything and having complete control of the matter. But, in fact, ICC is nothing but a middleman, not worthy of being our overall consultants. If many of us had our way we would have scrapped ICC. Also, they have not given us the best and most modern plants and process. It is very necessary to discuss this, because at this moment we want to get the maximum benefit out of the existing steel plants, we want them to produce to their maximum capacity because it is much more economical that way.

In this context, it is of great importance that we expand first to full capacity our three steel plants at Rourkela, Bhilai and Durgapur. Actually, I believe, HSPL has already asked the project to go ahead and suggest ways and means to expand the existing capacity. But what has happened in Durgapur, for example? What is happening in actual practice? It is no use asking for something and then not being able to know where

we are being actually taken and where the sabotage is coming in. ICC and ISCON are giving such advice which is actually contrary to this very objective and HSPL is accepting it. Of course, how can we blame the HSPL directors. They are composed of men innocent about the technology of steel.

Shri Nath Pai was rather mistaken when he said that we have got only ICS men. It is not so. We have got two or three engineers. We have one experienced engineer of the CPWD, a very eminent man possibly in his own field, and another is from the Railways. But still, steel is such an industry which needs men with the technical know-how of steel. It is an industry in which newer and newer methods of technical knowledge are being advanced all the time, and it is necessary for us to be able to know which is the best and the most economical method which would yield the best production. For example, the ICC has given us a plant which has a low melting rate of 20 gross tons per hour from the open hearth even after desiliconising process, while modern mills have anywhere near 40 to 45 tons melting rate. If we had this, how much more production we could have had? After all, we are paying very high amounts. We are not paying very little. Everybody knows the size of our steel plants, and we have gone round the India 1958 exhibition and the steel pavilion. We know that the duplex process is one of the best and well-known processes for producing good steel, and also we will be able to get the maximum production but yet, this process has not been adopted. The simple open hearth process, even with the desiliconising process, will yield far less than the duplex process.

Recently, one more thing has come to our notice. That is, the high top pressure at Durgapur blast furnace has been permitted by the Hindustan Steel Limited to be dropped from the contract for the time being. I believe one of the Indian engineers has said that we need not have it just

[Shrimati Renu Chakravarty]

now. Naturally, the ICC got hold of this and the Hindustan Steel has also got hold of this. Everyone knows that high top pressure is to-day accepted as a very important process for producing the maximum quantity from the blast furnaces. But it has been dropped. Is it to our national interest? Is this the way to really get the maximum capacity?

Let us take certain other aspects. For example, we are a poor country and we have to have certain priorities. We are rich in raw materials for the industries, and we have large quantities of ores, and it would have been much more logical if we had first put up a cinderling plant in Durgapur for the furnaces, because it is known, and we have been told about it in Bhilai also, that with the cinderling plant, the production goes up and it is economical on coke. Instead of putting up a cinderling plant, what have we done? We have put up a huge ore mixing plant, a huge, expensive affair, which we might have installed it at a much later date, when we had more money. The result has been that at Durgapur we have paid Rs 18 crores for the three blast furnaces and we could not gain the maximum in production because Hindustan Steel are neither capable of judging themselves nor did they get the help of Indian Consultants.

Take again the oxygen plant. We have seen pictures about it. We know that oxygen is a very important element for the good production of steel. The more oxygen there is, the more flexibility there will be in the production of steel and the steel will also be of better quality. Yet, we have been given in Durgapur small units of 50 tons. But after our engineers insisted, they have given us two 100-ton units. We must have bigger units for better production.

I have given all these facts because it is pointing to one important conclusion, and that is, we have to have

Indian engineers and technical men at the helm of affairs and not be abjectly dependent on foreigners. This is all the more absolutely necessary now, now that our foreign exchange position has become so serious. If we are really serious about learning from our mistakes, our national interests point directly to two things. Firstly, Indian engineers, experienced in steel technology and manufacture must be taken on the Board of Directors of Hindustan Steel. I do not want to go into the question of ICS officers. They may be good or bad. Some are good officers and some are bad officers. There are good officers, there are bad officers. There is no doubt about it. But any type of engineers is not good enough. We are going to be told that we have got engineers and technical men for Hindustan Steel we need a certain percentage of technical men, and indeed a good percentage of men knowing the technical know-how of steel and steel technology.

Secondly, the Government of India must appoint Indian steel consultants for the setting up of the steel projects. The third thing, about which I shall speak a little later, is the way and type of designs organisation which should be set up. Dealing with the first two points, that is, the question of the Board of Directors of Hindustan Steel and the question of Indian consultants—

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

Shrimati Renu Chakravarty: The answer has been given by the Estimates Committee itself. They have said that although there is one firm of Indian consultants in iron and steel, they have not been used at all. I believe that since then, in answer to a question, we have been told that they have been asked to prepare one of the reports for the fourth steel plant. But still we do not know whether they will really be the technical consultants for the Bokaro project or they will be only given a little bit of

work here and there. We do not know whether or not this firm of Indian consultants will be made the Government consultants to look after our national interests. We were told that we have got in this firm a TCM expert. We are surprised. If he can be an acknowledged TCM expert, who sent him to examine Bhadravati why cannot we accept him as an expert at least to look after our national interests? At least why not have a second opinion from him, if you do not trust him for a first opinion? The work of the consultants would be not only to do overall planning but to co-ordinate designs to suit the local conditions, and to set up priorities, also keeping in sight the local conditions about raw material, communications, personnel, the timing of the various sections to commission the plant on schedule, etc. All this could be done by the Indian consultants. Also, they could help in setting up and directing the designs organisation.

Here, one question may be put by the hon. Minister and I should like to answer that. Can we do without foreign experts and know-how? The answer is that at the present moment we cannot completely do without it. But I would like the House to consider what is the type of know-how and what is the method of getting that know-how. We are young in the field but we also know that we have got a very fine band of technicians trained abroad. And here also we are training them. Without reducing or trying to minimise the question of lack of personnel. I think we are overdoing this 'lack of personnel'. I feel that for obtaining the know-how in which we lack, we can go to the particular individual sources, for the particular know-how of process, the knowledge or which we lack. After all, we pay for it, and so we go to the actual source. That is the best way. We pay for that particular item of know-how or process of supply and get it. It is not necessary for us to have overall consultancy from a foreign firm, because that has cost us very dearly.

Sir, you have rung the bell. I had many other points.

Mr. Speaker: I have given half an hour for her.

Shrimati Renu Chakravarty: Yes, Sir. I know you have been very kind. The other point which I wanted to bring forward is about the Board of Directors of the Hindustan Steel. I do not want this to be made into a very frightening affair by saying that we have not got the technical personnel for putting them on in the Board of Directors. Why do we not give some of the best metallurgists and technicians we have in the three steel plants a chance and elevate them to the Board of Directors? The Board of Directors need not be at Delhi. The Estimates Committee has recommended that one of the plant sites should be the headquarters of the Hindustan Steel.

Regarding the designs organisation also, the Estimates Committee has rightly criticised that we do not take it seriously. We were so engrossed in getting tier upon tier of foreign experts that we did not realise how important it was to guarantee and get the maximum know-how. I have already talked about the package deal in Durgapur. The German agreement had a clause about it but it was ignored. It is a very funny thing. It was at Bhilai where the Russians were asking us to give them people to train, and we were found wanting. I believe that this designs organisation is going to be set up at Rourkela. I do not know why Rourkela has been chosen. Anyway, I do not mind that, if it is the particular fancy for them to have it at Rourkela. Certainly they may have it there. But the only thing that I would like to say about the designs organisation is that it should not be reduced to a draftsmanship job. It should not be that you just put a draftsman section there. It should be an all important unit which will have to fulfil a much bigger task of knowing the best processes suited to given conditions, the

[Shrimati Renu Chakravarty]

implications they will have in relation to the raw materials. A man with a metallurgical background, capable of discerning all this should be heading this organisation. We should have a good team of people for that.

I would also urge that it should be an independent unit. It should not become a part of Hindustan Steel. Then alone it would be able to give impartial opinion without favour or fear of the department. Another important reason is, if it is a fact that a heavy machine building plant at Ranchi is going to produce steel plants, then the design unit will have as much to do with HSPL as it will have to do with the heavy machine building plant at Ranchi. Such a design organisation with close liaison with Indian consultants, the HSPL and the heavy machine building plant, with foreign know-how wherever we need it and wherever it is absolutely necessary, this set up can enable us to make the fourth steel plant by ourselves with a small dose of foreign help.

Coming to the alloy and tool steel plant, I would like to say that in the case of all the plants which we are setting up, whether it is Kiriburu, Kargalik, Dugda or the pipe foundry at Rourkela and the alloy and tool steel plant, it is foreign consultants and foreign consultants. Why are we suffering from so much inferiority complex? At least, cannot we associate Indian consultants with them? Can we not learn from what we are paying? In the case of the special alloy and tool steel project, two or three foreign parties have been asked to submit project reports and there are three or four sections. I believe there are royalty clauses in some of these foreign contracts and these royalty clauses may sometimes go on for ten years and even more. We should be very careful about this. Let us not think that the same old story will be accepted by this House that "a very specialised knowledge is needed",

as we were told in the case of Rourkela "shuttering". We have had alloy and tool plants in the ordnance factories and in Tatas also. We have got a little bit of knowledge about it. We may need to go to foreign sources for some processes, but certainly we should not feel so helpless about this.

I have no time to go into how the various plants are proceeding. But I would like to say something about the production of pig iron at Bhilai and Rourkela. Both started on the same day. Whenever we have put a direct question to the hon. Minister as to the quantity that is being produced on an average daily at Bhilai and Rourkela, the answer is being evaded. Yesterday we were told that at Rourkela it is 500 tons, but we know that it has gone down to 100 or 200 tons at times, I might say that it is not a minor defect in Rourkela. In Bhilai, it has reached 1,000 tons. Why not give these straight figures? It would be much better. I ask, is not the cause of Rourkela's troubles due to hurry which was put from Delhi that the blast furnace at Rourkela must be started 24 hours in advance of Bhilai? It is just because Bhilai must not come first.

We have been assured by the hon. Minister that it is only a minor defect about the casting or some small defect which has been repaired. Of course, speed is necessary, this House has urged speed. But sometimes speed beyond the cautious limit laid down by technologists effects the life of the plant and we hope in this case we will have to have earlier replacements due to this hurry. I hope this will not have to be done.

I will only plead with the hon. Minister. Mistakes we have made, but let us not be afraid of changing our ways. Let us know the basic mistakes, where the real fault lies and let us change even in midstream because

that will be much better and cheaper. The man of steel will really be the man who will be building the India of tomorrow.

Shri Oza (Zalawad): Mr. Speaker, Sir, the Ministry has had a sufficiently long innings of brickbats and I have no desire to carry it further. On the contrary, I have to congratulate the Ministry and the Minister, not so much for the success they have achieved—of course, they have achieved a fair measure of success—as for being associated with the development of a very vital factor of our economy. The country is looking at the progress of the steel projects with great expectation mixed with hope for the fulfilment of which we have made a very large provision in the outlay of the second Five Year Plan

Of late, there is some criticism about the execution of works in the steel plants. It has been alleged that there is wastage due to defective planning, that some favouritism has been shown here and there and sometimes one gets an impression that there are some instances of malpractices. As has been rightly pointed out, we have to be very watchful. It is true that we have been taxing the people and asking them to pay through their tears; the anxiety exhibited here is highly appreciable and we are thankful to the friends for drawing our attention to some aspects. I must make it abundantly clear that I am not less anxious about the proper utilisation of our funds. On the contrary, while speaking on the general budget, I said that not only every rupee should be well spent, but people should be made to realise that every rupee is well taken care of and spent with great care and thrift.

But there is another aspect of the issue. We have undertaken a big and stupendous task, which to my mind is more than what our natural propensities in men, material and money and, shall I say, character, would allow us.

We want not only to develop, but we want it at a very rapid pace, so that we can wipe out the backlog of backwardness as early as possible. As has been pointed out by my learned friend, Shri Somani, we have very little experience of big plants and projects. We have to rely upon help from abroad. All countries are busy building up their own war-ravaged economy. Sometimes speed and meticulous care may not go together. We are almost spending on a war basis. Have we not declared war on poverty? Naturally, there is bound to be some wastage; not that it should be ignored, but we have to keep it in proper balance. Sins of omission in the present context are much more condemnable than the sins of commission. If we do things very slowly and at leisure, we will not commit mistakes, but there is always the other out-balancing disadvantage which is sometimes very injurious to economy. Personally speaking, in a fast developing economy like ours, our officers should be made to feel that not doing anything and not committing an error will be considered to be more condemnable than committing errors in getting things done. In these plants, hundreds of officers are working about whose devotion to work, sacrifice and integrity, we should all be proud. Let not a feeling go round that instead of appreciating their good work, we in this august House are unduly harsh, making sometimes sweeping criticism.

In some of the instances quoted here, if we are to arrive at an inference that there was fraud or misfeasance, we shall have to presuppose a conspiracy between officers of different categories at different levels, which to my mind is not probable. On the contrary, it is highly improbable that such a conspiracy can be hatched and carried out. I do not want to plead for the Ministry. There are able hands to put their cause more effectively. I would only urge them to take the criticism in the true spirit, to put things right and go ahead with godspeed. Our problems arising out

[Shri Oza]

of stark poverty cannot wait for long. I have great faith in the rapid industrialisation of the country. If I can speak a word of cheer or give a pat on the back of those who are working hard, I am sure it will be worthwhile

As in the case of steel, the production of primary energy is also very important. The production and utilisation of primary energy is the standard of prosperity of the country. Primary energy is energy produced from primary sources such as oils, waterfalls, minerals etc. as distinct from secondary energy produced from animal and vegetable waste. In the total consumption of energy of any country a large proportion of primary energy indicates a higher level of industrialisation. In countries like USA, UK, Germany etc. the percentage of use of secondary energy is negligible while in India it is almost two-thirds. That shows how backward we are. For the world as a whole the average consumption of energy comes to about one ton equivalent of coal while in India it is .1 ton. We are far below even the average of the whole world. Our consumption of primary energy is roughly 1/80 of what USA is consuming. No wonder that we are trying to step up our coal production from 38 million tons to 60 million tons during the Second Five Year Plan.

If you go through the Report which has been circulated you will get the impression that both the public and private sectors are playing their role properly. But while one reads the report one gets a feeling that there is lack of coordination between the Ministry of Mines and Fuel and the Railway Ministry. I was just referring to the Report which has been circulated and at page 4 I found we have been given some information about the progress in various mines.

For example, about Kathara in Bihar, it is stated:

"The Colliery is in a position to despatch coal to consumers on a commercial scale, at the rate of 30,000 tons per month, but for the completion of the railway siding which is expected only in March, 1959."

Let us hope it has been done by now. Then, about Gidi in Bihar it is stated:

"Coal has been touched in some of the inclines and about 10,100 tons have been obtained from the drirage operations alone. The Railway bridge has been promised towards the middle of 1959."

In the same way, talking of Saunda (Bihar) the Report says:

"With the completion of the railway sidings, expected by April, 1959, the despatches of coal will start on a commercial scale."

So also, about Bachra (Bihar) it says:

"Coal has been touched in the inclines and some token raising of coal has already been made. The railway siding is expected to be completed by March, 1959, and with this the production will commence on a planned scale."

So in all cases we find that there is lack of coordination between the Railway Ministry and this Ministry. Let us hope that both the Ministers will put their heads together and see that the programme is carried out according to schedule so that we are not suffering in production because the Railway Ministry is not co-operating to the extent it should.

We also want the co-operation of the Railway Ministry in another aspect. We learn that the railways are consuming coking coal while it is not essential for it to do so. It can do with non-coking coal. I think the Railway Ministry should work out a

phased programme for using non-coking coal instead of coking coal which it is using at present. I am sure the Minister will look into the matter as early as possible

While we are on coal I would also draw the attention of the Ministry to the Coal Price Revision Committee Report, which we are eagerly awaiting. As has been pointed out by previous speakers, in the case of steel, we have got uniform price for every railway head in this country because steel is an important raw material for the development of industries, both large and small. So it was necessary to have a uniform price throughout the whole country irrespective of where the particular place is situated. Why not have the same about coal? Coal is an important base for the development of any industry. Without coal even steel cannot be put to any use. Therefore, if any commodity has a better case so far as equalisation of price is concerned, uniform price structure is concerned, it is coal. Particularly those areas which are far away from the coal-fields have a very strong case. Talking about my own place, Saurashtra, we know what freight we have to pay for coal. We cannot compete with other industries placed in a very favourable position. Because of that so many of the industries are languishing. So many industries are closed because they cannot afford to buy coal at a very high price.

Not only is there difficulty about the price structure but there is difficulty about despatches also. About transport also we are experiencing a lot of difficulties. Whatever little we sometimes get is consumed by the railways, because they want it badly. So the wagons which are meant for the industries are diverted to the railways with the result that the difficulties of the industries are aggravated. I am sure the Ministry will look into this properly and at an early date fix uniform price for coal all over the country and see that areas which are

far flung from the coalfields are properly looked after, because now they are not getting coal supply sufficiently.

Coming to the question of oil, as pointed out earlier, a nice pamphlet has been brought out by the National Council for Applied Economic Research on primary energy in India. We know from this what important role primary energy, particularly oil, plays in the economy of any country. It leads to rapid industrialisation of the country. Not only that, politically speaking also, we become very safe, secure. We know that of late this Ministry is showing very nice signs of activity. We have got the Oil and Gas Commission. I was wondering why this Oil and Gas Commission has not been made autonomous. We have so many autonomous bodies for comparatively very small things. So I am wondering why of all communications this Natural Oil and Gas Commission has not been made into a full-fledged corporation, because I feel that many administrative bottlenecks require to be removed. If we want to get things done quickly, expeditiously, we should free this activity from all administrative bottlenecks and hurdles that we are experiencing today, particularly in this Ministry. In promotional activities if at very stage we have to go to the department for administrative sanction, financial scrutiny, technical advice, even technical approval, I think we will not be able to push the programme as early as possible.

Fortunately for us, we have been able to find oil and gas in certain parts of our country, e.g. Cambay. Let us hope more will be found. When the Minister was recently in Rumania he entered into certain contracts with the Rumanian Government. So, more drills will be forthcoming and there will be more exploration, not only exploration in this area, let us hope that it will be possible for us to find oil in very large quantities.

While we are talking of the Cambay region it will not be out of place for

[Shri Oza]

me to express the feelings of the people of Cambay and Gujarat, because they are naturally anxious about the location of oil refinery I am sure the Government will keep in view their legitimate aspirations at the proper time after proper scrutiny and study

I was talking of steel That reminds me of one thing We are told that about 7 lakhs tons of steel will be made available for our re-rolling mills About this also, talking in a way about my own area, we have got some re-rolling mills, and these re-rolling mills do not get sufficient quota for getting them going even, what to talk of utilising their full capacity Even today they cannot work properly because of the lack of proper supply of re-rolling material I request the Ministry to look into this case sympathetically and before new re-rolling units are set up to see that the old re-rolling units are given sufficient supply of steel so that they can keep things going

Mr Speaker: The hon Member's time is up

Shri Oza: Just one word more The criticism that was levelled here was to my mind mainly based on some observations made by the Estimates Committee The Estimates Committee has made very useful and valuable suggestions but all the same while one goes through the report one gets an impression that after all the Estimates Committee has not given the conclusions At the most they have made some suggestions here and there They are tentative suggestions and if one goes through the appendices attached to the Report one also finds that so much material was not even available to the Estimates Committee because it was not forthcoming I would draw the attention of the House to Appendix I where it has been said under the Head 'Information outstanding from the Ministry of Steel, Mines and Fuel, Department of Iron and Steel, as on 2nd December,

1955', that so much material was not forthcoming That shows that the Committee was not seized with all the facts and material.

I also find from the introductory remarks that some witnesses were examined by the Estimates Committee It is said there that—

"They also wish to thank Sarvasbri Biren Mukerjee, Managing Director, Indian Iron and Steel Co., Ltd., Burnpur, G D Somani, M P, Kamalnayan Baja, M P.; M N Dastur, Consulting Engineer, Calcutta and D S Mulla "

I do not know whether all these experts and witnesses were examined in the presence of the officers of the Ministry and whether the officers had an opportunity to put questions to them because, I am afraid, if we examined all these persons in the absence of all these officers or those who are directly concerned with the steel plants we would be led into wrong inferences Natural justice demands, that if we want to draw an adverse inference against anybody we must give him ample opportunity to defend We must draw his attention and say 'Look here, out of this fact, we will make this inference What have you to say about it?'"

Shri Supakar (Sambalpur) That was done

Shri Oza: About these witnesses?

Shri Supakar: Yes

Shri Nathwani (Sorath) Whenever any inference was made we invited the attention of the officials to it.

Shri Oza. When these officials gave evidence?

Shri Nathwani: Officials of the Ministry were not present then But whenever any inference was sought to be drawn by the Estimates Committee it was placed before the officers and their attention drawn to it.

Shri Oza: It is good But I submit that when these witnesses were examined it would have been fair if

an opportunity was given to the officers concerned directly with the execution of these plants to talk it over across the table

I think if we go through the Report of the Estimates Committee we find that they have made broad suggestions

13-55 hrs.

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

As I said in the beginning we have to take this criticism very seriously. After all we have to see that every pie is properly looked after and it is not wasted. We have to create an impression on the country. Therefore, I am sure the Ministry will take this criticism in its true spirit. What I say is that we do not want to dampen their spirit on the whole. We want to encourage them. We want to see that they go ahead because after all, as I said in the beginning, these are very important projects vitally connected with the development of our economy. I am sure the Ministry will put right whatever defects are pointed out in the true spirit and go ahead. That is all that I wanted to say.

Shri Supakar: When we laid the foundations

Mr Deputy-Speaker: I will request hon Members not to go beyond the fifteen minutes

Shri Supakar: I shall try my best

Mr Deputy-Speaker: I will help him

Shri Supakar: When we laid the foundations of these three steel plants in public sector we hoped to build the foundations of the Third Five Year Plan and the future Plans of our country on steel. In the context of that hope we must judge the achievements and the failures of the three steel plants in the public sector. When we consider that aspect we find that our expectations are not fulfilled. The

Estimates Committee had an occasion to remark from very authoritative source that the production and the investment in steel plants should be equal. That is to say that for each rupee of investment the output should be one rupee. But what do we find in the three steel plants in the public sector? We find, for example, that in the Rourkela steel plant although we are going to invest a sum of Rs 212 crores our ultimate production per annum will not exceed Rs 55 crores.

Yesterday, while criticising this aspect of the problem Shri Bharucha pointed out the fact that if we account for the depreciation and the interest charge of the investment this amount of Rs 55 crores on an investment of Rs 212 crores is a very small return. This is not in keeping with what the steel plants in other countries as well as the steel plants in the private sector are going to make out of their investment.

In this connection what pains us more is the first impact of our production. When the pig iron production started from the month of February—we were very glad to learn that we have started the era of iron so far as the Government sector is concerned—to our dismay soon after that we learnt the news that the production is not up to our expectations. We find that though we expected that from both these steel plants at Rourkela and Bhilai we would have 1,000 tons of pig iron produced every day we are told in reply to a question by Shri Malaviya that the production in Rourkela is only 345 tons per day. Yesterday, we were told that it is near about 500 tons per day. But it is only 50 per cent and if we compare this with the fact that our production is 25 per cent of what other people produce in similar circumstances and we are not able to fulfil even our own expectations and that too to an extent of 50 per cent we feel very apprehensive. Unless we take active steps to see that matters improve—and improve in a very short period of time—I am afraid that disastrous consequences may ensue so far as our

[Shri Supakar]

future plans are concerned and so far as the future of our future generation is concerned. Therefore we must do all that we can to see that the future stages of production, namely, the production of steel from pig iron stage and also our future development is so adjusted that further losses do not accrue.

In this connection I will say that the difficulty arises because the management of the Hindustan Steel Limited and the Steel Ministry keep so far away from the actual places of production that they do not realise the difficulties and the troubles and they do not meet the exigencies of the situation whenever they occur. On the other hand, as has been remarked by the Estimates Committee, the decisions of these steel plants are really the decisions of two or four persons sitting in New Delhi. The committee that has been appointed by the Board of Directors meet from time to time and come to certain conclusions. Their conclusions ultimately become what is called *fait accompli* and the Board has perforce to ratify those recommendations. One of such instances where this small committee has gone wrong or where the Board of Directors have doubted the wisdom of such directions has been pointed out by the Estimates Committee at page 36 of the Report. There have been other instances also which have not been mentioned.

But I would submit that so long as the decisions and directions continue to emanate from New Delhi at a distance of more than a thousand miles from the steel plants, such mistakes and blunders are likely to recur. Therefore, unless Government shift the Hindustan Steel (P) Ltd., to one of these places, preferably Rourkela, these mistakes and blunders are likely to continue.

14 hrs.

Sardar Swaran Singh: Why Rourkela? Because it is in Orissa?

Shri Supakar: I say Rourkela because it is equidistant practically from the other two public sector projects.

I shall now point out one other instance in which Government or the Board has not taken into consideration the economies of the projects, to which I have drawn the attention of Government from time to time. For instance, there is the transport of iron ore from the mines to the steel projects so far as Rourkela is concerned. You know, Sir, that so far as Bhilai was concerned, Government took very active and early steps to construct a railway line from the steel plant to the mining area, but they did not take any steps whatsoever to connect the Barsua mines with the Rourkela steel plant. The Estimates Committee has remarked that for each year of this delay, Government undergo a loss of about Rs 68 lakhs in freight alone. I would submit that this is an underestimate, actually, if we calculate from the freight rates, from a single item of freights alone, Government have to undergo a loss of more than Rs 1 crore per year, and this is over and above the extra amount that they have to pay on account of profits on ore, for purchasing ores from the open market.

In this connection, I would submit that though we propose to develop the steel industry at a very rapid pace, yet we find that Government propose to export raw iron ore to Japan, and we do not understand very much the logic of this proposition. Last year, there was a proposal that every year two million tons of iron ore would be exported to Japan, but we find very recently from the newspapers that they are going to export four million tons every year. Why should this be so? And if they have to export anything for earning foreign exchange, why should Government not export instead of iron ore, pig iron or steel to those countries? I fail to understand. If we deplete our resources of iron ore in this manner, I believe that in course of time when

India develops her industrial potentialities we shall be faced with greater difficulties, and we shall then have to run to the doors of other countries for importing iron to our own country. So, Government should not take a very short-sighted view of these matters.

Before the three steel plants fully go into operation, Government have contemplated in the meantime to establish a fourth steel plant at Bokaro. In this connection, the Estimates Committee had the occasion to remark that it was more economical to develop the present plants before they went in for a fourth steel plant; and even when they went in for the fourth plant, they must take into consideration certain data which they have enumerated at page 88 of their report, such as:

"a complete estimate of the capital cost

- (ii) the manner in which the requisite funds are to be raised,
- (iii) the estimated value of products proposed to be manufactured,
- (iv) the estimated cost of production, and
- (v) the estimated margin of profit"

before they started a new plant. I do not know whether these things have been taken into consideration, and whether Government have begun collection of these data.

I now come to some of the problems especially in connection with the Rourkela steel plant. There, the two important problems which concern the people of the locality are the problem of labour and the problem of rehabilitation of the persons displaced.

So far as the labour problem is concerned, it is a matter of regret that though Government have enunciated the policy that so far as the non-technical personnel, especially of class III and class IV are concerned, the local

people should be given adequate consideration, yet the local people are not given any chance, and people from outside are preferred.

I found the other day that not only in the case of class III and class IV posts but even in regard to posts in the higher services, so far as the Bhilai steel plant is concerned, the advertisements usually show that applications are invited from residents of Madhya Pradesh, but in the case of Rourkela, it is from the whole of India. It is not only that, but so far as people from Orissa are concerned, they even fail to get the application forms when they apply for them, let alone their appointment.

Regarding rehabilitation, there has been strong agitation about the way in which the local people, especially, the Adibasis are treated. This matter has been raised in this House, and the hon. Minister has replied from time to time that it is the responsibility of the Government of Orissa. But the Government of Orissa is only an agent of the Government of India; so, the main responsibility, or I should say, the moral and the legal responsibility rests with the Government of India. Unfortunately, in this matter, Government have not done their duty even by one per cent.

I would submit that not only have the promises that were held out to these people not been fulfilled but they are driven out from their hearth and home most mercilessly without notice; with the help of bulldozers and the police their houses are even destroyed, without any adequate arrangements being made for their rehabilitation.

I had the occasion to visit the Barsua mines, and I found that one of the important rehabilitation centres, that is supposed to have been located, was at a distance of 20 miles from the steel plant; and it is difficult for those people to whom Government have promised employment in the steel

[Shri Supakar]

plant, that they should live at a distance of twenty miles, with no adequate housing and other provision made for them to live there and work in the steel plant

Regarding payment of compensation also, we find the same story as in the Hirakud area where people have not been paid their compensation even after a lapse of twelve or thirteen years. The same picture is emerging here also, and people are mercilessly turned out of their houses and their land, especially the Adibasis who are helpless. Unless the Government of India take up this matter upon themselves, I do not think that there is any hope for these people.

Shri J. R. Mehta (Jodhpur): I wanted to begin with mines and fuel, but I am switching on to steel because this House seems to have developed somewhat of an affection for that metal.

Shri Nath Pai: Concern for it

Shri J. R. Mehta: The outstanding feature of this debate has been that the recent report of the Estimates Committee on the steel projects has loomed very large in our discussions. This is quite natural because the Estimates Committee is a very important committee of this House, and has great achievements to its credit, and has developed a special knack of throwing light into the dark corners of Government administration.

I do not propose to sit in judgment of what the Estimates Committee has said, for it will be presumptuous for me to do so, nor do I propose to say anything categorical one way or the other on many of the controversial issues that have been raised because, evidently, all the relevant facts are not before the House. But I will take the liberty of giving expression to some broad reactions which have been created in my mind by reading the Estimates Committee's Report and the reports furnished by the Ministry and listening to the debate here.

One of the major grievances that has been voiced in this House is that

the Ministry or the Government has been lacking in a sense of planning, and that these steel plants should, as a matter of fact, have come much earlier than they have done. In the first place I would submit that planning is a matter with which the Planning Commission is charged. Secondly, when the First Five Year Plan was drafted, this House in its wisdom thought that stress should be laid on agrarian economy rather than on industrial development. Planning, I submit, is not made in the abstract. It has relation to factors internal as well as external, and it is clear that this House in its wisdom, and the Planning Commission, decided that the steel plants should come during the Second Plan. While on the one side we are told that we have been rather late in this respect, we have heard it asserted from several quarters in this House that it has been a wrong step on our part to bring in the steel plants and that they should be scrapped in favour of emphasis on food production. This is rather amusing, and I do not know how to balance one view with the other.

It was stated here by one hon. Member, I think it was hon. Shri Naushir Bharucha, that if these plants had come in 1954 or 1955 we might have saved Rs. 320 crores in one year or so of foreign exchange. This is something like saying that if Mahatma Gandhi had started the non-co-operation movement in 1911 instead of 1921 and got independence ten years earlier, then probably by now we might have been in the middle of the Fourth Five Year Plan and been in advance of most of the countries of the world! I do not think that is a realistic way of looking at things.

Shri Nath Pai: You are misleading. That is not what he was saying.

Shri J. R. Mehta: There is another grievance which has been voiced, and that is that there have been large increases in estimates and constant variations. My submission is that in

a project of this dimension, and in a project in which we have so little experience, variations and modifications from time to time are to be welcomed rather than criticised. I think it would be a tragedy if we were to be told that no improvements or modifications would be made in the original plans. I will cite just one instance. For instance, when we knew that the gas that the coke will give out could be utilised for fertilisers, surely it would have been a mistake if we were not for installing a fertiliser plant at that stage. Hon. Members may also consider their own experience of constructing small residential houses. When we start, we estimate that it will cost so much, and as we go along, I am sure it is within the experience of hon. Members that we have to revise the estimates so often and make additions and alterations. So, in a venture of this sort, we should not be unnerved if there are variations and modifications from time to time.

There is one other point to which I shall refer, and that is that something has been said about the terms of the contracts which have been entered into with the foreign firms. My only submission is that we did not have the know-how, and we were more or less in a sellers' market. So, we had not much choice left, and we had to make the best of a bad bargain. So, what I plead is that we should have a sense of perspective and we should not be too meticulous in matters like this.

There was a suggestion made yesterday, I think it was by my hon. friend Shri Nath Pai, that he would have preferred local technicians to take charge of the job, and even now he suggested we should put them in charge of these jobs; does not matter how we blunder, but we will learn by our mistakes. I appreciate the sentiments which prompted him to say that, but I think that on serious thinking he will agree that it will be a mistake to play with such huge amounts like this.

Shri Braj Raj Singh (Ferozabad): We are already playing.

Shri J. R. Mehta: For instance, a man who has to undergo an operation which requires skill and surgical knowledge surely should go to a specialist doctor rather than to a quack.

Shri Nath Pai: That was our whole submission.

Shri Braj Raj Singh: The very argument was advanced when the British were withholding freedom from India.

Mr. Deputy-Speaker: Those who are expecting to get their turn should not interrupt.

Shri J. R. Mehta: There is one redeeming feature that we have done a wise thing in taking the help of three different nations for the three different plants. That in itself, I am inclined to think, should serve as an impetus to them not to make their demands on us very unreasonable.

I do not mean to say that there have been no mistakes. Probably the hon. Minister himself will be prepared to concede that there have been, but the wise thing would be not to cry over spilt milk but to profit by those mistakes for the future.

An Hon. Member: Where is the milk?

Shri J. R. Mehta: My humble submission is that we should be generous even to a fault so long as the mistakes are *bona fide*. But if anybody has made a fool of us or has played with public money or has bled us white, as Shri Nath Pai put it, then surely we should come down heavily on him and inflict perdition on him, whoever takes that risk.

Having said this, I would certainly endorse the suggestion made by the Estimates Committee that a committee of experts should be appointed to go into the controversial matters which have been raised and which they have pointed out. These matters were brought out by Shri Morarka and

(Shri J. R. Mehta)

some other friends. I find that Shri Morarka has a special intelligence service of his own so far as the steel plants are concerned. I would seriously suggest to the Minister whether it would not be profitable to put him on the board of directors of this steel concern. I am sure it would be in the interest of everybody. It would be in the interest of the concern.

Shri Braj Raj Singh: Not Shri Nath Pai?

Shri J. R. Mehta: It would be in the interest of peace in this House also.

Coming to mines and minerals, I find that some very good work has been done by the Indian Bureau of Mines and by the Geological Survey of India. But I only feel that the achievements of these two departments are not being publicised, as they ought to be, so that people might profit by that.

As my time is short, I would briefly enumerate the suggestions I have to make in this matter. One is that a special committee should be appointed to look into the working of the Department of Mines and also the policy in regard to mineral development of the Government of India and State Governments. So far as mineral policy is concerned, there is just a small paragraph in the report which has been given to us. But on going through it, I do not find exactly what the policy is. It simply says that a committee under the Mines Bureau has been appointed to suggest how the scheduled minerals should be worked out. In the first place, that does not make any mention of other minerals. As we read the paragraph, it appears that they have only iron ore and manganese in their thought for the present. I do not call it a mineral policy. A mineral policy should consider about minerals that need exploitation . . .

Shri D. C. Sharma: (Gurdaspur): Gypsum in Rajasthan.

Shri J. R. Mehta: . . . whether any financial assistance is necessary, how to procure know-how, how to get technical personnel trained and so on. So I would suggest that a committee should be appointed to go into that question.

Another thing I want to mention is that the approach of the Government of India as well as of State Governments is more or less regulatory and not developmental. They want to make laws and enforce them and penalise everybody, but they do not want to encourage development and attract people to the mining side. This applies to legislation as also to the administrative machinery. So far as legislation is concerned, I will cite two examples, of how we frame laws which are not realistic. I am told the Mineral Rules provide that there should be a urinal and latrine in every mine for the labourers. I do not think in the jungles, in the hills, it is at all feasible to have that. People would generally like to go out into the jungle to attend to the elementary needs. I think even if the Minister goes there, he will prefer to use the jungle rather than a latrine or urinal built for the purpose.

Then there is another rule providing that managers of mines should in future be all matriculates. As everybody knows, in Rajasthan literacy is not very high. We had difficulty even in getting our village level workers and the qualifications prescribed had to be lowered down in their case.

I give these illustrations just to show that we are making our rules sitting here in Delhi not realising the local conditions. The tendency now is that the more complicated the laws or rules, the happier the people who make it seem to be.

I hope these suggestions would be taken into consideration by the Minister.

Shri Jagannatha Rao (Koraput): The Ministry of Steel, Mines and Power, which deals with the basic industries in the country, occupies a pride of place in the Government of India. By and large, the achievements of this Ministry during the year under review are remarkable and deserve the commendation of this House. No other country in the world has put up three steel plants at the same time. We had to do it because we inherited a stagnant economy and we wanted rapid industrialisation. Rapid industrialisation is possible only by development of basic industries like iron and steel.

In appreciating the work of this Ministry, we cannot minimise the stupendous task that faced the Ministry in going through with the construction of these plants nor belittle its achievements. When these three plants go into full production, we will be self-sufficient in steel requirements; we would also be in a position to export steel and save foreign exchange spendings for imports. Several criticisms have been levelled against planning and the work of the Ministry, mostly in respect of the steel industry. I am sure they have been made with the best of intentions and not in a spirit of acrimony. Hon. Members of the Opposition as also hon. Members from this side have made certain criticisms and remarks which are constructive. I am sure they deserve consideration for what they are worth.

One main objection raised is that had the First Five Year Plan envisaged construction of at least one steel plant, we would not have been in difficulties now. That is true. But we cannot overlook the fact that in 1948, we had neither the resources nor technical know-how. So, we could not go ahead with the construction of these steel plants. There was no foreign collaboration possible because foreign countries themselves were engaged in developing their own economy.

So, several committees of technical experts were appointed. They went

into the question, studied the technical aspects and gave their reports. We must thank the Government of India and the Planning Commission that for the first time they decided to go ahead with the construction of the three steel plants. It is true if we had proceeded much earlier, we would have been in a better position. Before the three steel plants were set up in the public sector, we had the Tata Iron and Steel Company, the Indian Iron and Steel Company and in a way, the Bhadravati Iron and Steel Works, Mysore. They were the only firms in this field. So, it is not correct to decry the Planning Commission nor the Ministry nor the Government of India for not being able to go ahead with the steel industry in the First Plan.

Now, when we come to the Second Plan, we say the Government have committed a mistake in going ahead with these steel plants because we are pressed for foreign exchange. We cannot blow hot and cold. We have to face this difficulty of foreign exchange, because if we want industrialisation, we have to go ahead with the development of basic industries like iron and steel.

The next point made is about the increase in the estimate of cost of the plants. It is said that the original estimates are very low and subsequently they have been revised to a considerable figure. It is true the original estimate has been about Rs. 353 crores which rose to Rs. 439 crores. Now, we are told that it would cost Rs. 560 crores. It is true. But we cannot help it, once the experts in charge of the planning of these steel plants estimated the actual cost of the plant and revise it later because of rise in price of structural and rise in wages in foreign countries. Later, some improvements were suggested. They also did not take into consideration the cost of the townships and other amenities and ancillaries that had to be built up. So, necessarily and naturally the cost would go up. It does not mean that there is defect in

[Shri Jaganatha Rao]

planning or that the Government had bungled

I would like to say this in this connection. Supposing the Ministry goes ahead with liberal estimates, then the criticism would be that the Ministry is not able to spend the entire amount. Therefore, the Ministry is not competent. If, on the other hand, the estimates are low and, subsequently, the estimates are increased, it is said that it is defective planning. If the estimates were originally liberal or high, it would lead to wastage in expenditure. Once, it is known to the contractors that the estimates are liberal, naturally, the tendency would be to quote high figures. So, to avoid that, the estimates were low and subsequently when it came to the actual construction the figures had naturally to be increased. Either way the Ministry faces criticism.

Shri Narasimhan (Krishnagiri) So, they must be accurate.

Shri Jaganatha Rao: It is not possible. My hon friend, Shri Narasimhan, says that it should be accurate.

Leave alone the Steel Ministry, take the case of other Ministries. There are bound to be increase in the estimates. It is not possible to have accurate estimates with rising prices. There are so many factors that determine the rise in prices. So, to say that because there is rise in the cost structure of the steel plants, the Ministry has bungled or the Planning Commission had bungled is wrong. I quite appreciate the criticism levelled by my hon friend Shri Morarka who sits by my side. (Interruption)

It was said by my hon friend, Shri Vittal Rao, that the three steel plants should not have been located in the region of Bengal, Bihar and Orissa and that they should have been dispersed all over the country. It is not an industry which can be so dispersed all over the country. The States of Bengal, Bihar and Orissa are rich in

minerals. We have got metallurgical coal and all the required material for the development of the industry. I can call this area the Ruhr land of our country. The industrial policy of the Government is to disperse ancillary industries all over the country.

When I am on this point, I would like to say that when we think of the future expansion of this industry Government will do well to bear in mind the expansion of the existing units—not only the three units in the public sector but also the private sector units including the Mysore Iron and Steel Works. They should not jump at erecting the fourth plant at Bokharo or any other place.

In the report, it is said that the requirements of steel in the Third Five Year Plan period would be to the tune of 11 to 12 million tons. Even then, the results would be cheaper and quicker if the existing units are expanded.

An Hon. Member. Give to both.

Shri Jaganatha Rao: And, then, if necessary, we can erect the fourth. The Mysore Iron and Steel Works at Bhadravati has been doing good work and I find from the report that if proper attention is paid to the development of this unit, the same attention that has been paid to the TISCO and IISCO, this will also fulfil the requirements of the country and will ease our economy.

Shri Dasappa: Hear, hear, thank you.

Shri Jaganatha Rao: My hon friend Shri Nath Pai had a word to say against the private sector in this industry. He referred specially to the TISCO and the IISCO. He said that Government have been rather charitable and more generous to these two firms. (Interruption) I am sorry to say that I do not agree with him because they have been in the field and they have agreed to develop their

capacity, to almost double it. So, they had to take loans from Government. They were paid advances from the Equalisation Fund, interest free. It is said that because interest was not charged, it is a case of favouritism.

But, I may point out this. If interest is charged, it will be included in the retention prices. It is only a question of accounting and not one of substance. Supposing interest is not charged, then, we are not favouring these two firms. If interest is charged, the retention prices will be increased. Either the Government should agree to an increase in the consumer prices or the contribution to the Equalisation Fund would be reduced. So, I do not think it is a point which goes against this Ministry in particular.

Regarding other points, I think Mr. Somani has effectively met Mr. Morarka's arguments.

Shri Morarka: Has he? Ask him.

Shri Jagannatha Rao: Therefore, I am not going to deal with them. With reference to Shri Nath Pai's argument that Indian consultants are not associated with the steel plants, I say that it would be a good thing if the Indian consultants are available and we have the benefit of their technical knowledge. But, unfortunately we have not got the technical personnel. So, we had to requisition or hire the services of foreign firms, the International Construction Co.

Again, this practice of associating consulting engineers with big projects is prevalent only in the United Kingdom and in the United States and not even in the continental countries. This International Construction Company is connected with the Indian steel industry and their services were requisitioned. We are glad to find that one Indian firm Messrs. M. N. Dastar and Company has come up. It is not possible to change the existing consultants in the middle of the programme; and the service of this new company can be availed of for the future expansion of the industry.

Attempts are also being made to train Indian personnel, Indian engineers and operators. They are being sent to foreign countries for training.

It has also been suggested by Shri Nath Pai—and I agree with him—that the designing section should be improved to a great extent. At present, we have a nucleus of a Designs Organisation already. The Assistant Technical Adviser at Rourkela, Mr. K. M. George is there in charge of 15 engineers; and, recently, 27 engineers have been recruited. It is proposed to build a good library and laboratory and we can be sure we can have the best advantage from this Designing section in the near future.

I would also like to say this. You will find that the Rourkela plant is said to cost us about Rs. 170 crores. Subsequently, we have learnt by experience; and the cost of the subsequent plants is much less. So, in this developing economy, there are bound to be trials and errors. We have to learn. So, we find that attempts are being made every time and every step is taken to see that money is not wasted but usefully spent. Any criticism that the estimates were not correctly made and that money is being wasted is very uncharitable and it should not be levelled here on the floor of this House. We should also appreciate the difficulties and the magnitude of the task that the Ministry has to face. So, I consider that, by and large, the achievements are remarkable.

श्री जगन्नाथ राव : इस में मिनिस्टर महोदय के बोलने की जरूरत तो मालूम नहीं होती क्योंकि श्री जगन्नाथ राव उन का काम पूरा कर चुके हैं ।

उपाध्यक्ष महोदय : तब एक ही तरफ से प्यारा होता रहे ?

श्री जगन्नाथ राव : उपाध्यक्ष महोदय, तेल, कोयला और इस्पात तीनों ही चीजें

[श्री बजराम सिंह]

ऐसी हैं जोकि देश के औद्योगीकरण ही नहीं बल्कि नई सभ्यता के निर्माण के लिये भी आवश्यक हैं। स्टील के सम्बन्ध में सदन में बहुत चर्चा हो चुकी है। इसलिये मैं तेल के सम्बन्ध में कुछ कहना चाहता हूँ। भारत में हम अभी तक सिर्फ ५ मिलियन टन तेल ही पैदा करते हैं जबकि दुनिया में ६०० मिलियन टन तेल पैदा होता है। अगर हम देखें तो हमारा तेल दुनिया के तेल का सिर्फ ०.५ परसेन्ट ही होता है, जबकि हमारी आबादी दुनिया की आबादी की १।७ है। अगर हम इस हिसाब से देखें तो हम कितनी ही कोशिश करते रहे हमारा देश उस उत्पाद को प्राप्त नहीं हो सकता जिस को हम चाहते हैं। यू० एस० ए० में एक व्यक्ति पर ६०० इम्पीरियल गैलन तेल खर्च होता है, कनाडा में ५०० इम्पीरियल गैलन तेल प्रति व्यक्ति पर खर्च होता है, इंग्लैण्ड में प्रति व्यक्ति पर १५० इम्पीरियल गैलन तेल खर्च होता है, फ्रांस में प्रति व्यक्ति पर ११० इम्पीरियल गैलन तेल खर्च होता है, लेकिन हिन्दुस्तान में प्रति व्यक्ति पर ३ गैलन के कम खर्च होता है। इस से पता लगता है कि हालांकि अपने खर्च का बहुत बड़ा हिस्सा हम बाहर से मगाते हैं लेकिन तेल के बारे में जितनी चिन्ता हमें होनी चाहिये उतनी चिन्ता हमें होती नहीं। इस पर बहुत विचार करने की जरूरत है। मैं स्वीकार करता हूँ कि भारत सरकार के ईंधन मंत्रालय की ओर से कुछ कार्य किया जा रहा है जिस में तेल के शोध का काम शामिल है और शैल की जाच पड़ताल का काम शामिल है, और इस से आशा की जा सकती है कि भविष्य में हम कुछ तेल प्राप्त कर सकेंगे। लेकिन जिस ढंग के उद्योग किया जाना चाहिये, मैं महसूस करता हूँ कि उस ढंग से उसे किया नहीं जा रहा है। देश के तेल के शोध व्यापार, देश में तेल निकालने, तेल के बाहर से मंगाने, देश के शोधन और तेल के बेचने, इन सब

कार्यों में शोध व्यापार करीब २०० करोड़ रुपये का होता है। हमें यह ध्यान करना चाहिये होगा कि इस २०० करोड़ रुपये का सारा का सारा व्यापार ५ विदेशी कम्पनियों के हाथ में है, जिन में से तीन विदेशी कम्पनियाँ एक विदेशी विदेशी कम्पनी की बेटी हैं और दो विदेशी कम्पनियाँ धरतीकी कम्पनियाँ हैं। अभी हमने आयल इंडिया लिमिटेड में अपने ३३ १/३ परसेन्ट शेयर ले कर कुछ प्रयत्न करना शुरू किया है। लेकिन मुझे ऐसा लगता है कि इस २०० करोड़ ६० का कुल व्यापार क्यों हिन्दुस्तान अपने हाथ में नहीं ले सकता है, राष्ट्रीय आग्रा में क्यों नहीं ले सकता है, इस पर बहुत गम्भीरता पूर्वक सोचने की जरूरत है। और इस पर विचार करते हुए मैं निनिस्टर महोदय से एक प्रश्न करना चाहता हूँ। जब वे जपान दे तो बतलायें कि इन कम्पनियों में याफो बरमा कोल कम्पनी और स्टैन्वर्ड वैडुप्रम कम्पनी और जो दूसरी विदेशी कम्पनियाँ तेल की हैं, जिन का मैं ने जिक्र किया, उन में कितने ऐसे लोग हैं, जिनका प्रतिशत उन के ऊंची तनख्वाह पाने वाले, भत्ता पाने वाले अफसरों से है, जिन का सीधा सम्बन्ध कि गवर्नमेंट आफ इंडिया के नीति बनाने वाले अफसरों से है, जो उन के नातेदार या रिश्तेदार हैं। मुझे ऐसा लगता है कि चूँकि हमारे यहाँ की कम्पनियों के अन्दर काम करने वाले अफसरों के बहुत से नजदीकी लोग गवर्नमेंट आफ इंडिया में हैं, इसलिये वे कभी इस बात को सोच नहीं सकते कि इन कम्पनियों से इस काम को ले लिया जाये। हो सकता है कि गवर्नमेंट की तरफ से यह जवाब दिया जाये कि इन कम्पनियों को लेने के लिये हमारे पास धन की व्यवस्था नहीं है, पूँजी की व्यवस्था नहीं है, इसलिये हमें इन कम्पनियों को नहीं ले सकते, जब तक हम अपने देश में इतनी पूँजी का निर्माण न कर सकें जितने में कि हम इन कम्पनियों

को ले सकें और दूसरी चीजों का विकास भी कर सकें तब तक हम इन कम्पनियों का राष्ट्रीयकरण करें या इन का कंट्रोल अपने हाथ में ले लें, वह मुनासिब नहीं होगा। लेकिन मैं यहां पर यह कह देना चाहता हूँ कि कोई प्राथम्यता नहीं है कि हम हुयेसा के लिये जो व्यवस्थाएँ हम बना चुके हैं उन्हीं पर चलते रहें। अब समय आ गया है जब हमें अपने प्रौद्योगिकीकरण के प्रस्ताव पर पुनर्विचार करना होगा। हमें सोचना पड़ेगा कि किसी प्रकार के परिवर्तन की उस में प्राथम्यता है या नहीं। इंस्टिट्यूट पालिसी के रेजोल्यूशन में ही नहीं, यदि हमें अपने संबिधान में भी कोई परिवर्तन करने की प्राथम्यता पड़े तो उसे हमें करना चाहिये और यह करना चाहिये कि देश में यदि किसी की पूंजी सगी हुई है तो राष्ट्रीय हित में हम उसे बिना मुआवजा दिये हुए ले सकें। मैं अर्थ करना चाहता हूँ कि तेल का २०० करोड़ रु० का बोक व्यापार विदेशी कम्पनियों ने अपने हाथ में ले रक्खा है यदि हमें उसे राजकीय हाथ में लेना है और यदि उस के हिसाब से हमारे पास पूंजी की व्यवस्था बड़ी है, तो हम को अपने संबिधान में परिवर्तन कर के इस को अपने हाथ में ले लेना चाहिये। बरना कोई ऐसा बकल आ सकता है जबकि हमारी बौद्धिक नीति इन तेल कम्पनियों के देशों की पसन्दगी की न रहे, ब्रिटेन और अमरीका की पसन्दगी की न रहे और जडाई छिद्र जाय, उस समय हमारे देश की सारी की सारी भी अर्थ व्यवस्था है, खास तौर पर जो हमारी सुरक्षा व्यवस्था है, वह काम की जा सकती है क्योंकि जो तेल हम आयात करते हैं उस का व्यापार इन विदेशी कम्पनियों के हाथ में है। मैं सरकार को नेतावनी देना चाहूंगा इस सम्बन्ध में कि हमें बहुत ही विनित्त होवे की जरूरत है, न सिर्फ़ इस सम्बन्ध में कि हम अपने देश में तेल की खोज प्रारम्भ करें, तेल की खोज प्रारम्भ करें बल्कि इस सम्बन्ध में भी कि

जो हमारे तेल का वितरण होता है वह भी इन कम्पनियों के हाथ में है और हम उसे अपने हाथ में क्यों नहीं ले सकते। मैं आशा करता हूँ कि इस सम्बन्ध में जल्दी करने की कोशिश की जायेगी और यह विचार किसा आवेगा कि हम कौन से ऐसे कदम उठा सकते हैं जिन से कि पूंजी दे कर या बिना पूंजी दिये हुए हम इन विदेशी कम्पनियों को अपने हाथ में ले सकें, और खास कर जो तेल का वितरण है उस में कोई दिक्कत न आये।

बड़ी बड़ी बातें की जाती हैं। कहा जाता है कि हमारे महा विशेषज्ञों की कमी है, टेकनिकल एक्सपर्ट्स की कमी है, हम टेकनालोजी नहीं जानते हैं, चाहे इस्पात की टेकनालोजी हो चाहे तेल की टेकनालोजी हो चाहे खान की टेकनालोजी हो, हम किसी तरह की टेकनालोजी नहीं जानते हैं। कल से इस सदन में बर्बा हो रही है इस मंत्रालय की मांगो पर। उस में बार बार यह बात कही जाती है कि चूंकि हम को विशेषज्ञ विदेशों से लाने होते हैं इसलिये इस काम में देरी हो जाती है। मैं कहना चाहता हूँ कि यह एक बहुत पुरानी दलील है। क्या यह हम जानते नहीं हैं, कि यदि एक बच्चे के लिये यह कहा जाय कि जब तक वह तैरना नहीं सीख जाता तब तक हम उसे पानी में नहीं छोड़ सकते, तब तक वह कभी तैरना सीख नहीं सकता। हमारे यहां विदेशियों की तरफ से हमेशा यह दलील दी जाती थी कि हिन्दुस्तानियों को अकल नहीं है कि वह अपना शासन चला सकें और आज भी बड़ी दलील दी जाती है कि चूंकि हमारे पास एक्सपर्ट्स नहीं हैं इसलिये हम इन चीजों को चला नहीं सकते हैं, चाहे कोयले की टेकनालोजी हो चाहे तेल की चाहे स्टील की मैं निवेदन करना चाहता हूँ कि यदि हम इन टेकनालोजी के विशेषज्ञों को ले कर ही इन कामों को करते रहें तो हम कभी भी इस मामले में आत्मनिर्भर नहीं हो सकते।

(श्री. बजराम सिंह)

इसलिये जहां तक विद्योपज्ञो के प्रशिक्षित होने का सवाल आता है हम इस बात की कोशिश करें कि विदेशों में जा कर हमारे जोष शिक्षा प्राप्त करें, लेकिन अपने देश में जहां तक इन कामों के लिये विदेशी विद्योपज्ञो की सेवायें लेने का प्रश्न उठता है, भविष्य के लिये हमें निश्चय करना चाहिये कि किसी भी ऐसे महत्वपूर्ण काम में चाहे वह स्टील का निर्माण हो, चाहे तेल की लोच या तेल की शोध हो, या सानों के सम्बन्ध में, हम किसी भी विदेशी को एकस्पर्ट की हैसियत से नहीं रखेंगे। यह तो मैं ने तेल के काम के बारे में एक छोटी सी बात कही।

इस के साथ साथ तेल की जो कीमत है उस के सम्बन्ध में भी कुछ कहना चाहता हूं। अभी २० मई, १९५८ की तेल उद्योग की १० करोड़ ६० की राहत दी गई। लेकिन उस से उपभोक्ता को क्या लाभ हुआ? इस को देखने की आवश्यकता है। घाब विदेशों से ११० करोड़ रुपये का तेल आयात होता है। घाब जनता को इस बात को साफ तौर से बताने की जरूरत है कि इन कम्पनियों को इस से कितना मुनाफा मिल जाता है। अगर उस मुनाफे को कायम रखने की जरूरत है तो हम उस को कायम रख सकते हैं लेकिन यदि उस को कायम रखने की जरूरत नहीं है हम को सोचना चाहिये कि हम उसे कैसे कम कर सकते हैं। ऐसे ऐसे मसलों में जिन में एक एक साल में अरबों रुपये का मुनाफा कमा लिया जाता है, उन को इस तरह से टालते रहना कि टेरिफ कमिशन अभी अपनी रिपोर्ट नहीं दे सका है और जब वह आ जाय तो फिर कहा जाय कि उस पर बहुत गम्भीरतापूर्वक विचार हो रहा है और वह विचार चार महीने तक चलता रहे जिस में कि करोड़ों रुपये बाहर चला आया करता है, यह उचित नहीं है। मैं

निश्चयन करूँगा कि जहां तक तेल की कीमत को कम करने का सवाल है, उसे बिना किसी विवकल के कम किया जा सकता है। इस का निर्णय जल्दी किया जाना चाहिये ताकि हमारे देश के रहने वाले को, देश के उपभोक्ताओं को सास तौर पर राहत दी जा सके। अभी तक जो १० करोड़ ६० की राहत तेल कम्पनियों को दी गई उस के जरिये उपभोक्ताओं को कोई राहत नहीं दी गई, सरकार ने ही दूसरे तरीको से उसे फिर ले लिया है। मैं मानता हूं कि हिन्दुस्तान एक पिछड़ा हुआ देश है और सरकार को देश के विकास के लिये ऐसे की बहुत जरूरत है और १० करोड़ ६० उस ने ले लिये तो कोई बाज नहीं। लेकिन भविष्य में जो राहत दी जायगी तो मैं आशा करता हूं कि वह उपभोक्ताओं को देने की कोशिश की जायेगी। हम को आश यह देखना है कि घाब उपभोक्ताओं में घाब इस तरह की सामर्थ्य की है या नहीं कि वह घाब के अमान में इन चीजों को खरीद सकें। अगर वे नहीं खरीद सकते तो यह कोशिश की जानी चाहिये कि उन को कम कीमत पर चीजों को दिया जाय। जितनी कम कीमत पर चीजों को दिया जा सके उतनी पर देना चाहिये। मैं आशा करता हूं कि तेल की कीमत के बारे में जब सरकार की हिस्सेदारी है तो उस में ऐसा निर्णय किया जायेगा ताकि तेल के उपभोक्ताओं को ज्यादा राहत मिल सके।

इस के साथ ही कोयले का भी प्रश्न उठता है। कोयले के सम्बन्ध में भी एक बहुत ही आवश्यक की बात है कि हम कोशिश तो कर रहे हैं इसे राजकीय क्षेत्र में लाने की, लेकिन जो लोग प्राइवेट क्षेत्र में हैं वह इस नीति पर किस तरह चल रहे हैं, इस में कितना मुनाफा उन के हाथ कमाया जा रहा है, हमें ऐसा लगता है कि

सरकार की धीर से इस तरह ध्यान देने की कोई चिन्ता नहीं है ।

यह हमारा इंडस्ट्रियल पालिसी रेबो-लूशन डार-डार बीच में घटका दिया जाता है क्योंकि हम ने मिक्सड एकोनोमी मानी हुई है, मिश्रित अर्थव्यवस्था की हमारी घोषणा है अर्थात् मिश्रित अर्थव्यवस्था हम इस देश में चलायेंगे और इसलिये जहाँ पर भी कोई प्राइवेट इंडस्ट्री चल रही है उन्हें खेदना नहीं चाहते । मैं निवेदन करना चाहता हूँ कि यदि मिक्सड एकोनोमी मिश्रित अर्थव्यवस्था का यह अर्थ है कि जो लोग अब तक घोषण करते रहे हैं उन्हें घोषण करते रहने के लिये एक पट्टा सा लिख दिया जायगा तो मैं चाहूँगा कि ऐसी मिश्रित अर्थव्यवस्था के बारे में जितनी जल्दी पुनर्बिचार कर के उसे खत्म करने का विचार कर लिया जाय, अच्छा होगा ।

कोल के सम्बन्ध में मुझे यह निवेदन करना है कि इस काम में जो हमारे प्राइवेट उद्योगपति मगे हुए हैं उन की कोशिश यह रहती है कि उन की अपनी खानों का कोयला उठ जाय और वह अपना कोयला जो उन की एक मोनोपली अर्थात् निहित स्वार्थ मगे हुए हैं उन को कोयला पहुँचाने की इस तरह से कोशिश करते हैं कि दूसरे जो छोटे-छोटे भादमी इस इंडस्ट्री में मगे होते हैं वे बगैर कोयले के भूखे मर जायें ।

अब हमारे यहाँ के जो कोल कंट्रोलर हैं और जिन पर कि कोयला डिस्ट्रिब्यूट करने की जिम्मेदारी है उन्होंने कोल के डिस्ट्रिब्यूशन के लिये ब्लॉक रेट का सिस्टम रक्खा हुआ है जिस के कि मुताबिक ७० या ७५ गाड़िया या पूरी कोयले की मालगाडी जो दी जायगी वह किन्हीं खास-खास उद्योग में मगे लोगों को ही जायेंगी और इस ब्लॉक रेट डिस्ट्रिब्यूशन का नतीजा यह होता है कि जो छोटे-छोटे कोयले के उद्योग हैं उन को

कोयला नहीं मिल पाता । इन मोनोपली का नतीजा यह हो रहा है कि उन की खान उपर है और सरकार उन का उद्योग चल रहा है और सरकार से मिल कर ब्लॉक रेट सिस्टम की बिना पर पूरी गाडी कोयले की उन को दे दी जाती है । अब इस के दो नतीजे निकलते हैं । छोटी खान वालों का कोयला उठ नहीं पाता है और जो छोटे उद्योग वाले हैं उन को कोयला मिल नहीं पाता है और इस तरीके से दोनों का नुकसान होता है । मैं निवेदन करना कि सरकार को इस मोनोपली को खत्म करने के लिये गम्भीरता से विचार करना चाहिये और सरकार को यह देखना चाहिये कि कहीं हमारी इस नीति की वजह से जो हमारा मुख्य औद्योगीकरण का उद्देश्य है उस को तो कोई हानि नहीं पहुँच रही है । जैसे मैं ने भाप को बतलाया इस ब्लॉक रेट सिस्टम की वजह से छोटे उद्योगों को नुकसान पहुँचता है और छोटी खानों के मालिकों का कोयला उठ नहीं पाता है । इसके लिये कह दिया जाता है कि हमें स्पीड से ले जाने की जरूरत है और अगर हम ने १० गाड़िया एक स्टेशन के लिये और १० गाड़िया कोयले की दूसरे स्टेशन के लिये कर दो तो वह स्पीड से नहीं पहुँच पायेगा और इस तरीके के लिये ही हम यह ब्लॉक सिस्टम लागू किये हुए हैं । मैं कहना चाहूँगा कि इस पर जरा गम्भीरता से विचार किया जाना चाहिये कि क्या उन्नत के पीछे यह भावना नहीं है कि कुछ निहित स्वार्थों को जोकि इस उद्योग में मगे हुए हैं उन को और अधिक पनपाने के लिये और उन को ज्यादा से ज्यादा मुनाफ़ा मिलवाने के लिये इस चीज और सिस्टम को लागू किया गया है ।

अन्त में चूँकि श्रीमन् आपने घटी बजा दी है इसलिये मैं सिर्फ बहुत संक्षेप में स्टील के बारे में कुछ कहना चाहता हूँ । स्टील के बारे में खदान में बहुत चर्चा हो चुकी है । मैं सरकार से कहूँगा कि उसके सम्बन्ध में जो

[श्री बचराज सिंह]

रेस्ट्रिक्टेड कमेटी की रिपोर्ट है, उसको बहुत ही गम्भीरतापूर्वक लेने की जरूरत है।

यहां पर कई माननीय सदस्यों से चर्चा की कि सन् १९५४ में इन स्टील प्लांट्स के प्राजेक्ट्स को हम उसी तरह लागू नहीं कर सकते थे जैसे कि सन् १९११ में महात्मा गांधी हिन्दुस्तान में कोई सत्याग्रह आन्दोलन नहीं छेड़ सकते थे। मैं कहना चाहूंगा कि स्टील प्लांट्स को सन् १९५४ में लागू न करने का उसका मुकाबिला महात्मा गांधी सन् १९११ में हिन्दुस्तान में असहयोग आन्दोलन नहीं छेड़ सकते थे, उससे मुकाबिला करना उचित नहीं है। इस पर बहुत ही गम्भीरता से विचार करने की जरूरत है। ऐस्टिमेटेड कमेटी ने स्टील प्लांट्स के बारे में चर्चा की है कि हम करोड़ों रुपये बचा सकते हैं और हम देश का औद्योगिकरण बहुत आगे बढ़ा सकते हैं। जो हो गया वह तो हो गया लेकिन कम से कम आगे के लिये जरूर उससे सबक लेना चाहिये। मिनिस्टर महोदय ने कल अपने भाषण में यह कहा था कि हम आगे सीखने की कोशिश करेंगे लेकिन जिस गति से चला जा रहा है उससे तो ऐसा मालूम पड़ता है कि आगे भी सीखने और सबक लेने की कोशिश नहीं की जा रही है। जो गलतियां हम से हो गई हैं उनके लिये सफ़ाई देना करना ही खाली काम चलने वाला नहीं है बल्कि आगे के लिये हमें सबक ग्रहण करना चाहिये। अब किसी बृक प्लांट में तो हमारे हिन्दुस्तानी लोगों को विशेष शिक्षा दी जा सकती है लेकिन दूसरे प्लांट में शिक्षा देने की कोई व्यवस्था नहीं है। मैं कहना चाहूंगा कि इस तरह का कोई कंट्रैक्ट करना यह हमारे देश की प्रतिष्ठा के धनूधून नहीं और यह उसका अपमान है। अतः तरह से अगर हम स्टील प्लांट बनाते हैं तो मैं कहना चाहूंगा कि यह हमारे देश को आगे बढ़ाने में सफल नहीं हो सकेंगे। इसलिये मेरा निवेदन है कि जहां तक यह स्टील प्लांट्स का सवाल आता है उसके सम्बन्ध में

ऐस्टिमेटेड कमेटी की जो रिपोर्ट है उस पर बहुत गम्भीरता से विचार करने की जरूरत है और जिसे वह कह देने से काम नहीं चलेगा कि जो गतिपूर्वा हो गई है वे आगे सुधारी जा सकती हैं, इससे काम नहीं चलेगा।

में अन्त में एक नीति सम्बन्धी बात कह कर समाप्त करूंगा . . .

उपाध्यक्ष महोदय : एक मन्त्रिमन्त्रि प्राप पहले भी कह चुके हैं।

श्री बचराज सिंह : बस केवल प्राप मिनट में मैं समाप्त कर दूंगा।

उपाध्यक्ष महोदय : प्रश्ना जल्दी उत्तर कीजिये।

श्री बचराज सिंह : मेरा निवेदन है कि स्टील, ईंधन और खान यह तीन अत्यन्त उपयोगी और महत्वपूर्ण भाइटम्स हैं और सरकार को इसके लिये सोचना चाहिये कि हम अपने संविधान में परिवर्तन करके फिर देखें कि उनका हम किस तरीके से राष्ट्रीयकरण कर सकते हैं और किस तरह से देश को उन्नति के मार्ग पर आगे ले जा सकते हैं। आज भी खानों में सिर्फ ५ परसेंट की रायल्टी ली जा रही है और यह ५ परसेंट की रायल्टी पिछले ५० साल से चली आ रही है जब कि इस रायल्टी को १०, १५ या २५ परसेंट तक किया जा सकता था और उस में नुकसान होने की कोई बात नहीं है लेकिन इस काम में हम कुछ व्यक्तिगत लोगों का फ़ायदा करने की बात सोचते हैं जो कि ठीक नहीं है। मैं प्रार्थना करता हूँ कि इस पर गम्भीरतापूर्वक विचार किया जायगा।

Mr. Deputy-Speaker: The hon. Minister.

Shri D. C. Sharma: Sir, may I request the hon. Minister to say something about the drilling operations in

Gurdaspur, Hoshiarpur and Kangra Districts?

Mr. Deputy-Speaker: Is that a speech without getting any time?

Shri D. C. Sharma: I do not want any time.

The Minister of Mines and Oil (Shri K. D. Malaviya): Mr. Deputy-Speaker, Sir, it was not my intention to intervene in this debate, more especially because my senior colleague very elaborately stated in his opening speech most of the things that I would have stated before this House as factual statements. My anxiety was to give most of the time to the Members of the House, because we would like to benefit by their advice and all legitimate criticism. I, therefore, was almost determined not to speak.

An Hon. Member: But we were anxious.

Shri K. D. Malaviya: But as I received .

Mr. Deputy-Speaker: But that anxiety should not be over-emphasised.

Shri K. D. Malaviya: requests from some of my hon friends and they created an opportunity for me also, therefore, perhaps, I could not resist and I stood up.

I will very briefly recapitulate, some of the important aspects of our functioning and also the policy underlying our functioning which I have had the honour of repeating in this House on several occasions either when I got the opportunity of answering questions or in other ways. I have not much to say, and that was also one of the causes of my intending not to speak.

Now, I will take up first some of the questions regarding our mineral development programme, schemes and

policies. The Geological Survey of India and the Indian Bureau of Mines have expanded last year considerably and we have put forward proposals for further expansion. I will only refer to one important aspect which I would like the hon Members to note, because that is the background on which we have put forward our proposals. We have to produce mineral ores either through the private sector or the public sector in order to sell in the market, and mineral ores can either be exported and sold in the market or processed in the country. It is no use producing minerals and just keeping them as dumps on the mines. Therefore, the entire programme beginning from geological mapping up to the export stage has to be considered in an integrated and overall system. If we know that we will not be able to sell, say, about 10 million tons of the total mineral ore that we produce as a result of spending millions of rupees right from the processing and surveying up to mining, then the entire money will be locked up in those big dumps. Therefore, we always produce a programme in relation to the production and in relation to the selling aspect, and we do not spend more money in surveying either through the Geological Survey or through the Indian Bureau of Mines, for intensive investigations. We can prove a lot of mineral ores. Perhaps we have proved enough ore which is lying buried and which is sufficient for our tempo and which has almost increased to double or more than double, and it can last for many decades to come, if not, perhaps in some cases, for a century. Therefore, we have invested enough money in all those programmes. Gradually, there is also a programme of discovering what is the extent of our mineral resources. So, our programme is always put forward before the House for the final financial and administrative sanctions in proportion to the work that we can undertake.

15 hrs.

There is one difficulty also which has to be noted by the House. Even

[Shri K. D. Malaviya]

though we produce our ores in greater quantities than in the past, they have to be transported, to the ports or loaded in ships, and there also our capacities are limited. Whether it is the road or the rail, or harbour facilities, we very carefully prepare our programme from the point of view of the capabilities of different departments of the Government to do their job in order to clear and sell our products. Another important factor which has to be borne in mind is that throughout the world there is depression in the demand for mineral ores. There are various reasons adduced for it. Perhaps the installed capacity in various countries has consumed too much capital. They have no capital perhaps to purchase the raw material or they do not purchase the ores as a policy. So, there is the dump, and the depression in the demand, either in manganese or anything else. We have, therefore, to be very careful in preparing our production programme with a view to see that at this critical time, when we are short of foreign exchange and other resources such as technical personnel, etc., we do not duplicate or waste our energy and create wealth not with a view to earning more money but to just keep it as dump. I have said this merely as an explanation because several hon. Members wanted the Government to step up its programme of survey and increase the tempo of its work. I very well appreciate the anxiety on the part of the hon. Members, and, therefore, by way of explanation, I have submitted that all these considerations are very carefully taken into account and our programme is as best or as vast as should be under the circumstances.

It is a fact, however, that we do not get enough equipment and technical personnel even to spread and complete the programme that we have chalked out. The difficulties are inherent in the situation and we have got to put up with all our limitations and do the work within the limitations that are allowed to us.

Some hon. Members made out a point that our work in the South should be increased and that its tempo is not enough. I have a long list before me and if I narrate it, it will take much time of the House. That list will show that we are already very active both in the North and in the South, in Assam as well as in the western part of the country, where our programme has been spread over in a very healthy fashion.

As the House is aware, we have attached very great importance to the production of coal. Therefore, a good part of our energy is now diverted to proving the quality and quantity of coal reserves in our country. Thereafter, we have been paying special attention to proving the quantity of non-ferrous metals of the country, because we are spending a lot of money in the import of copper and sulphur and some other non-ferrous metals like lead and zinc. Therefore, the Ministry has undertaken in a special way to prove the quantities of copper, lead and zinc and also sulphur, besides iron and coal, manganese and mica. We have enough reserves of manganese, iron, coal and mica, but even then we had to divert enough energy to prove the quantities, and we have to catch up with the demand for our steel plants so far as the proving of coal, iron and limestone are concerned. It is with this view that most of our drills and our technical personnel are engaged in work in Madhya Pradesh, Bihar, and in some other areas. We have now planned a programme for further surveys and investigations in Kashmir, Punjab, Andhra, Mysore and in certain parts of Kerala State. I assure the House that during the next year, our quantities of important mineral ores to which we are attaching great importance will have been increased sufficiently.

I would like briefly to touch some of the important aspects of the oil industry and oil business. I would first take up the distribution of oil products. My colleague, the hon.

friend, just reminded me of the export of iron ore and I forgot about it. We have a heavy programme to produce iron ore through our own department and also to export it especially to Japan under a new agreement. The operation is to start sometime in 1964, and if possible earlier. For this purpose, a Corporation has been created in the Ministry and preparations are going on fast to see that we start producing iron ore from Kiribur area and carry on the obligations which have been put on us as a result of the agreement which has been effected between us and the Japanese authorities.

I was referring to the distribution aspect of petroleum products. I only wish to state that it is a matter of time, but the Government decision is firm they are going to set up a distributing company under their own control. The distribution of petroleum products is a very important programme for the country.

Shri D. C. Sharma. When will this happen?

Shri K. D. Malaviya: It is important and its significance is already very well-known to the House, and I would not like to take up the time of the House to describe in great detail as to on what lines and why it should be done and all that. It is enough for me to say just now that this distribution work will be undertaken by us in the public sector and before our two refineries go on stream, we hope we shall be in a good position to know all about this technique of distribution and we shall try our level best to do this work in competition with all those concerns which are existing here and which are undoubtedly rendering us a lot of help in the task of distribution. Obviously, if it would not have meant a lot of profit and be advantageous to the nation, we would not have taken this decision in principle to start this work in the public sector. As to how much will be done, what will be the size of the company, the size of the work we are going to handle through the company, is a matter which is still under the consideration of Government and I cannot commit myself or Government to anyone of these details.

Another question which is nearly connected with this is the question of the price of petroleum products. As the House is aware, sometime back Government and all the important distributing companies engaged in the task of selling petroleum products to us examined this question of revising the present formula which guides us in deciding upon the prices of petroleum products. This formula was handed down to us sometime back and we considered that they had obtained a little more than what they would have obtained. As an *ad hoc* measure, the House remembers that the Government and the foreign companies agreed to reduce the prices which gave us an advantage of about Rs 10 crores, by way of reduction in the totality of prices of petroleum products. That was an *ad hoc* arrangement on the understanding that if, after a new formula is evolved after due deliberation, negotiation and consideration of all the aspects, we find that we owe them some money, then we will deduct it from this Rs 10 crores that we have got and we will credit their account to that extent. But if we find, as a result of this new formula that we will be negotiating very soon, that we have to get something more, an additional saving will be surrendered to us out of the total sum that accrues after the sale of petroleum products.

As my senior Minister announced yesterday the committee which was examining the costing, set up by Government, has submitted its findings and they are now busy examining them. My first impression is that they are likely to get substantial further saving. It may not be possible for me at all to say as to what would be the precise quantum. We hope that after discussions with different companies in this matter, we shall succeed in negotiating a new formula which will and should give us a further additional sum over and above the Rs 10 crores that we have already got from them last year as a result of negotiations.

Lastly, I will very briefly deal with the programme of oil exploration and the policy. I will say nothing about the policy, which is known to the House. I

[Shri K. D. Malaviya]

have nothing to report to the House except that we are trying our best to find oil in this country. I cannot take an optimistic view of the whole thing, because one does not know when the whole picture becomes depressive. It is a very tricky business. While you go on with your technical assessment of finding more and more oil, suddenly one fine morning, thousands of feet below something is known, which completely changes the picture. Our technicians, geologists, geo-physicists and drillers are putting their best efforts; some of the finest people are working in this oil exploration programme and they have succeeded in doing much more than what in this small time any other efficient team could have done. Beyond that, I cannot hold out any promise, except, as you know, we have discovered oil in Cambay and we want to prove that oil very soon. On some last occasion, I made almost a promise that by the last months of this year, we should be able to prove the quantity of oil in Cambay. In fact, that programme was built on the expectation that I would get more drills in the month of March, which I have successfully negotiated with the Rumanian Government, who had very kindly agreed to sell two drills to us in this difficult time when it is almost impossible to get drills from anywhere. The promise was made and we were expecting the drills to arrive here during the last days of March. But suddenly I find that they will not be able to sell those drills according to that programme. It might be delayed by one month, two months or three months. But so far we are told that the delay will not be more than 3 months. I am taking the House into confidence just to unburden my own difficulties and to show what difficulties sometimes we have to face.

We have completed plan to deliver all drilling equipments from the ports to the Cambay oil field. We have made a lot of preparations so that the moment the drills arrive at the port, we shall be able to send them in 10

or 15 days to the oil field and in another 15 days start drilling third, fourth, fifth wells, etc. We do not know for how long we are going to be held up in this process. Nevertheless, it will be our effort to see that we do not surrender the money that we have already asked you and we go ahead with the programme, according to the schedule that we have laid down just now.

In regard to the policy, as I said, it is well-known. In recent weeks, the Government of India have been approached directly or indirectly by important, able, experienced oil explorers in the world with a view to re-examine our policy and to see whether a fresh appraisal could be given to this task of oil exploration associating some of them in discovering oil in our country. I have said it many times and I repeat it again today: We have no doctrinaire approach in this matter. It is first and last a business proposition. So long as we see that the business proposition made to us for oil exploration or for the discovery of oil is not in the interests of the country and of the people, it will be impossible for this Government to accept that. But if proposals are made to us which will discover oil for us and give legitimate benefit to the parties that discover the oil, by all means we are prepared to sit down with them and consider any proposal that they make. So far as our present conditions are concerned, we are going ahead with our exploration programme, going ahead rather very fastly, and there is no reason to believe, so far as I can see in the technical sense, that we shall not soon get some sizeable quantity of oil produced by our own efforts.

I will not take more than 5-6 minutes now in dealing with some of the points raised by Shri Morarka yesterday. Almost a mild stir was created yesterday when my friend, Shri Morarka, stood up and criticised the Government for having made certain mistakes which have resulted in

the delay of our programme of installing the refinery in Assam immediately thereafter, my hon friend, Shri Feroze Gandhi, stood up and said something by way of explanation

Shri Morarka: Demanded explanation

Shri K. D. Malaviya: I take it that the remarks made by my friend, Shri Morarka, and the explanations offered by Shri Feroze Gandhi, on behalf of the Refinery Corporation, were motivated by entirely two different reasons. I would only refer to my friend, Shri Morarka, whose objective is not quite clear to me. I have the honour to belong to the same party as Shri Morarka, and I take it that the criticism offered by my friend of my party is always constructive and is appreciative of this big fact that we are nurturing a child under our care which is just a child, the public sector, as against the experience of the private sector, which is perhaps a century old. Now, I can quite legitimately understand the criticism of the Opposition. Their job is to ruthlessly criticize.

Shri Nath Pai: Ruthlessly!

Shri K. D. Malaviya: to mercilessly criticize. Even though it becomes morose even then it is our duty to listen to it and correct ourselves, because it is their legitimate duty in this House to criticize us as I said, mercilessly. I thought that I, as a member of the party which is ruling, have something more, a greater responsibility, some additional responsibility than the responsibility of the Opposition. But I would not like to go into it except to say that I always expect constructive suggestions from the members of my party with a view to correcting myself, with a view to modifying the policy of the Government with the help of the criticism. Frankly speaking, I do not find any such help from the speech made by my friend, Shri Morarka. I would like to read that portion and then to comment upon it, as I understand it.

§ (A) L.S.D.—7

Shri Braj Raj Singh: He may belong to the ginger group

Shri K. D. Malaviya: The ginger group is likely to inspire the Members of the Opposition also

Shri Morarka says

"Sir I want to say only one thing more and that is about the oil refineries. I understand that the site for this oil refinery which was selected initially has been changed now. That has cost us some money."

That is right

"The entire thing has to come again from Rumania"

Now, I do not know what, he thinks, has to come from Rumania as a result of change of site

Shri Morarka: A team of experts

Shri K. D. Malaviya: Nothing has come so far nothing whatsoever

Shri Feroze Gandhi: May I inform the Minister that the Rumanian experts returned to Rumania and they had to be called back to select the site again? That is what he meant

Shri Morarka: Yes, that is what I meant

Shri K. D. Malaviya: I would not like to join issue with my friend Shri Feroze Gandhi. I and he have to learn from each other because we are engaged in a common pursuit, and he has to shoulder the burden of putting up the refinery in Gauhati. I, therefore, refuse to join issue with Shri Feroze Gandhi.

I beg of you to note that there are certain aspects in this, and those are some important aspects to be known, so far as the selection is concerned. A number of Rumanian experts came here with a view to recommending a suitable site for our refinery. They came here, they made some suggestions, we rejected that suggestion, they went back. After that, they had to come here again for a large number of items of the programme. It

[Shri K. D. Malaviya]

was not only again for a fresh appraisal or a fresh selection of site. Even if that were so, there is no harm in it. I submit that they had to be brought here, invited here, for a large number of things—for discussing the designs, for designing the loading and reloading programmes and many things. It was in our schedule to have them called and so long as the refinery programme is not completed, we have again to invite some of them, as and when required. But, as I said, it is only incidentally that the selection of site question came in again. It is not only for this purpose. Even if it was only for this purpose, I do not personally consider there was any harm in it.

Now, why did we not select the site finally when it was recommended by the expert committee? Indeed, the expert committee, as was made out by my colleague, Shri Feroze Gandhi was one of the best expert committees which was asked to make recommendations to the Government. The special selection committee was to recommend the site. For that they saw about 4 or 5 places and in order of priority they made their recommendations. Silghat came on the top of this priority. Technologically, I think Silghat was the best place for putting up a refinery. There is nothing which is wrong in the claim of the expert committee that Silghat is the most suitable place, so far as technological matters are concerned. Now, there are a large number of technical matters—frequency of earthquake, strength of the soil and all that. It is for the Government to take some considerations, other than technical considerations, the first being economic consideration. Therefore the decision of the technical expert committee, the ablest expert committee that could be secured in the country, was changed. I submit it was changed by me in my capacity as the Minister in the Ministry of Steel, Mines and Fuel, in consultation with my own people who were not technicians—I want to say

that too to my friends—but administrators and economists. And they know why a particular site has to be selected, what are the limited circumstances in which it is not to be selected and so on. I do not want to go into the details. But I want to take the House into confidence why we rejected Silighat. According to our agreement with the Assam Oil Company they are required to build us a pipeline from Naharkatiya right up to Barauni. That pipeline has to be laid by them. I would like to read out the relevant paragraph in this connection—it is paragraph 12 on page 6 of the agreement. I would only like to read the relevant portion of it. Then I will say what I have to say. It says:

“The Company shall arrange for the construction....”

Shri Feroze Gandhi: Which company?

Shri K. D. Malaviya: The Burma Oil Company.

“The Company shall arrange for the construction in two stages of operation of a pipeline....”

I am sorry, it is Oil India Limited.

“.....or such other related facilities as the Company shall consider necessary for the transport of the crude oil to be produced up to Barauni. The first such stage shall consist of the construction of a pipeline or other related facilities as aforesaid to an intermediate locality to be approved by the Government of India and the Burma Oil Company and the second stage shall consist of the construction of a pipeline or other related facilities as aforesaid from such intermediate locality to Barauni. The timing of the commencement of each of the two stages shall be determined by the Government of India. The method of raising and providing the finance at both stages

of construction and the operation and use of the said pipeline and other related facilities shall be as agreed to between the Burma Oil Company and the Government of India; it being understood that this clause does not impose any obligation upon either party to provide the finance for any of the above purposes from their own resources save to the extent "

Now, pleased remember this

".. it being understood that this clause does not impose any obligation upon either party to provide the finance for any of the above purposes from their own resources save to the extent that the Burma Oil Company will make a loan to the company in the United Kingdom on terms to be agreed between the Burmah Oil Company and the Government of India of a sufficient sum in sterling to meet the foreign exchange requirements of the cost of the said first stage of the construction of the said pipeline and other related facilities"

Now, it was for us, under this agreement, to get the cost of construction of the pipelines from Naharkatiya oil field to as far west as we could possibly get it from them Silghat is about 80 or 90 miles east of Gauhati. Through the exchange of letters we agreed that the refinery will be located near about Gauhati and they agreed to advance a sum of ten million sterling to us. If we had accepted Silghat—it is technologically quite a feasible place—then obviously the sum involved in construction of such a pipeline would be far less than ten million sterling and the remainder of the obligation of constructing the pipeline from Silghat to Barauni would have to borne by us and we would have faced the task of finding that extra sum of money which was already agreed upon between us and the Burmah Oil Company as a loan to be given to us.

Shri Naushir Bharucha: How much would that come to?

Shrimati Renu Chakravarty: What, according to the agreement, would have been the extra cost between Silghat and Barauni?

Shri K. D. Malaviya: It is difficult to give any estimate, but it could be about Rs 3 to Rs 4 crores

Now, the difficulty facing us was that we were in an extremely difficult position to find resources for our oil programme. The House knows that this Ministry is finding it very difficult because we are in a new field. Whether it is oil exploration or whether it is laying a pipeline or putting up a refinery, we have to find out money either by selling our goods or by other arrangements or, what you call, healthy manipulations. Here, we successfully negotiated for a loan of ten million sterling. If we had gone right on the Naharkatiya oil fields, it would have suited mostly the Assam Oil Company because they were not obliged to spend a single pre on the pipeline. That is why I said

Shri Naushir Bharucha: How many millions could you have saved?

Shri Nath Pal: Rs 4 crores, he said.

Shri Naushir Bharucha: Rs 4 crores. Is that too much? I understand that if they had followed the recommendations of the Expert Committee, probably they would have got four million sterling less. That is about all. In rejecting the recommendations of the expert committee you suffer continuous disadvantages on account of the less favourable location right through your life.

Shri K. D. Malaviya: That is the presumption of my hon friend that is, that we have selected a wrong place. I never presumed that I only said that technologically it is a feasible and proper place for having put up the refinery, but it is not always the technical consideration. It is a ques-

[Shri K D Malaviya]

tion of finding resources for it, doing it within or near about the schedule and then taking other matters like security and all these questions into consideration. If I could have managed to get this first stage refinery, say at Kuhrajhar or Jogigopa which was quite a nice place for the Expert Committee to recommend, I would have surely accepted it but we could not do it because the Railways could not give us a line. The sums allotted to the Railways did not include a new extension of line to Kukrajhar or Jogigopa which were the places recommended by them. We were simply refused and there was no help coming to us because the Railways would not have any money to spend except a very nominal sum and that the sum which was promised to us should be utilised to the fullest extent.

Now, we should always remember that we have to get the Barauni refinery also in time and we have to have a pipeline also up to Barauni. We have to find out money for the pipeline right from the first refinery up to Barauni. I have to work under these difficult circumstances. Therefore, I am quite sure that the Refinery Corporation has had nothing to do with this delay. I admit that there had been some delay. The mistake is mine or whatever it is. We have to face the situation. I want to say that the Refinery Corporation has had nothing to do with this delay. They are completely out of it. Left to them, they would have perhaps taken a decision earlier. My hon friend, the Chairman of the Refinery Corporation, is thoroughly justified in saying that left to himself perhaps he would have gone ahead earlier. I am sorry, I could not have gone ahead earlier. I am sorry, I could not have gone ahead earlier because I have no money and the money that was promised to us had to be spent in the fullest with a view to relieving the burden of the second stage construction of the pipeline. But so far as the present programme was concerned it was not the concern of the Refi-

nery Corporation. Why should therefore Shri Feroze Gandhi be worried about it? He was quite clear when he said, "Look here, you have not recommended that our Export Committee should do it." I have nothing to differ from it. But if we had taken upon ourselves the responsibility of selecting a site in spite of the recommendations of the technical committee—the correct position is that it was considered on technical and economic grounds and no technical expert of the Government made any recommendation to subvert the recommendation given by the technical expert committee of the corporation on technical grounds.

Shri Dasappa: Why were you not, in the first place, associated with this team of experts? Then all these differences would not have arisen.

Shri Feroze Gandhi: Government was associated.

Shri K. D. Malaviya: Right from the very beginning the representative of the Government was associated with all this and nothing has happened which should upset. That is what I want to say. I will tell you why. Right from the early stages—I do not remember when—I took some of the experts who had come from Rumania into confidence and I told them, "This and this is our consideration. You must give us a site which is farther west." I said that. It is quite plain. They said, "It is our job to make a recommendation to you on technical grounds and it is for you to change the decision on other considerations than technical considerations." So far as that Expert Committee was concerned it was perfectly within its jurisdiction to make a technical recommendation. So far as Government's totality is concerned, it is perfectly within its jurisdiction to change that decision because ultimately they had to make the decision and take all the facts into consideration. I would not like to go further on this point.

The last point which is very difficult for me to solve is the point raised by my hon. friend, Shri Feroze Gandhi, regarding Demand No. 83. I must confess that it is more puzzling to me than it was to Shri Gandhi. I am not an expert. I made a mistake of frowning upon one of my ablest officers in the Department and thereafter I realised that the mistake was mine. I would try to explain what it is. I do not know whether I would be able to explain it correctly or not. On page 12 mention of 'Commerce, Steel and Mines' and 'Uttar Pradesh' is made. These are two different circles. Commerce, Steel and Mines is one audit circle about which I cannot say more than what I have said and Uttar Pradesh is a separate audit circle. It is an audit circle. This is all that I say. Commerce, Steel and Mines is one audit circle and Uttar Pradesh is another audit circle. You will see that the question asked by my hon. friend was that in the numbers there is a decrease from 390 to 336 but the estimates have gone up from Rs. 11 to Rs. 18 lakhs roughly. Actually, what I understand is that the estimate of this number 390 was given in 1958-59. Actually, only 226 people were employed either as part-time or as whole-time of the year and therefore this estimate appears puzzling. This sum of Rs. 11,95,000 has been spent by 226 people and not by 300 people. Now, this figure 336 is actually 405.

Shri Feroze Gandhi: What? It is 405? It is not 336?

Shri K. D. Malaviya: No the estimate is for 405. . .

Shri Feroze Gandhi: The printed figure is 336.

Shri K. D. Malaviya: I shall refer to the printed figure also.

Shri Feroze Gandhi: The hon. Minister cannot give any figures except those that are in the Budget.

Shri K. D. Malaviya: The figures are here. If you just add up 60, or 69 perhaps in A-2 higher up to 336, you will see that it is 405.

Shri V. F. Nayar (Quilon): That is not arithmetic

Shri K. D. Malaviya: What I was pointing out was that this estimate of Rs. 18,86,000 actually will go down when the actuals would come. So, this reduction from Rs. 13 lakhs to Rs. 11 lakhs is on account of the fact that only 226 people were employed as against 390. So, these estimates will also come down proportionately, and therefore, the disparity, as you would see, will not be as much. Rs. 11 lakhs is the actual money spent for 1958-59; Rs. 18 lakhs is the estimates; and most probably it may come down by Rs. 3 or 4 lakhs; and it might be only Rs. 14 lakhs

Similarly, as regards the figure of 2850, in actuality only 1600 people were employed. Although we planned to have 2850 people, yet in actuality, only 1600 people were employed, and, therefore, the expenditure involved was not Rs. 18,51,000 but was only Rs. 13,24,000. Similarly, we hope now that we shall not spend the whole amount. If actually we can get all those people, that is, all the technicians for doing our work according to our programme, then we may spend the money that we have set apart as a result of our having kept the number 2886, which is again the result of totalling of A-2. This is what generally is the picture. That is, the difference which is of relevance is actually the difference between the actual money spent last year and the estimates that we are proposing before the House for sanction. And if the estimates go down, the disparity will not be so much.

Shri Feroze Gandhi: On a point of clarification. If you will kindly refer to page 12, you will find that it gives the details of page 11 and the total amount there. Am I to understand that in the Budget which has been presented in February for 1958-59 the figure shown as 390 is not 390 but it is something else? And am I to understand that the figure shown for 1958-59 as 2850 in the Budget is not

[Shri Feroze Gandhi]

correct, and that the figure is actually something else? The hon. Minister may kindly clarify, because this is a budget statement, and there can be and should be no mistake in this paper.

Shri K. D. Malaviya: I think there is no mistake. I do not think there is any mistake, except that what I have said....

Shri Feroze Gandhi: Is the figure given here right or wrong?

Shri K. D. Malaviya: The figure is right.

Shri Feroze Gandhi: Then, I would demand an explanation, if this figure is correct. That will be a point of order that I would like to raise. Of course, I would suggest that if these figures are correct, then Demand No. 83 should not be put to the vote of the House till such time as a proper explanation is available. You may postpone this to tomorrow. These are the details. If the figures are correct, then an explanation is required. If the number has dropped from 390 to 336, how have the estimates gone up from Rs. 11,95,000—I mean the revised estimates—to Rs. 18,86,000? Again, if the figure is correct, as the Minister states, the number goes down by 600, but the revised estimate which is Rs. 13 lakhs increases by Rs. 10 lakhs. This requires explanation before this Demand can be put to the vote of the House.

Shri K. D. Malaviya: May I say this? This figure of 390 indicates the number of people who were not employed as whole-timers for the whole of the year; they used to work part-time; they used to come and work for some time and then go. Now, therefore, this figure is actually 226 which is indicated here. Therefore, the entire expenditure....

Shri Feroze Gandhi: Will the hon. Minister kindly note that nowhere is 226 mentioned on page 12? He may refer to it himself, and see the details of Demand No. 83.

Shri K. D. Malaviya: I was only referring to the fact that these figures indicate the temporarily employed people. 226 is the actual number of people employed part-time or whole-time, and the expenditure involved is Rs. 11.95 lakhs. More than that, I have nothing to say.

Shri Feroze Gandhi: I would like to have your ruling on this.

Mr. Deputy-Speaker: I am looking into it, and when I have heard the Minister, I shall give my ruling.

Shri Feroze Gandhi: Even then, I would suggest that this Demand be held over, because I think there is some serious flaw in this.

Shri K. D. Malaviya: There is no serious flaw in this. It is only for us to understand them.

Similarly, about the second figure...

Shri Braj Raj Singh: Has the hon. Minister understood it himself?

Shri K. D. Malaviya: Whatever I have understood I have said. Basically, it is this that a number of people were shown as employed part-time; the actual shown is 226, for that, proportionately, the expenditure has gone down. Similarly, in the next year, in the actual....

Shri Feroze Gandhi: It is 336 here.

Mr. Deputy-Speaker: Is that figure of 226 given anywhere in the statement, for which this amount is provided?

Shri Feroze Gandhi: This is the Budget of India, and there should not be any mistake in this. Some explanation must be given for it if it is to be put to the vote of the House.

Shri Nanshir Bharucha: Also, it means this that the Minister represents to the House....

Shri K. D. Malaviya: We shall find out where this figure of 226 can be put in.

Shri Feroze Gandhi: In that case, I would suggest that the Demand be not put to the vote of the House, namely Demand No 83

Shri K. D. Malaviya: I do not accept it.

Mr. Deputy-Speaker: Still, the reply has to come from the hon Minister, and some explanation might be given

Shri Feroze Gandhi: The Demands will be put to the vote after the hon Minister's speech. Therefore, I would suggest that till such time as a proper explanation is forthcoming, we hold over Demand No 83 for tomorrow

Mr. Deputy-Speaker: But we have yet to listen to the reply of the hon Minister, and then, we can decide if a satisfactory explanation has been given or not

Shri Feroze Gandhi: Which Minister? The other Minister?

Sardar Swaran Singh: He will look into it

Shri Feroze Gandhi: Both are the same, whether he will reply or the other Minister will reply

Shri K. D. Malaviya: Whatever I had to say I have said. If there is any additional point which is there to satisfy my hon friend, I shall just collect it and give it to him

Mr. Deputy-Speaker: We shall see whether a satisfactory explanation is given or not.

Sardar Swaran Singh rose—

Some Hon. Members: Does he begin his reply now?

Mr. Deputy-Speaker: Does the hon Minister begin his reply now?

Sardar Swaran Singh: This point will be looked into, and towards the end, the explanation might be given

Mr. Deputy-Speaker: That was what I was saying. When the senior Minister makes the reply, he might

then try to explain it. If it is explained away satisfactorily, certainly, we shall put it to vote. If no explanation is given, certainly we shall consider whether that can be held over or further consideration is necessary

Shri Feroze Gandhi: May I make one request? Either the hon Minister must say that the printed figures are wrong or he must say they are right, if they are right, then the House will have to consider whether the Demand is correct

Mr. Deputy-Speaker: He has got some time to consider over it, and then he will give us an explanation. Why should we be impatient?

Can I call another hon Member in the meanwhile?

Sardar Swaran Singh: He will look into it. If I have your permission, I shall say a few words of my own, not about this, but about the other things

Mr. Deputy-Speaker: The point is whether I should call upon other hon. Members to speak or whether immediately I should call upon the hon Minister to reply

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): In accordance with the schedule, the whole thing has to be finished by 4-10 P.M. As you know, we have a strait jacket programme, and we are already two hours behind the schedule. What will happen on the 18th April in that case, I do not know. Unless we adhere to the schedule, something upsetting will happen

Shri Naushir Bharucha: As it is, according to the schedule, the Budget should end by 18th April. What does it matter if it ends on the 19th? Heavens are not going to fall

Mr. Deputy-Speaker: There are other items also

Shri Satya Narayan Sinha: I have already explained to my hon friend. I am very sorry. The hon Member

[Shri Satya Narayan Sunha]

was a member of the Business Advisory Committee where we discussed all those details, and I had explained at length to my hon friends that by the 28th of April, the Finance Bill must come back from the other House also, for, in the case of a taxation proposal, beyond 60 days, we cannot have it. Therefore, I requested you, and requested the House also, and we discussed there, and we allotted as much time as hon Members wanted in the Business Advisory Committee also. And therefore now, if we do not adhere to the schedule, I think something very disturbing will take place.

Mr Deputy-Speaker: Let us not fear that disturbing thing for the present, but I feel now that I should call upon the hon Minister to speak because of that explanation.

Shri Assar (Ratnagiri): I have not got my chance.

Mr. Deputy-Speaker: He has my sympathy, but what shall I do? He might speak on some other Ministry.

Shri Braj Raj Singh: But in the morning when we began the discussion, the Speaker was of the view that if a full discussion was not held, he might be in a position to extend the time by one hour.

Mr. Deputy-Speaker: That is the difficulty, he is not in a position to extend. I have looked into the record, he has not passed any orders.

Shri Braj Raj Singh: That is correct. But one hour was taken by the hon Minister in initiating the discussion.

Shri Satya Narayan Sinha: 35 minutes only.

Shri Braj Raj Singh: Thirty-five or forty minutes have been taken by the Minister of State. Again 40 minutes perhaps have been asked for by the Minister of Parliamentary Affairs for the senior Minister. That makes two hours.

Mr Deputy-Speaker: The hon. Member has had his 15 minutes. He should not grumble.

Shrimati Renu Chakravartty: It is scheduled that we are to have a full 8 hours discussion, plus the Minister's reply.

Mr. Deputy-Speaker: Those eight hours include the Minister's reply. It was only in the general Budget discussions that we allocated the time excluding the time for the Minister. Now on Demands we have included the time that is to be taken by the Minister also. That is the procedure.

Shrimati Renu Chakravartty: But in the Bulletin it is not said so.

Shri T. B. Vittal Rao (Khammam): When we discussed the allocation of time, it was decided that the time taken by the Ministers to reply will be taken into consideration in the total time, but our Minister had also taken some time in introducing the Demands. Therefore that time may be excluded.

Mr Deputy-Speaker: That is also included.

Sardar Swaran Singh: I have greatly benefited by the observations that have been made on the floor of the House by the various sections of the House. I wish I had the time to say something on all the points that have been raised, but I propose to confine myself to some of the salient facts, assuring at the same time that whatever has been said will receive very careful consideration with a view to derive the maximum benefit out of it.

The first point that I would like to mention is about the estimates for the three steel plants. This matter has been coming up again and again before the House, and I would like to take this opportunity to clarify the position to the best of my capacity.

So far as the increases in the initial figures are concerned, they were

given some time towards the end of 1955 or beginning of 1956, and we can divide under two broad categories the increases that have taken place. One category relates to a number of items which were not included in the initial estimates that were prepared. If they were not included it was not due to the fact that there was any doubt about the cost to be incurred on that score, they were purposely kept outside the advice of the consultants who prepared the preliminary reports, because these related mostly to items which are Indian responsibility, our responsibility. In that category come townships, development of mines and a number of other things, a list of which I have placed before the House on a number of occasions. Surely we did not require a consultant to tell us that so much would be spent upon the township, or so much would be required for development of a mine, or for incurring other expenditure in the matter of arranging water supply or the like. It would have been extremely wasteful if we had insisted on elaborate reports from the consultants on these items which could easily be looked after by us. It was enough if it was known that these were the items which were not being included in the estimates. Therefore, the increase on that score cannot be said to be either on account of any omission or any want of planning or any want of foresight. This alone accounts for a figure of Rs 140 crores or so. This has been clearly brought out in a number of replies that I have given from time to time.

Then, besides this, there is the question that even with regard to the content that was in the actual physical plan that was the subject matter of the original estimates, there have been increases. But I would like to make this point absolutely clear that it is not that there have been these changes from time to time. In fact, my predecessor, as early as December 1956, made a statement on the floor of the House in which he gave the figures with regard to Rourkela and Durgapur. He made a statement

indicating that for Rourkela the revised estimates for the items which were the subject matter of the various estimates would be Rs 170 crores, and for Durgapur it would be Rs 138 crores. He also indicated the various items that were not being included therein. He also promised that a similar revised estimate would be given for Bhilai.

Thereafter in August 1957, I repeated the same figures with regard to Rourkela and Durgapur which had been given earlier to the House by my predecessor, and I also supplied the missing information with regard to Bhilai, because by that time complete estimates had been prepared even with regard to Bhilai, and I gave the figure of Rs 131 crores. Therefore, the explanation which the House is entitled to ask is as to how this Rs 128 crores in Rourkela became Rs 170, in Bhilai from Rs 110 crores it became Rs 131 crores and in Durgapur from Rs 115 crores it became Rs 138 crores. These are really the revised estimates as compared to what was contained in the earlier estimates which were not elaborate, and then these were the estimates which emerged as a result of fuller examination, and the House is perfectly entitled to ask that there should be some explanation as to why these have gone up.

I would like to make one thing clear, that is that the figures that were given to the House in 1956 December and later in August 1957 were the new figures with regard to all the three plants which were repeated. There has not been any upward revision at all with regard to these estimates.

The third point that remains to be answered is what are these increases due to? These increases are due to factors which can be broadly grouped under four heads. They are, firstly, additions and improvements. Secondly, they are more costly foreign supplies of structures and refractories. Thirdly these are due to increases in:

[Sardar Swaran Singh]

price in Europe. Fourthly, they are due to under-estimation by consultants which was the case particularly in point in the case of Rourkela.

What does this really mean? Additions and improvements had to be undertaken when we thought that those additions and improvements would be necessary for the better performance of the plant, or for better economic return. If we swear by the earlier figure that has been given by way of estimate as a sort of mantra, that it is not to be exceeded, and shut our eyes completely to the possible modifications which might result in improvements or the like, that would not be in the national interests; and I am not sorry for making these additions and improvements, although as a result thereof the figure that works out goes up. I will presently give the broad amounts which have been added to the original indications or rough estimates on account of these various factors.

The second point that I submitted in this connection was more costly foreign supplies of structures and refractories.

It is a well known fact that the cost of some of these imported articles is higher. We originally thought that it would be possible to have all the refractories and structurals or a certain quantum thereof from internal resources, but we overjudged our own capacity and when we actually settled down to work out the details, we came to the conclusion, which was a painful one, that we could not have all the refractories and structurals raised inside the country and we had to import them. That pushed up the prices.

18 hrs.

Thirdly, if there is a time-lag when the original estimates are prepared between that period and the period when we placed orders after detailed project reports are there, and if in the meantime the world prices

rise up, nobody is going to show any concession to us by supplying us equipment at an earlier price merely because that happened to be the price in the estimate. We cannot ignore the hard facts of life and we had to pay a higher price on account of increase of prices in Europe and elsewhere.

Then the fourth point has been highlighted and doubts have been expressed as to why there should be under-estimation by consultants, as has been mentioned from time to time by me with regard to the estimates that were prepared in regard to Rourkela. That is a valid point and some explanation is due. I would request the hon. House to bear the interest of the exchequer and the interest of the project in mind and not be misled by mere sentiments. The consultants' explanation with regard to this is that if we make our estimates rather on the liberal side taking into account all the various factors that may ultimately emerge, which may reflect a higher cost, and then on the basis of that we go out and tender and ask others to quote, there is a risk that that becomes really the floor and others are likely to quote a price much higher than that. When we introduce an element of competition we go out on tender on the basis of the estimate which has been given to us by the consultants—the estimate given to us by the consultants is the basis for this purpose—a basis which is not a secret matter, which is known to every supplier. Then a greater possible criticism might be saved as the estimate will not be much increased but ultimately it was quite likely that the price that the country had to pay would have worked out to a much higher figure. That is the explanation which they gave, and I have no reason to doubt that there is strength in this explanation.

We have also to remember that after all, this is a phenomenon which is of significance in relation to Rourkela. In Rourkela, quotations

were invited on a competitive basis and when those quotations came and contracts were either concluded or we were on the point of negotiation, a reassessment was made that the original indication that was given was on the low side and as a result of the actual things coming up, the quoted prices are higher. Therefore, I submit that there was absolutely no point in that. (*Interruption*).

Shrimati Renu Chakravarty: Surely, the fluctuations must be within limits.

Sardar Swaran Singh: I know what is in the mind of my hon. friend, Shri Naushir Bharucha. He has drawn all his inspiration—and quite rightly—from the observations of the Estimates Committee. That is a rather delicate matter, when one has to differ from the findings of a body like the Estimates Committee. But the House and the hon. Speaker also have prescribed a certain code of dealing with what is contained in that Report, and hon. Members and the House should be content to comply with that code in the sense of permitting the Ministry to give their comments upon the various recommendations and then let the process evolve of either convincing the Estimates Committee who may later on modify that or be convinced themselves. But before that process could be gone through, hon. Members showed impatience to raise those very points and adopt those very arguments on the floor of the House, and no option is left for me but to put forward my counter-viewpoint, even though at first sight it might have been rejected by the Estimates Committee. I have no doubt that when all these facts are properly explained to the Estimates Committee they will appreciate this viewpoint and even if they do not, I will have no other option but to....

Shri Oza: A word of explanation, Sir. Is it true that the Report of the Estimates Committee is shown to the Ministry before the publication of the final report?

Sardar Swaran Singh: It is sent to the Ministry so that they might check the factual points that are mentioned there. The report is not shown with a view to affording the Ministry an opportunity to give their arguments as to why particular conclusions that have been arrived at should not be arrived at. If instead of Rs. 118 crores it is stated as Rs. 110 crores or some facts are mis-stated, they are checked. What I mean to say is that showing to the Ministry does not mean that the Ministry has got a second chance of actually pointing out any fresh material which might justify a revision of their conclusions. That is why I am using this guarded language in saying that before utilising the normal process that is envisaged for developing proper relationship between these parliamentary committees and the Ministries with whom they have to deal, the hon. Members in their wisdom have chosen to adopt those very reasons to attack the Ministry and there is no other option for me but to take up my position with regard to the various points that have been put forward in the Estimates Committee's Report.

Shrimati Renu Chakravarty: On a point of order, Sir. I want to know whether it is open to the hon. Minister to say that what has been recommended by the Estimates Committee is something which he categorically rejects. He can ask for time for consideration. But can he say just now that he categorically rejects the findings of the Estimates Committee?

Mr. Deputy-Speaker: He has explained his difficulty. When the Estimates Committee comes to a conclusion, the conclusion is sent to the Ministry. The Ministry has its own explanation, its own reactions. Then, when they come to the Estimates Committee, they also consider whether there is some force in the reply which has been sent. They can also modify their position. The Minister is explaining that before the Ministry had any time just to put its

[Mr. Deputy-Speaker]

views before the Estimates Committee and for the Estimates Committee to reconsider or modify their conclusions, these conclusions have been taken up by the hon. Members and they have been put forward here to attack the Ministry. Therefore, he says he has no option. The opportunity that he might have taken to explain to the Estimates Committee has not been yet afforded to him. Therefore, there is no option for him but to put his case here, because if he does not put his case, what shall be the result? A conclusion will be drawn that he had no case to make out or that he had no defence to put forth. Therefore, he can naturally put forward his own point of view, the Ministry's point of view.

Shrimati Renu Chakravartty: As far as I know, the Estimates Committee, after it has considered the Ministry's point of view, publishes its report. Then the Ministry considers it. It is only after a period of time again that it is revised by the Estimates Committee in the course of one year or two years when they examine how far the Ministries have implemented their recommendations, and, if not, why not. That is the procedure. If any criticism is made or anything is said arising out of the Estimates Committee's recommendations, is it open to the Minister to say that he takes a rigid position as to what he has done, whether it is right or wrong? I plead with him not to take that position.

Sardar Swaran Singh: I think the hon. lady Member has probably understood me a little more rigidly than what I wanted to be. I was replying to the interruption that was put in by my hon. friend, Shri Bharucha. He said: 'You are advancing this argument. This argument has already been rejected by the Estimates Committee.' I said that merely saying that it has been rejected by the Estimates Committee is not a matter which is conclusive so far

as I am concerned. What I said was that, in all fairness, the hon. Members should not have adopted the reasonings of the Estimates Committee as their own. On some occasion, they dig up these things and adopt them as if they were their own. Some explanation is due from me, and the Estimates Committee cannot be quoted against me as a conclusive rejection of my suggestions. That is the point I am trying to make.....

Pandit Thakur Das Bhargava. (Hissar): The report of the Estimates Committee is never conclusive.

Sardar Swaran Singh: Even in this particular context without going to the general matter, I would draw the attention of the House to appendix XVII on page 141 of the report of the Estimates Committee which clearly gives all the differences between the original estimates of the three steel plants and the revised estimates and also the reasons. In the case of Rourkela, four points are listed; in the case of Bhilai three points are listed and in the case of Durgapur also seven reasons are given as to why these increases were there. Unfortunately for myself, the Estimates Committee in their wisdom thought it fit to shove it on to the Appendix only to be unearthed by some research student. They do not find a prominent place in the body of the Estimates Committee's report so that the country and everybody could judge for themselves as to whether there was any strength in the reasons that were given for the pushing up of the estimates..... (Interruptions.)

Shri Supakar: Unfortunately, the Estimates Committee did not get any reply from the Ministry in time. It takes several months for the Ministry to reply to a query by the Estimates Committee; that is the unfortunate state of affairs.

Sardar Swaran Singh: I would be very sorry if that is the state of

affairs; that will certainly be expedited. . . (Interruptions.)

Mr. Deputy-Speaker: Order, order That is certainly a thing to be considered, that can be done on a different occasion. For the present we cannot take that into account

Shri Supakar: If the reply is not sent in time it can only be given in the appendix

Sardar Swaran Singh: It is far from me to make the slightest suggestion that the Estimates Committee's recommendations are not entitled to great weight. They are entitled to very great weight

Shri Nath Pal: They are not much to his liking

Sardar Swaran Singh. Even so, I attach the greatest weight, because there are many people for whom I have the greatest respect and regard although I may not have a liking for what they say My liking or not does not come in the way of having a fairly objective approach in these matters and I derive very great benefit from what is contained there

I was mentioning this only to point out that so far as the estimates part is concerned, there is absolutely no reason for us to be apologetic in this Every care was taken to ensure that we get the best return for the money, and sticking to certain estimates merely because that happened to be mentioned at an earlier stage would not have been in the interest of the country The matter of revision of this thing, is therefore, a minor matter Before I pass on to the next point, may I submit the case of the Tatas who have got very great experience? A large number of Members feel that we should depend upon steelmen who are Indians (Interruptions)

Shrimati Renu Chakravarty: Private sector has given you ICC

Sardar Swaran Singh: . that is, Tatas and the Indian Iron or both of

them, and for both of them unfortunately the hon. Lady Member has not got great regard either for their capacity or performance. I do not know how the two ideas are reconciled

Now, I was mentioning that in their first estimate in 1955 they indicated a figure of about Rs 100 crores by way of expansion and subsequent experience has indicated that the actual expenditure is about 30 to 33 per cent above their original estimates

Pandit Thakur Das Bhargava: That was so in all the schemes—Bhakra—Nangal, DVC, everywhere the estimates required revision

Sardar Swaran Singh: My respected friend rightly points out that this had happened in other places too

It may be, Sir, that those who might take a more strict view might say that this should not become a matter of habit I can claim some credit that with regard to these, at any rate, for the last three years, certain figures which were given still hold the ground and there had not been any upward revision thereof

Now, I would pass on to some other points that have been raised Things have been said about certain contracts, certain points have been thrown up and certain contracts that have been concluded have been criticised In that sphere, again I am on a somewhat delicate ground The Estimates Committee has been examining those contracts and it has given a report The Auditor-General has also noticed those contracts, some of them, and they have been included in the Audit Report which has been prepared by the Auditor-General That Audit Report is to go to another august body of this House, namely the Public Accounts Committee The Public Accounts Committee will examine those contracts in the light of further comments or amplifications that might be put forward by the Ministry or by the Hindustan Steel Then the Public

[Sardar Swaran Singh]

Accounts Committee will put forward its view-point. Therefore, it will not be perhaps very wise for me to say something categorically about the specific points that have been raised about two contracts which have worried very much my hon. friends belonging to the Bombay group though they might belong to different parties.

They have picked up two contracts and have taken a fancy for them, but they have never even shown the House the courtesy of pointing out as to what was the total number of contracts, for instance, which the Hindustan Steel negotiated, what was the value like, what was the number like, what was the complexity like and what is really the total impact of these two things which have been highlighted and on the basis of which huge theories have been built about everything being rotten and what not.

I submit, Sir, we have to view this in a correct perspective and not take an exaggerated view merely by picking up one or two things. I do not claim infallibility. There must have been mistakes. Those mistakes can always be gone into. It is one of the functions of the Audit, which is as much a part of the entire system that we have adopted in the country as the Ministry itself. If the Audit or other organisations bring out points which require looking into, then they have to be looked into and we have to derive benefit out of them.

I will be failing in my duty if I were not to put forward my version of these two contracts which have been the subject matter of considerable argument and considerable criticism on the floor of the House. These contracts are the Duggal contract and the Hochtief Gammon contract. These are the two contracts which are mentioned from time to time.

With regard to the Duggal contract, this was awarded, I think, more than

about 2½ years ago. This was awarded to this firm because their quotation happened to be the lowest. It was generously conceded by my hon. friend opposite that there were some adverse criticism against this firm by the Public Accounts Committee of Punjab, but he was charitable enough, at the same time, to concede that the report was not before the authorities who awarded this contract about 2½ to 3 years ago, and therefore they need not have been influenced by what is contained in the report which came at a later date. My hon. friend Shri Bharucha more strictly said that we ought to have embarked upon a very sifting enquiry to find out what are the antecedents of this firm.

Shrimati Renu Chakravarty: This gentleman has now been again given the Great Iron Foundry, after all this has happened.

Sardar Swaran Singh: I do not say that the original contract was wrongly given. Therefore, this second argument will arise only if all of us come to the conclusion that the original decision was wrong. So far as this firm is concerned, again, it is not a very palatable thing for me to. . . .

Mr. Deputy-Speaker: Probably, the Punjab Speaker has also written to our Speaker that the Public Accounts Committee of Punjab is proposing to go into it again.

Sardar Swaran Singh: Yes; I was going to refer to it.

Shri Nath Pai: Yesterday I refrained from mentioning it. I have got it. It is a very unusual thing, and you are the better authority on it. It is the most unusual thing—the Chief Minister of Punjab asked the Public Accounts Committee. One would like to know whether he is justified in asking them to reconsider the strictures they had passed.

Mr. Deputy-Speaker: But that would be a different thing—whether

the Chief Minister had asked that and what the Speaker there has done. We are concerned only with the point whether the Public Accounts Committee does go into it again or not, and if it does go into that, what is the result of that investigation. We will be concerned only with that question.

Shrimati Benu Chakravarty: On a point of order. Again I feel that it has been done after the Estimates Committee of Parliament produced this report. The date that has been given there, in the Punjab Chief Minister's letter, is immediately after that. That is 19th February, 1959—the Secretary of the Punjab Vidhan Sabha. The whole matter is requested to be gone into. We feel that there is some sort of pressure which has been brought upon them. I could have understood the Speaker asking them. Now, the whole thing, after having been exposed by the Estimates Committee of Parliament, is being resisted again. It seems there are considerations for this.

Mr. Deputy-Speaker: Anyhow there will be no justification for us to sit in judgment of what is done there. We will not go into that.

Sardar Swaran Singh: That was exactly and precisely the line that I wanted to take. I can say at this stage that it was pointed out by the hon. Member himself that the adverse remarks which the Public Accounts Committee of Punjab made came to light after the contract was awarded.

Shri Naushir Bharucha rose—

Sardar Swaran Singh: My hon. friend is very impatient. Does he want to have a second speech? I do not mind. Therefore, the short question that remains is, was there anything about Duggal which ought to have put us on our guard and should have impelled us to make any enquiry beyond what is normally made. . . .

श्री स० सु० तारिक (बम्बू तथा काश्मीर) : मैं भी एक छोटा सा सवाल करना चाहता हूँ

شادی لے - ایم - تاویق (جسوں د
کشمیر) : میں بھی ایک چھوٹا سا
سوال کرنا چاہتا ہوں -

उपाध्यक्ष महोदय : मेरा सवाल है कि
वक्त के बारे में बहुत धिकायत हो रही है
और अब तो उनकी तकरीर सुन ही लेनी
चाहिये ।

श्री स० सु० तारिक : एक छोटा सा
सवाल है । मैं पूछना चाहता हूँ कि स्टील
प्लांट्स के सिलसिले में मैसर्स गैरन इंकरली
की बम्बई और कलकत्ता की जो फर्म है उसका
क्या रोल रहा है और उसको कितने कांट्रैक्ट
मिले हैं ?

شادی لے - ایم - طاویق : ایک
چھوٹا سا سوال ہے - میں پوچھنا
چاہتا ہوں کہ اسٹیل پلانٹس کے
سلسلے میں مہسرز گھنن ڈنگولی کی
بمبئی اور کلکتہ کی جو فہم ہے اس
کا کیا رول رہا ہے اور اس کو کتنے
کانٹریکٹ میے میں -

सरदार स्वर्ण सिंह : मैं इसकी इनफार्मेशन
जरूर कोलेक्ट करूंगा । बहुत से कांट्रैक्ट
हिन्दुस्तान स्टील वाले खुद ही दे देते हैं और
मुझे पता नहीं होता है । अगर मॅम्बर साहब
इसमें दिलचस्पी रखते हैं और उनके एंटी-
सिडेंट्स के बारे में भी जानना चाहते हैं तो
मैं पता कर दूंगा ।

I would not take long on that. I was going to say that it is not very much to my liking to make out special pleas in favour of contractors, and on an earlier occasion, I made it clear that it is perhaps not fair to the Government that they should be called upon to go into these contractual obligations in a very detailed manner, because the object in the mind of the hon. Members is that we get the best return for our money. In that context, it is always better if these contractual things are left to be sorted out between the contractors or the supplier, whoever it be, and the organisation with whom they had contracted, and it is always a little unequal atmosphere if we try really

[Sardar Swaran Singh]

to go into the pros and cons here. But so far as this particular case is concerned, if we exclude those adverse remarks of the Public Accounts Committee of Punjab, which were not there when the contract was awarded, then the fact remains that Duggal was a firm of first class contractors registered with the Public Works Department. It was a first class contractor with the railways; it had done considerable work for the port authorities; it had also done considerable work even in relation to a refinery in Bombay. It was a well-reputed firm. Therefore, those people who were responsible at that time in awarding the contract accepted the quotation of a firm which had considerable engineering and construction experience and it was actually registered as a contractor in a number of governmental organisations. Therefore, to say that we should not have dealt with them or that we should have undertaken a special enquiry about the antecedents of that firm is only anticipating too much and I am not at all convinced that those who awarded the contract at that time need have undertaken more than what is the customary thing to be done.

Still the other question remains as to why after the contract as given to him, another additional help was given to him in the form of German carpenters. That is a valid point which requires explanation, because normally, if a contract has been entered into and terms have been settled, he is expected to execute the work according to the contracted specification and normally, the question of help does not arise. So far as that general proposition is concerned, I have no quarrel with that and it is sound.

But in this particular case, I would place before the House the facts of the situation. I would like to mention that in the case of Rourkela, the bunker is a huge construction. It has to take the coal, iron ore and lime-

stone before it is taken to the blast furnace. We have made a departure from the normal specification and decided that it should be a reinforced concrete structure. It may be that we were under the influence of criticism that had come from some of our very honoured visitors. We thought that if we could use reinforced concrete in constructing the bunker, there would be saving in the matter of steel. Reinforced concrete bunker was a thing which was being attempted for the first time in the country. Not only that Duggal & Company had no experience of it, but no one in the country had any experience about the construction of reinforced concrete bunkers. It is always mentioned as if those carpenters were brought here for the purpose of planing the wood or for doing ordinary unskilled work that a carpenter normally does. But to pour concrete, a certain shuttering has to be erected, which is very complicated. I have a grievance against the three hon. Members who criticised, because in spite of my invitations, they have not yet thought it fit to visit the place, so that they might see for themselves the complicated nature of the work. I hope they will go there one of these days and then most of these doubts which have gripped them on account of theoretical considerations will certainly be removed. Here was a complicated structure of a bunker which had not been attempted anywhere in the country before. No one in the country had any experience about the complicated shuttering and we did not want to take any risk, although Duggal will not admit it. His line throughout has been, "I was all right; you developed cold feet unnecessarily and you more or less put these carpenters on me. I could have done without them." But somebody had to exercise his judgment at that time.

Three courses were open. Either we cancel the contract and ask somebody else to do the work again, or we leave him to do the work or we give some help to him, so that the

work may be done within time and without undue delay. Out of these three alternatives, somebody had to exercise his judgment. In retrospect, it has clearly been proved that as a result of choosing the alternative we did, viz., we strengthened the organisation by giving him specialised carpenters, who according to the terminology of certain countries, could be called engineers .

Shri Naushir Bharucha: Not a word about the bunker has been mentioned by the Estimates Committee.

Shri Nath Pai: Let us hear him

Sardar Swaran Singh: Are you saying what I am saying is not correct? You are quite correct when you say that the Estimates Committee might have come to a different conclusion if all these facts had been there. If that is the point, then I readily concede that

The point that I am developing is this. Out of the three alternatives that were open, cancellation of the contract and bringing in a new party, permitting him to go ahead with whatever resources are available here and we taking the consequences if we do not succeed and, thirdly, our decision to strengthen him by providing him the technical know-how and all those things, although in the ultimate analysis we had to incur additional expenditure, we carefully weighed that and we came to the conclusion that this alternative which has been chosen was the best in the circumstances, because otherwise there would be inordinate delay. The quotations that we were receiving at that time were much higher than the tendered amount that we had accepted in this case. And I have no doubt in my mind that if we had gone for re-tender, the country would have had to pay much more. It is not a case of ordinary carpenters; it is the case of specialists who were imported to strengthen the organisation which

had to do the complicated shuttering to be put up there

Shri Nath Pai: I have refrained all this time. You should give me a chance

Sardar Swaran Singh: Let me finish this Duggal matter. Then I will be perfectly at your disposal. I will give in myself

Shri Nath Pai raised the point that I said on the floor of this House that this man was behind the schedule or that he was not going ahead according to schedule and that he required some help. The Resident Director, Shri Ganapathi, has in some letter which he quoted, said "he is all right" and the work is perfectly according to schedule or that he has done well. That does not require any elaborate explanation. You have only to look to the time to which I was referring and to the time to which Shri Ganapathi was referring. If he had gone behind the schedule and if with the help of additional hands in 1957 he pulls up and makes up all the deficiencies and whatever delay was there is cut down, he does all that and after a year and a half the Resident Director comes to the conclusion that he has done well and he has made up everything, that should be a point in our favour rather than one on which I should be called upon to give an explanation. One thing that is behind the schedule in 1957 need not always be behind the schedule. If it is behind the schedule, I would be sorry. And I have no hesitation in saying that I hold no brief for the contractors. I do not know whether I should say that, but I do, think that the hon. Members who have been such vehement critics do know that I at any rate was not responsible for the finalisation of this contract. But I do not make any plea on that score. What I meant to say was that I hold no brief to defend the contractor. But I would be failing in my duty if I do not give him his due. I would say that even when he was behind

[Sardar Swaran Singh]

the schedule, even at that time there were other contributory factors also. One was that when excavations were undertaken it was found that the quantity of lean concrete was really much more than what we originally thought would be required. When detailed drilling and excavations were made and firm foundation was to be reached it was found that the ground had to be excavated and much more lean concrete had to be poured, which meant more work. That was one of the reasons why he was behind the schedule. This is so far as the Rourkela project is concerned.

Shri Nath Pal: I will only ask him about one or two points. He himself said that they were lagging behind. Yesterday I have pointed out two aspects of it. I had referred to Gutehoffnungshutte (GHH) and John Shearer, apart from amassing a profit, have charged Rs. 1100 per carpenter per month, which comes to a total of Rs. 12 lakhs of rupees. I have said this and I had asked the question on the subject. Apart from the salary of these carpenters they were deducting from the staggering fee Rs. 8,000 per month which the carpenters were supposed to receive as salary. This is above all other commission that they have received and that in collaboration. I ask him, if you say that you brought me because the work is lagging behind, are we not justified in asking you as to why Shri Ganapathy, your Resident Director, gives this certificate? That you have been kind enough to try to explain. But the wording is that "their work up-to-date is quite satisfactory". Not only in 1957 but all along and the final work. I would like you to hear this wording, "Their work up-to-date is quite satisfactory and has not resulted in any delay in the erection of the work entrusted to them." The certificate is very categoric.

Shrimati Benu Chakravarty: In the background of his statement.

Shri Nath Pal: The certificate was procured on the 7th January after we had raised the matter on the 29th November in this House. The certificate mentions that there has not been any delay at any time.

Sardar Swaran Singh: For one thing, it is really for Shri Ganapathy to say as to what really did he mean by all those words. But I would be disinclined to accept—I am very reluctant to do so—the construction that my hon. friend is placing on this because Shri Ganapathy was not even there when the additional carpenters came.

Shri Nath Pal: I have got the records before me.

Mr. Deputy-Speaker: Order, order. Let us hear him.

Sardar Swaran Singh: We should accept that with regard to the relevant period of time. At what point of time that letter was given. I have tried to explain it as best as I could. It is true that the exercise of judgment is involved in selecting one of three alternatives that I have placed. But I would respectfully submit that it was an exercise of discretion which had to be exercised by someone and in retrospect I cannot say that it has been unwisely exercised.

With regard to the other point, I am sorry that I did not reply in my main reply. To say that just to secure employment for about a handful of these specialist carpenters who had to come all the way from Germany and do the work here because according to the original contract whenever these foreigners are supplied the supplying firm has to be paid something so that they make their services available to us will not be charitable. That is a part of the general contract. Now, my hon. friends may have their complaints against that contract itself. That is a separate issue and I need not go into it. No separate commission or

anything was however charged for this and it is very difficult to imagine that merely to make the services of a few carpenters available in the off chance of getting some little amount by way of compensation for sparing those people, they should unnecessarily foist these people on us will, I think, not be a charitable construction of the conduct of the consultants

Shri Nath Pai: I will produce the documents

Shrimati Renu Chakravartty: I want to ask one question of the hon Minister Is it at all a fact that Uttam Singh Duggal had really finished the work before even the arrival of the German carpenters? He has alleged that He says that the hon Prime Minister actually went there and saw it completed and the carpenters arrived after that If that is a fact then certainly the entire question takes another complexion Not only that, he has also stated here, "That Resident Director's chit is added to this note to prove our contention, that is, that we have finished everything according to schedule"

Sardar Swaran Singh: As to these individual positions that the contractor might take from time to time, I would beg to the hon lady Member not to go into these details as to on which point of time was he behind time or on which he was not If I have any experience of contractors—and I can claim some—there will be interminable disputes even hereafter This may not be the end They might go to arbitration They might ask that they have spent more or that they have incurred more expenditure It may perhaps not be very fair to the country that I should go out of the way to trace the progress from day to day and should be called upon to say as whether on any particular point of time the progress was according to schedule or not After all, this hon House is concerned with broad issues that are before us and there are other forums where we can sort out these matters of detail That is

so far as the Duggal matter is concerned

So far as Hochtief Gammon is concerned, if I have understood the criticism correctly, and I tried my best to analyse and find out the particular thing that has worried hon Members making this criticism, the position is this One is the general thing that has been criticised namely that they were one of the partners in the consultant firms, who had drawn detailed drawings and designs for the civil works, and, therefore, later on, the contract should not have been awarded to them On general grounds, if we can avoid it, we should certainly avoid it I do not join issue on that score, because I think it is a sound principle that if we can keep out those who are responsible for detailed drawings and the like at the initial stages, it would be good. But I would beg to the House to keep in mind the circumstances and the background in which this contract was given

The rolling mill contract, so far as the civil work is concerned, is the highest in value and the most complex of all It has got a number of sections, the blooming mill section, the rolling mill section, the cold roll section, the hot strip section and a number of such things The value is of the order of about Rs 8 crores I forget the exact figure

Shri Naushir Bharucha: It is Rs 7.78 crores

Sardar Swaran Singh: Here, my hon friend has it on his finger tips His inspections are generally very informative

That was really a very complex type of work Most of the detailed drawings with regard to that had already been completed by these people, one of whom later on became a contractor

Personally, I wish we could avoid that But the alternative was this

[Sardar Swaran Singh]

There were two other firms who were also quoting for this. One was a firm whose hands were full elsewhere in our own steel plants. The other was a firm from U.K., and not only were their quotations on foreign exchange alone very much higher as compared to this, but our foreign exchange position being tight at that time, the matter was considered, and we thought that this was enough, after all, when the element of competition had been introduced, and those quotations were there, and the examination of quotations was objective, and the association of another Indian partner was assured, we thought that there was no risk in giving the contract to Hochtief Gammon: Gammon is the Indian partner, and Hochtief is the German party. This contract was given to them. At the same time, it was assured that so far as the consultancy work of supervision and the like was concerned, they would have nothing to do with the consortium, and that will be done by the remaining three firms. Therefore, this was really the thing that was done. To save foreign exchange, to save money and to utilise experience and to utilise equipment that was here, this contract was awarded to this firm in which the Germans and Indians were partners.

One thing still remains to be explained, and that has been highlighted a great deal, and it has also been picked up by the vigilant hon. Members of this House because it is a 'catchy' point and it can easily be understood. They say that the figures given with regard to the price of the equipment appear to be lower, but the hire charges given over a long period are more than the actual price itself. In the first instance, the whole contract was one contract, and this was one of the items. I think it was a wise thing to separate this from the main thing, because in the main item there were other escalation clauses and the like, in which there

could be increases if the quantity is increased, and so on, there were a number of other items which would really affect the ultimate picture that emerges. Even with regard to this, it was calculated and some opinion also was taken that if it is worked over that period, taking into account the expenditure that is to be incurred on maintenance, renovation and a number of other things that had to be done, the cost was not very much on the high side. There may be a difference of opinion, but so far as the Estimates Committee is concerned, I have to check up, but the hon. lady Member is here. I think they got some evidence from people connected with the Irrigation Ministry also to give them advice as to whether the hire charges are of the right type or not. I do not know, but subject to correction, I would venture to submit that according to the information in my possession, it was given to them that the hire charges were not on the high side, and I may also add that we have been letting out on hire certain equipment of ours to the various contractors who are operating in the field, and I am constrained to remark that the charges that we get from those who use our equipment are, if anything, higher as compared to the hire charges that we are paying to this contractor. This much I would like to say with regard to these hire charges.

I am sorry that I have taken a little longer over these two contractors, but on the last occasion I purposely did not want to go into these details because I thought there were other bodies looking into it and I would best leave it to them.

Now I will pass on to the other basic point which has been raised with regard to the role of consultants in these three steel plants. In a way let us not develop, while approaching this problem, a sort of complex that a person who is connected with

the supplier will necessarily play us false. I think that while dealing with organisations of some repute that perhaps will not be a very charitable interpretation to place. For instance, take the case of Bhilai. We have got the Soviet group of experts who are our consultants. The fees that we pay this Soviet group of technicians who are our consultants are practically of the same order as we pay to our consultants who are giving us this technical advice in the projects of Rourkela and Durgapur. I have had no difficulty, and the House also has not ventilated any point of grievance that the Soviet technicians also belong to the Soviet Government and the supplies also come from them therefore they would in some way fail in their duty in advising us on the technical suitability of the material that comes to us. No one has alleged that, and I can say that that has not been our experience either. We take a little precaution and we get a second advice, because the International Construction Co., make some odd check of certain things where there are matters of doubt, but we principally accept the advice and go by the advice of the Soviet group of technical advisers who function as our consultants. In the same way, we have this German firm of Krupp-Demag whom we have appointed as our consultants, I have tried really to reach the bottom of the thing that might be worrying the hon. Members. I think what they have tried to make out is that as they are suppliers also of certain parts, therefore it may be that they did not give us good advice with regard to the estimates, and therefore we might have suffered. Purely from that angle I tried to find out about the rolling mills because that is the main thing regarding which there has been criticism. I find in the rolling mill itself, the part that has gone to Krupp-Demag who are separate suppliers, the pushing up with regard to these two items has been comparatively small, and the main increase in the estimates has been on electrical instruments and equipment of that type either on ac-

count of improvement or for a variety of reasons

Shri Supakar: That is only Rs 5 crores on electricity

Sardar Swaran Singh: The hon. Member knows quite a bit from the Estimates Committee's Reports. I wish he had told all this to his colleagues there.

Shri Supakar: On the whole the estimate has jumped from Rs 48 to Rs. 72 crores.

Sardar Swaran Singh: I may refer to page 141 of the Estimates Committee's Report, and all this is explained there with regard to Rourkela. The increase is accounted for as follows:

	Rs. in crores
Increase on account of increases in level of wages, prices of raw materials and freight between the date of the estimate and the date of the tender	11 69
This is an item with which the consultants are not concerned. Increase on account of improvements and additions	11 26
Cost of inland transport, not included in the estimates contained in the detailed project report	5 11

Now, a great point was made by my hon. friend from Bombay, for whom I have great respect. He waxed eloquent by saying that here is a body of consultants..

Shri Nanshir Bharucha: He is wrong. I am not from Bombay city. I am from East Khandesh.

Sardar Swaran Singh: I thought East Khandesh is still in Bombay.

Shri Nath Pai: It is

Shri Nanshir Bharucha: He referred to Bombay City.

Sardar Swaran Singh: I did not say 'Bombay City'

[Sardar Swaran Singh]

I was saying that he made a big point saying that here is a body of consultants; they do not know that the cost of the land upon which the plant is to be constructed has to be included. I would respectfully submit that I do not require consultants or, for the matter of that, anybody to tell me that the cost of the land upon which the plant has to be constructed has to be included. I know it has to be included. I do not want to pay one per cent. or two per cent. to another consultant on Rs. 50 lakhs or so, the value of land, to tell me that this should be included there, so long as the items for which he gives me estimates are enumerated and I also know that this has to be done. It was not that these things were not known to us. So if later on these items which were not included originally are included—and about which we knew that they would have to be included—I do not see anything wrong. Take, for instance, the cost of township. We were not to keep our people in helicopters flying there. We knew that the township was going to be developed. We do not require a consultant to tell us that to township has to be constructed.

Shri Naushir Bharucha: Why were they not given in the revised estimates?

Shri Nath Pai: It is an amount of Rs. 120 crores—unaccounted ancillaries.

Sardar Swaran Singh: I am sorry for the embarrassment in which the hon. Member finds himself. I cannot help it. I think he has overstepped his point.

Shri Supakar: The point is: why were these matters not put before the House—details of this amount of Rs. 120 crores. We are not concerned whether the consultants had put it in the estimates or not. The only point is why these matters have not been brought before Parliament in time?

Sardar Swaran Singh: Perhaps the hon. Member was not giving me his indulgence and attention when I tried to develop that point. In fact, that is the main argument with which I started. So far as the House is concerned, we have kept it informed at all stages and in great detail, and every time this caveat has been entered the figure that is being given does not include X, Y, Z. So on that score—I may have weaknesses and there may be other mistakes—I think the hon. Member has got absolutely no grievance.

Then there is another—

Difference between revised estimates (based mostly on contracts concluded) and estimates in the detailed project report—
Rs. 13.94 crores'.

These are all also explained in the Estimates Committee's Report, as is given in the appendix. The point I was trying to develop was that with regard to these agreements with consultants that we have entered into, probably this thing has been in their mind that some of the consultants being suppliers of some of it, probably our interests were not watched. I have already submitted that even with regard to Rourkela, the increase in the two supplies of equipment from Krupp and Demag separately, when compared with others, is of a smaller order in terms of increase in other sectors.

Shri Naushir Bharucha: May I point out that the hon. Minister is quite wrong when he says that the estimates for the township were placed before Parliament? The Estimates Committee at page 51, paragraph 144 of their Report distinctly say:

"The Committee do not appreciate why estimates of important items like townships, iron ore mines and quarries, electrical works, railway works etc. were not originally indicated to Parliament".

Sardar Swaran Singh: He is quite correct, but he has not perhaps understood the implication of what is mentioned there. It was mentioned there that this did not include the township. The Estimates Committee say that the estimate of township also should have been given. As to whether it should be Rs 13 crores or Rs 15 crores, I think my hon friend will appreciate that that is not a major point. So long as I say that the township is going to be there, the mere fact that I have not said that it will be Rs 15 crores or Rs 13 crores or Rs 12 crores is a comparatively minor point.

In the case of Durgapur, we have got the International Construction Company. They are not connected with any suppliers at all. Therefore, to go into a broader perspective and try to make out that our interests have not been safeguarded is, I submit, not correct.

With regard to Durgapur, a point has been raised that apart from the fees we had paid to the consultants, that is the International Construction Company, we are also paying another sum of Rs 14 crores to ISCON.

This being a technical matter I do not blame anybody. But, there is, if I may say so, a little confusion about the rules of the consultants and ISCON. I have tried to explain on a number of occasions that ISCON are our contractors and suppliers and they are not our consultants. The International Construction Company are the consultants and it is their duty to see that the work which is done by our suppliers the ISCON is according to certain specifications etc.

Still the question remains as to why when everything is enumerated while finalising the deal with ISCON, why this sum of Rs 14 crores or so was given as a separate head—when everything was separately given for blast furnace so much, for rolling mill so much, for coke-oven so much. I would submit that this is not a very difficult thing to explain. So

far as these items are concerned, they have gone into the price structure of the various units, both in the case of Bhilai as well as in the case of Rourkela. It is convenient to say this for things which had been separately negotiated. Merely paying for something is not enough. Somebody has to organise the whole thing and to see that everything is carried out in unison, to see that everything is properly carried out in time. And, that organisation was provided by the consortium. In the consortium itself there were different suppliers of different things. Certain things were calculated. This was more a matter of accounting than a basic thing. Certain amounts were separated as due to certain items.

The consortium had also to provide the organisation which ensures that the thing is constructed. You may collect the bricks, you may collect the mortar, you may collect the cement, but the house will not come up. Somebody has to supervise and see that it is constructed. There will be an architect or engineer who will supervise that. Roughly, the International Construction Co, who are our consultants are the architects, the engineers who supervise and ensure that something which is produced is according to the specifications, according to the terms of the contract. The suppliers are those who supply certain things work them out and hand them over to us. So, over and above the various items that had gone, this was a sort of convenient item or head which can be spelt out. One can be wise after the event and say that we could have asked them to actually allocate it to the various items.

Shrimati Renu Chakravarty: So that we would not have worried you about it.

Sardar Swaran Singh: Just as you are not worrying me about Bhilai because all that is there in the details.

Shri Nath Patil: But it is a question of crores.

Sardar Swaran Singh: What I mean to say is that we have to make a clear distinction between the contractors' function and the consultants' function. The contractor has to produce the thing, organise it and give something to me according to the terms of the contract; and the consultant is to advise me as to whether that is according to specification or not. Therefore, the two functions are entirely different. A lot of confusion has been made on that score.

Shri Nath Pai: The hon. Minister has been kind enough to explain certain things. I would ask....

Sardar Swaran Singh: I think we are already running against time.

Mr. Deputy-Speaker: There will be a number of opportunities (*Inter-ruption.*)

Sardar Swaran Singh: Some small minor points have been left out which I would like to explain....

Shri Nath Pai: This is not a minor point.

Mr. Deputy-Speaker: Order, order

Sardar Swaran Singh: Before I come to that aspect, I would like to move from the mere defensive and to say a few words in high appreciation of the great deal of thought given to this by some of the hon. Members. I have greatly benefited by a number of suggestions. I would only recapitulate some of the things that have been said about which I would like to indicate the lines on which Government has been thinking with regard to these problems.

The Designs Organisations has been stressed by more than one hon. Member. This matter is of the highest importance and we cannot over emphasise the importance of the Designs Organisation. We have made a beginning in a small way and it is our intention to strengthen that still further. We will try to mobilise

whatever local talent is available but it is a new line. I will not at all be ashamed to have foreign collaboration where necessary....

17 hrs.

Shri Nath Pai: But kept it limited to where necessary.

Sardar Swaran Singh: But where necessary, will be the subject matter of a dispute between you and me.. (*Interruptions.*) It is our intention not only to organise this in an effective way but with such foreign collaboration that might be available to organise it well and also to have that co-operation which has been pointed out by some hon. Members between this and the Heavy Engineering Corporation that is going to be set up near Ranchi. It is our objective that with regard to our new expansion programmes or with regard to whatever new plants that may be set up we should be able to have as much of the indigenous content in those plants as is possible and to that extent we will strain every nerve to ensure that we will utilise to the maximum whatever technical know-how or machine manufacturing capacity is available in the country. There will be complete co-ordination between the Heavy Engineering Corporation and this designs organisation. The possibility cannot be ruled out that it may be located at such convenient place where there can be more frequent consultation and almost day-to-day collaboration between the two.

The hon. Member Shri Desappa and another pointed out that there should be an advisory council for advising the Government on various matters connected with steel—distribution, export, import policy. I think it is a very valuable suggestion. The Estimates Committee also have made some suggestions with regard to that matter. The hon. lady Member will

be happy that it is not always that I differ from the Estimates Committee. It is with the greatest reluctance that I have to join issue with them.....
(Interruptions.)

Shrimati Bona Chakravartty: This you will accept.

Sardar Swaran Singh: I am giving some thought as to what the pattern should be. I think it will be possible to have an advisory council to advise on these general questions about distribution and the like.

Very grave doubt was expressed by my hon. friend Shri Bharucha about the cost that may work out with regard to steel. He gave some calculations and he put them in a dramatic form. But he must have slept over that and I think he must be having second thoughts about it. That there should be any doubt that we will not be able to produce steel at a competitive price—I think—it is a defeatist attitude which I cannot too strongly coundtract. If he attempts any calculation even with the figures which Shri Bharucha took even then he will find that the steel will be economic....

Shri Naushir Bharucha: Let us have the figures.

Sardar Swaran Singh: I am prepared to sit with him and explain it to him. What is the calculation he gives? Rs. 200 and odd crores and on this some flat rate of depreciation should be calculated and some flat rate of interest is added and he says: how can you go ahead? I may tell him this. We have not spent more than what the Tatas or the Indian Irons have spent. We are not spending more than what other countries are spending. Our manpower is not more costly. We are trying to get the latest technological development. Our iron ore is rich. We have got very able people in various spheres and in Parliamentary work there are people like Shri Bharucha. There may be less able people in other spheres but I think there are able men sufficiently advanced to possess the know-

how. I have absolutely no doubt on that score. I think it will be an extremely competitive price so far as our steel is concerned. An absolutely wrong colour is attempted to be given to our great venture upon which we have embarked, namely, industrialising the country. We cannot go even a step further unless we have this basic industry of steel.

Some indications of cost were given even by the consultants. They were quite attractive. And, if I may say so, even with all the mistakes which in the wisdom of the hon. Members might have been committed by us, the price will be competitive and economic, and any shake of confidence in which he was not prepared to give even a counterfeit rupee to me is not justified. Let him retain all the counterfeit rupees and all the counterfeit arguments, I will be content with genuine arguments and genuine money to carry on the work upon which I have started. Honestly, Sir, I am generally very restrained, but when we are going ahead with these plants, when huge developmental and construction activities are going on and we are already producing, I cannot imagine anybody saying that everything should be voted down, not a pie should be given, we should close the shop and leave everything. I have also got some experience. The hon. Member may have more, but I can claim a little. If he thinks that everything should be held up, no progress should be made and we should only wait for the judicial enquiry, I think that would be a sad day for the country. There are various bodies which can go into the matter and examine it with care. After all, we have to go through certain procedures which are accepted, and if by going through those procedures, in the ultimate analysis, it is found that somebody has committed a mistake, then you can say that he has committed a mistake. If somebody has committed an offence or something like that, by all means come down on him with a heavy hand. But to say that we should call a halt, we should

[Sardar Swaran Singh]

stop the movement of the hands of the clock and we should call it a day, something more negative than that, I have still to imagine. And, coming from the hon. Member, I was really surprised.

Then, suggestions were made about organising the laboratory. We are taking good care to ensure that the three steel plants are properly equipped and they will have well equipped laboratories. It is our intention to have good arrangements there.

Something was said about the development of smaller low shaft furnaces. I had occasion to say something about this even in my opening remarks. A pilot plant has already been installed, and depending upon the experience thereon it is our intention to make increasing use of the know-how and experience we might gain.

So far as plans for our expansion are concerned, I cannot more than agree with what has been said by a large number of hon. friends that we should first concentrate on expansion of existing plants before we go over to the fourth plant. That, I think, is a very valid argument, a valuable suggestion. I only want to assure the House that we have taken good care to ensure that the services and other arrangements in the 'one million' steel plants in the public sector are planned in such a manner that the expansion will be a natural process. Most of the underground communication pipes etc. have been so planned and so designed that the expansion will be a natural process. Therefore, we would like, naturally, to concentrate on the expansion of these. We have also initiated some preliminary steps because our experience indicate that we should initiate such preliminary action much earlier, and it is in that connection that we have already appointed a firm of Indian consultants to make a project study with regard

to the Bokaro steel plant so that we have enough of data to draw up a detailed project report if and when a decision is taken that we should have a fourth steel plant. We should think of these matters in a long-range manner rather than tackle the whole thing in a rather hasty and quick manner.

With regard to production in the two blast furnaces some doubts have been expressed. I tried to explain that to some extent in my opening remarks. My latest information is that the Rourkela blast furnace production yesterday was 630 tons. In Bhilai it is a little over 800 tons. Bhilai has been better, and it has touched even 1000 tons on certain days. But, on the average, this is roughly of the order of 800 tons. I said that there was some defect in the tilting arrangement. I think that has been rectified and now we can look forward not with that pessimistic tone but with some confidence that the production there will be stepped up.

I will not take any more time except to refer in passing.....

Shri Nath Pal: We are ready to sit. Only answer our points.

Sardar Swaran Singh: I will attempt to answer but I cannot have the same eloquence which my hon. friend opposite can bring to bear. I can place certain facts before the hon. House and it is for them to draw whatever conclusions they intended to.

Shri Tangamani (Madurai): How about the production of coal in the public sector?

Shri Dasappa: rose—

Sardar Swaran Singh: Shri Dasappa will naturally like me to say something about Bhadravati.

Shrimati Renu Chakravarty: Do not leave out Durgapur.

Mr. Deputy-Speaker: If all the individual demands are to be touched upon, perhaps it would be difficult.

Sardar Swaran Singh: I will not take long. So far as Bhadravati is concerned, the matter of expansion of Bhadravati has not only been approved but we have taken every step to encourage the Project so as to see that Bhadravati is expanded. They have actually expanded in the first Plan period. Certain schemes have been approved. Even with regard to the expansion of the other facilities also, I am glad to inform the House that the Chief Minister has already informed me that he agrees in principle to the formation of a Corporation, because that is the normal pattern that is suitable for running these organisations. The Tariff Commission also had suggested that it should be a Corporation. So far as the actual physical work is concerned, that has not at all suffered merely for want of formation of this Corporation. There are certain plans with regard to the expansion thereafter which are now in the final stages. I have every hope of its being a success. But even there, I may tell the hon. House even now that the amount of Rs 3 crores which was estimated first, is now about Rs 5 crores. On a detailed planning, it costs about Rs 5 crores. That, I think, is the general experience, when we sit down and go into the details. I am not at all perturbed by that increase. But I have no difficulty really about Bhadravati expansion. I can assure the hon. Member that so far as the Bhadravati expansion is concerned it will receive, and it has already received, all possible help and sympathy that it deserves.

Special mention has been made with regard to the location of the alloy and tool steel plant. With regard to that, all that I can say is that no final decision has been taken one way or the other, and it will depend upon weighing all the relevant considerations. Therefore a firm decision has

yet to be taken as to whether it should be located in one place or the other. We will see the overall economics in the matter of its best location, and it is only thereafter that a final decision will be taken.

Before I sit down, there are one or two things to be said. Something was said about the Board of Directors of Hindustan Steel. I think that we should not really say anything which may shake the people who have to take difficult and delicate decisions, people who are able and competent, who are good engineers, technical men though they may not have done steel. But how many men there are who have done steel and who can be posted there? Shrimati Renu Chakravarty suggested that we could even pick up some of our junior metallurgists and the like,—

Shrimati Renu Chakravarty:
Senior.

Sardar Swaran Singh: ...and make them directors. The real fact is that there is a very great shortage of the right type of steel men. I would like to be as brave as Shri Nath Pai and I would very much like that every post is filled by an Indian. But we have to face the facts of the situation, much as we may require sentimentally and psychologically and the like, for which I have every sympathy. I do not think we have got the technical type of steel men who can be put as directors. I am in the search of a man.....

Shrimati Renu Chakravarty: Not one, but two, three....

Sardar Swaran Singh: Yes, two or three men. If I have to pay a higher salary to them, I hope I will have the support from hon. Members opposite. . . .

Shrimati Renu Chakravarty: Certainly

Sardar Swaran Singh:because the salaries paid in the private sector are of the order of Rs. 7,000 or Rs. 8,000 or even Rs. 10,000. Indians doing steel work in India are paid such huge salaries in the private sector. (*Interruptions*). I am only trying to warn hon. Members that when I come forward with a proposal, probably this type of inducement that is now being offered to me will disappear, and I will be again put on the mat. You will not get a steel man for less than Rs. 7,000... Even if it is a difficult decision for me to take, I will not hesitate to take that decision and I will then come to the House. In the meantime, we are trying to take advantage of whatever talent is available.

Something was said about the retention price. Normally we have the recommendation of the Tariff Commission. I know that the Tariff Commission has come in for criticism on some occasions here. I think having created an organisation statutorily, we should not shake everybody's faith in the working of the organisation by trying to criticise it every time. On suitable occasions, we may differ from the recommendation of the Tariff Commission. I for one have not hesitated to differ when I can justify it. But we should have some organisation which in a more or less judicial manner examines it and makes a report. On that report, there should be a bias in favour of its acceptance unless there are overriding considerations, for in which case, a resolution can be published by the Government disagreeing from that. Steel being a controlled commodity, every little item on the expenditure side is taken into account at the time of fixation of prices.

A good point was raised by Shri Morarka, who generally has great insight in these matters, particularly figure work. I must confess I am not very good at figures, but I do give

some thought to these matters in a little more basic manner.

An Hon. Member: You have a good figure. (*Interruptions*).

Sardar Swaran Singh: Even that is being grudged. I give up the plural, but even the singular is denied to me!

So far as the retention price is concerned, sometimes retrospective effect is given. Actually we were proceeding on the basis of a five-year development programme. It is only a matter of calculation. You can give it over three years or four years. So long as the total that is to be given as a result of the Tariff Commission recommendation is not exceeded, it is more a matter of calculation as to whether you give it over the remaining period of two years or you spread it over five years. For instance in the case of excise duty, we never gave it with any retrospective effect, although there was a hint in the Tariff Commission recommendation that even that should be spread over five years, although it has been imposed later. We said, no; we will give only from the period in which the additional excise duty was imposed, because that was capable of calculation. There are other items which are not capable of calculation like, for instance, increased price of coal dependent on increased wages, additional bonus, additional cost of electricity, etc. There are 101 items! All these items are listed and they are not vague. Every item is known and there is an agreed formula that depending on these various items, the price can be altered. That has been consistently followed.

Shri Nath Pal: The Minister may answer the question on the capital of the International Steel Construction Company, ISCON.

Sardar Swaran Singh: I have not looked up the figure, but I can assure him that whether it is smaller or larger capital is a very very little matter, because we have entered into contracts with others who have no capital at all. You can say that they have the backing of the whole of the country. Therefore, these are very minor matters.

Shri Morarka: May I say a word?

Mr. Deputy-Speaker: I should think he has said enough when he was given an opportunity.

Shri Morarka: Just now the hon. Minister referred to the question of the retention price and he paid a compliment about my figure work

Shri Feroze Gandhi: He was referring to your figure!

Shri Morarka: As the hon. Minister himself stated, the sum total is first determined and then that total is distributed over 3 or 5 years, as the case may be. But in the recommendation of the Tariff Commission there is a difference in the sum total also, the large "sum total" has been calculated and then spread over five year period.

Sardar Swaran Singh: We will try to understand the viewpoint from him. He is a valuable colleague and I would like to benefit from him. I do not want to say that straightaway I reject his views.

Mr. Deputy-Speaker: Shri Malaviya may explain the figure now.

Shri K. D. Malaviya: I tried to understand these figures. I have satisfied myself that so far as the numbers are concerned, there is no mistake in these numbers. The only thing is if by some explanatory note this could have been split up, even I could have understood it much more precisely. The estimate of expenditure of Rs. 13.65 lakhs has been shown for 390 posts. Apparently, there seems to be some discrepancy, because for 390

posts it is Rs 13.65 lakhs and for 336 posts it is Rs. 18 lakhs. The numbers do give the impression of some discrepancy. But when the estimates were made for 1958-59 they represented only the expenditure that was likely to be incurred after making due allowance for delay in obtaining expected sanction. Sanction for 390 posts are incomplete. Recruitment has to be made to fill the sanctioned posts. This means that the provision of Rs 18.65 lakhs do not represent the entire expenditure for 12 months of the financial year on all the 390 posts

Shri Feroze Gandhi: May I say....

Shri K. D. Malaviya: I do not want to be disturbed. If you will permit me to have my say then you are at perfect liberty to say what you want

That situation arose because in November, 1957 when estimates were drawn up *ad hoc* provision was made. The position has changed with effect from 1959-60. Now the Ministry of Finance do not accept any provision for inclusion in the budget estimates unless the necessary adjustments for the sanctioned post has been obtained in advance completely. So, the provision of Rs. 18.86 lakhs represents the entire expenditure on 336 posts which are already covered by the expenditure sanctioned. Hence the apparent discrepancy which you see.

Lastly, although the number is 390 as against 336, the fact is that 390 does not represent the actual 12 months' work. It was only an estimate made in advance on certain expectations of posts being filled and all that. But what is relevant is that though Rs. 13.65 lakhs were estimated only Rs. 11.95 lakhs were spent. Now Rs. 18.86 lakhs have been estimated for 336 completely planned out posts.

Mr. Deputy-Speaker: Doubts can arise when the estimated amount is Rs. 13.65 lakhs and the revised estimate is Rs. 11.95 lakhs. It was also

[Mr. Deputy-Speaker]

anticipated by the hon. Minister that in the actuals it might be even lower. Then why should Rs 18.86 lakhs be budgeted for the next year? That is what is being asked for, when the numbers are not clearly given. If there had been an increase in number, the House would have understood it. But even now the numbers are not being given. The numbers are put at 390 and the revised estimate is Rs. 11,95,000 and it is anticipated that it might go lower than that if the number is brought down to 336. The estimated amount that is asked for now from the House is Rs. 18,86,000. The explanation given, so far as I could follow it, is that 390 men were not employed throughout the year.

Shri K. D. Malaviya: Yes. But let us believe.

Mr. Deputy-Speaker: Some idea should be there.

Shri K. D. Malaviya: I tried to find out the numbers. Those numbers have not been indicated here in any place. I tried to find out those numbers. They were 226. This is all that I can find out even at these places. If I get more time, I can perhaps give greater details. But perhaps these estimates now are for 226 and not for 390. When the estimates were made they were made for 390.

Mr. Deputy-Speaker: But the House should, in the first instance, be satisfied. So far as these are concerned, if he wants more time he might come up tomorrow.

Shri K. D. Malaviya: The number 226 that I have given is the firm number.

Shri Feroze Gandhi: May I submit that the budget estimates for 1958-59 were prepared several months before the Budget was presented.

Shri K. D. Malaviya: In November

Shri Feroze Gandhi: Exactly in November, as the hon. Minister has stated. What I want to understand is that if they provided for Rs 13,65,000 for 390 people, then how is it that for

Mr. Deputy-Speaker: Now he should read 226 instead of 390 according to the explanation given.

Shri Feroze Gandhi: I will come to that. I compare that 336 with Rs 18 lakhs, that is, an increase of Rs 5 lakhs over the estimate, if the figure given by the hon. Minister is correct. Am I to understand that for 226 or whatever he said the estimate will still remain at Rs 13,65,000? Let him answer that. I am concerned with the number and the amount. If the number is reduced

Mr. Deputy-Speaker: If the number 226 is substituted for 390, what objection shall he have then?

Shri Feroze Gandhi: I am explaining that. The budget estimate for 1958-59 is Rs 13,65,000. Am I to understand that Rs 13,65,000 was also for 226?

Mr. Deputy-Speaker: The estimate of Rs 13,65,000 was for how many exactly? We do not know so far.

Shri Satya Narayan Sinha: And at what time?

Mr. Deputy-Speaker: That is not known. Now, the only figure that the Ministry can give is that it was 226. The hon. Member wants whether the same estimate would have remained if the original estimate of the number would have been 226 instead of 390. But now we are more concerned with the revised estimate. Now the number is 226 and the revised estimate is Rs 11 lakhs. When they want the number to be increased to 336 will there be something radically wrong if the budget estimate is Rs 18 lakhs.

Shri Feroze Gandhi: We want to understand it.

Shri K. D. Malaviya: It will not be radically wrong.

Shri Feroze Gandhi: You have not explained A-2. It has not been explained. There is a difference of Rs. 5,80,000/-.

Shri K. D. Malaviya: I have explained it.

Shri Braj Raj Singh: A-2 has not been touched even

Shri K. D. Malaviya: I have already stated that what is relevant here is that the amount is correct and that the actuals that have been shown are quite correct

Mr. Deputy-Speaker: The hon Minister has to ask the hon Members to vote for this amount. There ought to be a satisfactory explanation for A-2 also. He has said that instead of 390 it should be 226 but so far as 2850 is concerned, what was the exact number there. There Rs 18 lakhs had been asked for and Rs 13 lakhs is the revised estimate. Now Rs 23 lakhs are being asked for in the estimates while the number is being decreased, so far as these numbers are concerned

Shri Naushir Bharucha: May I point out that even the explanation as given by the hon Minister, assuming that it is correct, is not fair to the House because the Government take a large sum by the vote of the House and then employ a smaller number of employees. We give you Rs 13 lakhs for employing 390 and you spend Rs 11 lakhs and employ only 226. The point is that by misrepresenting to the House that the Government are going to employ 390 men you get Rs 13 lakhs and of course, then it turns out that only 226 persons are employed, while Rs 11 lakhs are spent.

Mr. Deputy-Speaker: I think there is no harm if we hold it over and some more explanation is given. Even the hon Finance Minister might look into it. The difficulty is this. I am told

and I am advised that because the President gives sanctions to whatever is contained here, we cannot change the figures, either the numbers or the amount here. Therefore, there ought to be some more explanation. A note might be circulated, or something like that may be done

Shri K. D. Malaviya: It is for you to take a decision, but so far as I am concerned, I am satisfied that the actual expenditure shown here in the estimates is correct.

Shri Braj Raj Singh: We must also be satisfied.

Shri K. D. Malaviya: I gave the figure of 226. If I am required to give the equivalent figure for A-2, I give it now, it is 1600. But I do not see what is doubted here.

Mr. Deputy-Speaker: I have tried to explain the doubt. When we ask the House to vote for an estimate of Rs 23 lakhs for 2222, is there a justification for it when we find that for 2850 there is the revised estimate of Rs 13 lakhs? The Minister is asking for Rs 23.88 lakhs or about Rs 24 lakhs for 2222. Either he should give the explanation that all the wages have been doubled or something must be done.

An Hon. Member: He should spend only Rs 13 lakhs.

Shri K. D. Malaviya: It is only after November 1957, that is, it is only this year that we are required to give the actual figures. Previously, these figures were calculated on the basis of the work that we had before us; and, therefore, these figures should be considered firm namely, the figures which we have now given, namely 336 and 2222, but the other figures which I have quoted were 226 for 390 and 1600 for 2850. That is what we have found out after calculation here.

Shri Naushir Bharucha: That is exactly what is wrong

Shri K. D. Malaviya: Therefore, I do not see any discrepancy so far as the

[Shri K. D. Malaviya]

figures 226 and 336 are concerned, and the figures 1600 and 2222 are concerned. I have given an explanation as to why these figures should now be considered firm rather than the figures supplied last year.

Shri Nath Pal: The discrepancy is as big as a mountain.

Shrimati Benu Chakravartty: May I also ask the hon. Minister to tell us one thing? This year, we have been given these figures. If we accept what the hon. Minister says, that the figure in the first column should be 226 instead of 390, that means that 226 is the revised figure, and should apply to the revised estimates. I presume that is the understanding. Then, I should like to know whether that will be applying to all the figures which are going previous to that

Mr. Deputy-Speaker: It is the amount that is revised, not the numbers. That is the difficulty. The numbers are not revised; they should be the actuals. That has been done. But the only explanation that came was that they were not whole-time workers. My only option now is

Shri Feroze Gandhi: May I point out that non-whole-time workers cannot be put in this category of 'Pay of Officers' and 'Pay of Establishments'? If they are non-regular establishments on daily wages, they must be paid out of contingency.

Shri K. D. Malaviya: I have not said that.

Shri Feroze Gandhi: The Chair said that.

Mr. Deputy-Speaker: I thought that someone had suggested that they were not whole-time workers. I think the Minister had suggested it.

Shri Feroze Gandhi: But in this account, there cannot be any temporary hands of a non-regular establishment.

Mr. Deputy-Speaker: If this is the only explanation that the hon. Minister can put forward, then I have no option. The House might decide whether to accept it or not.

Shri Naushir Bharucha: Then, this point of order may be raised. Assuming for a moment that according to him the revised figures tally proportionately well with the amount he has asked for, then the question arises that the Budget has not been properly presented.

Shri K. D. Malaviya: It has been properly presented. I do not accept the hon. Member's statement.

Shri Naushir Bharucha: The House voted Rs. 13 lakhs for 390 persons. Therefore, he has no right to say that he would appropriate only Rs. 11 lakhs to employ 226. It means that really he is exceeding the limit of the budgeting indirectly.

Shri K. D. Malaviya: It is not like that.

Mr. Deputy-Speaker: If he is asking for Rs. 18 lakhs for 336 persons, it is for the House to decide whether to give it or not.

Shri Naushir Bharucha: Then, he will spend Rs. 17 lakhs to employ 107 persons. . . .

Mr. Deputy-Speaker: Then, the hon. Member can come forward with this point. But so far as this is concerned, now he is asking for Rs. 18 lakhs.

Shri Naushir Bharucha: For how many people?

Mr. Deputy-Speaker: For 336.

Shri Naushir Bharucha: He cannot employ less afterwards and say that he has spent so much.

Mr. Deputy-Speaker: We shall see that afterwards, whether he employs the full contingent or employs a lower number. We shall see that afterwards. Now, I think it should be for the House to decide.

Shri Ferose Gandhi: It is for you to decide, not for the House. If you are convinced that the explanation given by the hon. Minister is not satisfactory, there is no harm in the Demand being held over. The hon. Minister can circulate a note this evening and this Demand can be put to vote tomorrow. I really feel that there is something wrong in this estimate.

Mr. Deputy-Speaker: I have heard the hon. Member. That is all right, so far as he raises the objection. I had also certain doubts which I expressed myself, but if this is the explanation that the hon. Minister can give and he has given it, now it is for the hon. Members to decide whether that is sufficient or not. What should I do? *Division No. 6*]

Therefore, I will now enquire from the Hon. Members whether they want to press any particular cut motion. Or, should I put them all together?

Shri T. B. Vittal Rao: You can put all the cut motions to the vote except No 1126 which we want to press for division.

Mr. Deputy-Speaker: The question is:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100 (Increase in the price of kerosene)".

Lok Sabha divided: Ayes 21; Noes 85
[17.41 hrs.

AYES

Bharucha, Shri Naushir
Braj Raj Singh, Shri
Chakravarty, Sharmati Renu
Elias, Shri Muhammed
Ghosal, Shri
Imam, Shri Mohamed
Kar, Shri Prabhat

Kumbhar, Shri
Mohan Swarup, Shri
Mukerjee, Shri H N
Mullick, Shri B C
Neth Pal Shri
Panigrahi, Shri
Rajendra Singh, Shri

Reo, Shri T B Vittal
Reddy, Shri Nagesh
Singh, Shri L Achew
Sugandhi, Shri
Supkar, Shri
Tangamani, Shri
Verma, Shri Ramji

NOES

Aohar, Shri
Ajit Singh, Shri
Ashanna, Shri
Bahadur Singh, Shri
Bekliwal, Shri
Balmiki, Shri
Banerji, Dr R
Barnan, Shri
Basappa, Shri
Bhargava, Pandit Thakur Das
Birendra Singh, Shri
Bose, Shri
Brahm Perakash, Ch.
Brajeshwar Prasad, Shri
Chanda, Shri Anil K
Chaturvedi, Shri
Chettiar, Shri R. Ramanathan
Chuni Lal, Shri
Dalit Singh, Shri
Das, Shri N. T
Das, Shri Ramdhani
Das, Shri Shree Narayana
Dasappa, Shri
Deb, Shri N. M
Dube, Shri Mulchand
Dwivedi, Shri M. L.
Gandhi, Shri Ferose
Geunder, Shri K. Patisawana
Jain, Shri M. C.

Jyotishi, Pandit J P
Kalkwal, Shri
Kotaki, Shri Laldhar
Khan, Shri Sadath Ali
Kureel, Shri B N
Lachhi Ram, Shri
Lahiri, Shri
Maiti, Shri N B
Malaviya, Shri K D
Mandal, Dr Pashupati
Mathur, Shri Harish Chandra
Mehta, Shri J R.
Mishra, Shri Bibhuti
Mishra, Shri L N
Mishra, Shri R R
Morarka, Shri
Nanjappa, Shri
Narasimhan, Shri
Naskar, Shri P S
Nehru, Shrimati Uma
Ora, Shri
Padam Dev, Shri
Patel, Shri Rejeshwar
Patabhi Raman, Shri
Pragi Lal, Ch
Radha Raman, Shri
Raghubir Bahai, Shri
Raju, Shri D S

Ram Saran, Shri
Rane, Shri
Reo, Shri Jagannatha
Reddy, Shri K. C
Reddy, Shri Rami
Roy, Shri Biahwanath
Sahu, Shri Rameshwar
Sagal, Sardar A. S.
Samsantinar, Dr
Sarhadi, Shri Ajit Singh
Shankaraya, Shri
Sharma, Shri R. C
Shukla, Shri V C.
Siddanajappa, Shri
Siddiab, Shri
Singh, Shri H P
Sinha, Shri Gajendra Prasad
Sinha, Shri K. P
Sinha, Shri Satya Narayan
Subbarayan, Dr. P
Sumar Prasad, Shri
Sunder Lal, Shri
Swatan Singh, Sardar
Thomas, Shri A M
Tiwari, Shri R S
Tuls Ram, Shri
Umrao Singh, Shri
Venkatesubbarah, Shri

The motion was negatived

Mr. Deputy-Speaker: I take it that withdrawn with the leave of the House.

All the other cut motions were, by leave, withdrawn.

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 1960, in respect of the heads of demands entered in the second column thereof against Demands Nos. 81 to 84 and 130 relating to the Ministry of Steel, Mines and Fuel".

The motion was adopted.

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

DEMAND No. 81—MINISTRY OF STEEL, MINES AND FUEL

"That a sum not exceeding Rs. 36,98,000 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, 1960, in respect of 'Ministry of Steel, Mines and Fuel'".

DEMAND No. 83—EXPLORATION OF OIL

"That a sum not exceeding Rs. 2,02,68,000 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, 1960, in respect of 'Geological Survey'".

DEMAND No. 83—EXPLORATION OF OIL AND NATURAL GAS

"That a sum not exceeding Rs. 3,10,34,000 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, 1960, in respect of 'Exploration of Oil and Natural Gas'".

DEMAND No. 84—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF STEEL, MINES AND FUEL

"That a sum not exceeding Rs. 24,81,40,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel'".

DEMAND No. 130—CAPITAL OUTLAY OF THE MINISTRY OF STEEL, MINES AND FUEL

"That a sum not exceeding Rs. 22,06,60,000 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, 1960, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'".

MINISTRY OF WORKS, HOUSING AND SUPPLY

Mr. Deputy-Speaker: The House will now take up discussion on Demands Nos. 95 to 99 and 136 to 138 relating to the Ministry of Works, Housing and Supply for which 4 hours have been allotted.

Hon. Members desirous of moving cut motions may hand over at the Table within 15 minutes the number of the selected cut motions. I shall treat them as moved, if the members in whose names those cut motions stand are present in the House and the motions are otherwise in order.

**DEMAND No. 95—MINISTRY OF WORKS,
HOUSING AND SUPPLY**

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 57,97,000 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, 1960, in respect of 'Ministry of Works, Housing and Supply'."

DEMAND No. 96—SUPPLIES

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 2,59,19,000 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, 1960, in respect of 'Supplies'."

DEMAND No. 97—OTHER CIVIL WORKS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 24,74,12,000 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, 1960, in respect of 'Other Civil Works'."

**DEMAND No. 98—STATIONERY AND
PRINTING**

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 7,12,63,000 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, 1960, in respect of 'Stationery and Printing.'"

**DEMAND No. 99—MISCELLANEOUS
DEPARTMENTS AND EXPENDITURE
UNDER THE MINISTRY OF WORKS,
HOUSING AND SUPPLY**

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 1,09,05,000 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, 1960, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply'."

**DEMAND No. 136—DELHI CAPITAL
OUTLAY**

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 6,71,17,000 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, 1960, in respect of 'Delhi Capital Outlay'."

**DEMAND No. 137—CAPITAL OUTLAY ON
BUILDINGS**

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 7,53,92,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Capital Outlay on Buildings'."

**DEMAND No. 138—OTHER CAPITAL
OUTLAY OF THE MINISTRY OF WORKS,
HOUSING AND SUPPLY**

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 6,55,39,000 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

[Mr. Deputy Speaker.]

the 31st day of March, 1960, in respect of 'Other Capital Outlay of the Ministry of Works, Housing and Supply'."

Shri T. B. Vittal Rao: We have got a half-hour discussion today. The Member concerned is present. So if we continue with the discussion on this Ministry, we will have to sit till 6-30. There are hardly 20 minutes left. So I would suggest that we may straightway take up the half hour discussion and start discussion on this Ministry tomorrow.

Mr. Deputy-Speaker: We took the decision that we would sit till 6 P.M. to discuss the Demands.

Shri T. B. Vittal Rao: Now hardly 15 or 20 minutes are left. The Minister also will not be fresh now.

Mr. Deputy-Speaker: Is the Minister making any opening remarks or should the House proceed with the discussion?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): The debate may proceed.

Mr. Deputy-Speaker: We will sit up to 6 P.M. for discussion of the Demands.

श्री मोहन स्वल्प (पीलीभीत) :
उपाध्यक्ष महोदय, मैं आप का बहुत आभारी हूँ कि मुझे बोलने का मौका दिया गया। पिछले साल भी मुझे वर्क्स, हाउसिंग एंड सप्लाय की डिमांड पर बोलने का अवसर मिला था। इस वर्ष भी मैं इस सम्बन्ध में कुछ विचार प्रकट करना चाहता हूँ। इस मिनिस्ट्री में तीन डिपार्टमेंट शामिल हैं—वर्क्स, हाउसिंग और सप्लाय। जहाँ तक वर्क्स का सवाल है, पिछले साल बहस करते हुए कुछ लोगों ने पी० डब्ल्यू० डी० की पब्लिक वेस्ट डिपार्टमेंट कहा था, लेकिन अगर उस को प्लंबर विदाउट डेंजर कहा जाय, तो कुछ बुरा न होगा।

यह देखा जाता है कि जिस वक्त ठेके लिये जाते हैं, उस वक्त दस परसेंट तो बैसे ही माजिन रखा जाता है, ताकि लोग खुले तौर से दस परसेंट की बचत कर सकें।

उपाध्यक्ष महोदय : कभी आप ने भी कंटेक्ट का काम किया है ?

श्री मोहन स्वल्प किया नहीं है, लेकिन और लोगों को देखा है। यह आम तौर पर देखा जाता है कि सामान चोरी चला जाता है, मैटीरियल गायब हो जाता है। रिश्त का यह हाल है कि शुरू से ले कर ब्राखिर तक—प्रोविसीयर से ले कर चीफ इंजीनियर तक ठेकेदार को रुपया देना पड़ता है। ऐसे सूरते-हालात में ईश्वर ही जाने कि मकानों की कंस्ट्रक्शन कैसे होती है। रोजाना हम और आप यह सब देखते हैं। मैं ने १७ मार्च, १९५९ को कन्वेंशन नम्बर २०३८ पृष्ठ था, जो कि टनकपुर में डाकखाने की बिल्डिंग के बारे में था। वह डाकखाना तीन चार बरसों से बन रहा है और अभी तक सिर्फ दीवारें जरा उठ पाई हैं। वह जगह मेरी कास्टीच्युएन्सी में है। मैं ने उस के मुतालिक तहकीकात की है और मुझे बताया गया है कि बहुत सा सामान गायब हो गया है और उस में इंजीनियरिंग डिपार्टमेंट का स्टाफ भी शामिल है। यह बात मुझे बताई गई है। मुझको है कि यह गलत हो। मुझे बताया गया है कि साईट से लोहा और सरिया गायब हो गया है और इमारत अभी थोड़ी सी बनी है। मिनिस्टर साहब ने उस वक्त यह जवाब दिया था—

"That Executive Engineer, C.P.W.D. had invited tenders for the remaining work left out by the previous contractor. The cost of work as now estimated has exceeded the original estimate and these tenders are now under scrutiny. The actual building work is expected to start and be completed during the financial year 1959-60."

उपाध्यक्ष महोदय, यह दशा है उस जगह की और अभी तक वह बिल्डिंग बन नहीं पाई है। इस तरह की एम्बाम्बल बहुत ही दी जा सकती है।

बरेली-मेरठ नेशनल हाईवे पर एक ब्रिज बना है। श्री लाल बहादुर शास्त्री ने उस का उद्घाटन किया था। एक साल पुल बना और दूसरे साल उस का एक पोर्चन गिर भी गया, हालांकि पुल अभी ब्रंडर कंस्ट्रक्शन था। पिछले जाइवों में ने देखा कि गिरे हिस्से की मरम्मत की जा रही थी। आप देख सकते हैं कि नेशनल हाईवे की यह दशा है।

खसीमा में बंगाली कालोनी बन रही है। उस की भी यही दशा है। इसी तरह मैं यह बताना चाहता हूँ कि मिन्टो रोड पर कुछ क्वार्टर बने हुए हैं, जिन के बारे में बताया जाता है कि वे पिछली बार के जमाने में बने थे। वे अच्छे खासे क्वार्टर हैं, लेकिन कहा जाता है कि अब उन को तोड़ दिया जायगा और उन की जगह पर वहाँ मल्टी-स्टोरीड बिल्डिंग बनाई जायेगी। दो एक इंजीनियर साहबान से, जिन का कि इस से वास्ता है, मैं ने पूछा तो उन्होंने कहा कि उन की लाइफ नहीं रही। मैं कोई एक्सपर्ट नहीं हूँ, लेकिन एपैरेंटली वे क्वार्टर अच्छे खासे हैं। आप जानते हैं कि दिल्ली में एकामोडेशन की कितनी कमी है, लेकिन जब मैं देखता हूँ कि अच्छी खासी इमारतों को गिराने की बात की जाती है, तो दुख सा होता है। दिल्ली में मल्टी-स्टोरीड बिल्डिंग बनाने के लिये काफ़ी जगह खाली पड़ी हुई है। तो फिर क्या बजह है कि मिन्टो रोड की अच्छी खासी इमारतों को तोड़ा जाये ?

17.48 hrs.

[SRI BARMAN in the Chair]

कृषि भवन के सामने एक इमारत पिछले साल तोड़ी गई। अब वहाँ एक मल्टी-स्टोरीड बिल्डिंग बनाई जा रही है। वहाँ तक कृषि

भवन का ताल्लुक है, पिछले साल बारिश की बजह से वहाँ पर पचास हजार गैलन पानी भर गया। एक दफा मुझे कृषि भवन जाने का इतिफाक हुआ। मैंने देखा कि हजारों फाइलें पानी में भीगी पड़ी थीं। वहाँ पर एक प्राविजन स्टोर भी था। उस का सारा सामान सड़ गल कर खराब हो गया था। वहाँ कई दिन तक पानी भरा रहा। इसी तरह मिन्टो ब्रिज के नीचे भी कई दिन तक पानी भरा रहा। आखिर यह कैसी प्लानिंग है ? इस डिपार्टमेंट के क्या डंग हैं, क्या तरीके हैं और कैसे एक्सपर्ट हैं, जो इस तरह के मकानात बनाते हैं कि सड़क तो ऊंची है और उस पर बने हुए मकान नीचे हैं, जैसे कि कृषि भवन और उद्योग भवन हैं। मैं मिनिस्टर साहब से जानना चाहता हूँ कि यह कैसा प्लानिंग है। वह इस का स्पष्टीकरण करें। कृषि भवन के समीप एक बिल्डिंग है, जिस में पहले खाद्य मंत्री रहा करते थे। खाद्य श्री जयरामदास दौलतराम वहाँ रहे थे और फिर मुंशी साहब भी रहे थे। उस मकान को तोड़ने का इन्तजाम हो रहा है और उस जगह पर एक मल्टी-स्टोरीड बिल्डिंग बनाई जायगी। मेरी समझ में नहीं आता कि यह क्या तरीके हैं कि दिल्ली में मकानात की कमी हो, पैसे का अभाव हो और दूसरे देशों से कर्ज लिया जाता हो और फिर भी बनी बनाई इमारतों को तोड़ने की बात हो। इस डिपार्टमेंट में इस कदम करप्शन है कि कुछ कहा नहीं जा सकता है। मैं चाहता हूँ कि एक हाई पावर कमीशन बिठाया जाय, जो कि करप्शन के मुताल्लिक जांच-पड़ताल करे कि यह भ्रष्ट और ये तरीके कब तक जारी रहेंगे और वह कमीशन तरीके बताए कि सेंट्रल पी० डब्ल्यू० डी० में उम्दा तरीके से काम किस तरह से किया जाये।

आहिर है कि वहाँ पर मकानात की कितनी कमी है। मैं देखता हूँ कि हर रोड मैकड़ों आदमी—बलास फ़ोर एम्बाम्बल—साइकलों पर साहबरा और गाजियाबाद जैसे

[श्री मोहन स्वल्प]

दूर इलाको से बफतरो में आते हैं और शाम को छ बजे बेचारे वापस आते हैं। जो आदमी सुबह चार बजे से उठ कर आफ्रिस प्रॉटेक्ट करे और शाम को छ बजे वापस जाये, उसकी दशा क्या होगी ? मवर्नमेंट इस बारे में कुछ नहीं सोच रही है कि हाउसिंग की कमी को किस तरह दूर किया जाये।

जो रिपोर्ट हमारे सामने है, उसमें बताया गया है कि पाच सी रुपए और उससे ऊपर पाने वाले आफ्रिसर्ज के लिए एकामोडेशन की डिमांड ५,६०७ यूनिट है, ऐबेलेबिलिटी २,२६३ यूनिट है और कमी २,३४४ यूनिट है। पाच सी रुपए से कम पाने वाले आफ्रिसर्ज के लिये एकामोडेशन की डिमाण्ड ३६,२६७ यूनिट है, ऐबेलेबिलिटी १६,७५१ यूनिट है और कमी १६,५१६ यूनिट की है। मसास कोर की डिमाण्ड १७,४५४ यूनिट है, ऐबेलेबिलिटी ६,५५२ यूनिट है और शार्टेज १०,६०२ यूनिट है। इसी तरह वर्क-वाउड स्टाफ की डिमाण्ड ५,००० यूनिट है, ऐबेलेबिलिटी १,६०० यूनिट है और शार्टेज ६,४०० यूनिट है। मैं नहीं जानता कि मकानात की यह कमी कब तक पूरी होगी और लोग कब तक इस तरह परेशान रहेंगे। मैं देखता हू कि दिल्ली में हजारों आदमी बेघरबार रहते हैं, सबको घर सोते हैं। बल्कि मैंने तो स्टुडेंट्स को लेम्प-पोस्ट्स के नीचे पढ़ते देखा है, क्योंकि उनके पास मकान नहीं होते हैं। चादनी चौक में जिस जगह पर किसी जमान में टावर था और जहा भाजकल तोप रकी हुई है, वह पर हम बैंगर्ज और दूसरे लोगों को रात को सोते देखाते हैं। आखिर यह कमी कब तक रहेगी और कब तक हम परेशान-हाली में रहेंगे ?

अब मैं हाउसिंग की तरफ आता हू। हाउसिंग के बारे में पाच तरह की स्कीमे बनाई गई हैं। एक तो इंडस्ट्रियल हाउसिंग की स्कीम है, दूसरी कम आमदनी वाले ग्रुप वालो के लिए, तीसरी गन्धी बस्तियों के

निवासियों के लिए, चौथी बागानों के जो अफ्रिक है, उनके लिए और पांचवीं पुने हुए ग्रानो के लिये। रिपोर्ट को देखने से पता चलता है कि ये पाच तरह की स्कीम हैं जो कि तैयार की गई हैं। इनके अलावा दो और स्कीम हैं जो कि बिचाराधीन है, एक के तहत ६,००० रुपये से लेकर १२,००० रुपये तक जिनकी आय है, उनको सहायता देने के बारे में और दूसरी के तहत राज्य सरकारो को हक दिया गया है कि वे अपने कर्मचारियों के लिए सहायता लेकर स्कीम बना सकती है और उनको सहायताय रुपया दिया जा सकता है और वह रुपया लाइफ इनश्योरेंस कारपोरेशन के एकाउण्ट से दिया जाएगा। उसी के साथ साथ नो-आफिट नो लास बेसिस पर मकानो के लिए स्कीमे रखे ताकि उनको सहायता दी जा सके। लेकिन मैं आपको बतलाना चाहता हू कि जब सैकिण्ड फाइव ईयर प्लान आया था, उसमें १२० करोड रुपये का प्राविजन रखा गया था लेकिन रिज्रेशन है कुल ८४ करोड रुपया ही उसमें रखा गया है हाउसिंग के लिये। मैं समझता हू कि हाउसिंग के लिये कम रुपया रखना मुनासिब नहीं था। इसका कारण यह है कि हाउसिंग की बहुत ही एक्यूट प्राबलैम है और उसका कोई न कोई हल निकलना ही चाहिये और वह हल रुपया कम करके नहीं निकल सकता है। इस वास्ते मैं समझता हू कि जो रुपया कम किया गया है वह मुनासिब नहीं है।

इंडस्ट्रियल हाउसिंग के अन्तर्गत एक लाख पाच हजार मकान बनाने की व्यवस्था की गई थी और ३१ ६४ रुपया इस काम के लिए निर्धारित किया गया था लेकिन कुल ७८,५०० मकानात ही बन पाये हैं। जो इनकम ग्रुप के लिये भी २३ ६४ करोड रुपये का प्राविजन था दिसम्बर १९५८ तक के लिये। ६ २५ करोड रुपये का प्राविजन १९५८-५९ के बजट में किया गया था। इस सबसे ६०,००० मकान बनने थे लेकिन

कुल ३२,००० मकान बन पाये हैं। इस तरह से इंडस्ट्रियल हाउसिंग और सो-इनकम ग्रुप दोनों में जब हम मकान बनने की रफ्तार को देखते हैं तो पता चलता है कि वह बहुत ही धीमी है। अगर रफ्तार इसी तरह से धीमी रही तो मैं समझता हूँ कि आप इन कामों को पूरा नहीं कर पायेंगे।

अब मैं स्वप्न के बारे में कुछ कहना चाहूँगा। इस काम के लिये कुछ करोड़ रुपया, रखा गया है। कलकत्ता, बम्बई, अहमदाबाद मद्रास, कानपुर और दिल्ली इन छह शहरों के लिए कुछ रुपया रखा गया है और कुछ स्कीमें बनाई जा रही हैं। लेकिन जब हम दिल्ली को देखते हैं जो कि मुल्क की राजधानी है, कैपिटल है, तो इन स्वप्न को देख कर हमें शर्म आती है। आप मोतियाखा जायें, जमना बाजार कालोनी जायें, जो हालत इन बस्तियों की है, उसको देख करके लज्जा आती है। इस तरह से जहाँ तक स्वप्न का सवाल है—

Shri K. C. Meddy: May I point out, Sir, that the Delhi slum clearance work has been under the Ministry of Health and not under the Ministry of Works, Housing and Supply. From next year onwards it is going to be transferred to the Ministry of Works, Housing and Supply—the Delhi slum clearance work.

श्री मोहन स्वप्न स्वप्न के मुतालिक मैं थोड़ा सा ही कहना चाहूँगा कि इनको हटाने की ज. बात की जाती है तो वे दूर नहीं होते हैं, बल्कि सरक जाते हैं, एक जगह से दूसरी जगह रख दिये जाते हैं और जिन जगहों पर स्वप्न होते हैं, वहाँ पर मल्टीस्टोरीड बिल्डिंग्स बना दी जाती हैं। इन लोगों को अच्छे मकानों में बसे की व्यवस्था नहीं होती है, हा यह अवश्य होता है कि ये एक जगह से हट कर दूसरी जगह बन जाते हैं। इस तरह से इन स्वप्न की जो हालत है वह ठीक नहीं है। मैं कहना चाहूँगा कि इन लोगों के लिए मकानों की व्यवस्था की जानी चाहिये।

पिछले साल मैंने कहा था कि लाल किर्न के रेंज्मार्ट्स में जो सासी और भात लोग रहते हैं, इनको पान में ही जो मिलिटरी की आल। बैरेक्स हैं, उनमें शिफ्ट कर दिया जाए और वे लोग भी इन बैरेक्स को छोड़ने के लिए तैयार हो सकते हैं और जब इनकी जरूरत होगी डिफेंस के काम के लिये, तब इन्हें उन्हें वापिस दिया जा सकता है, लेकिन इस पर कोई ध्यान नहीं दिया गया, इस सुझाव को अभी तक भी इम्प्लेमेंट नहीं किया गया है और न ही यहाँ रहने वाले लोगों को कोई सहूलियतें ही पहुँचाई गई हैं।

अब मैं रूरल हाउसिंग पर आता हूँ। पहले मैं रूरल स्वप्न का जिक्र कर देना चाहता हूँ। अनेक गावों में ऐसे स्वप्न हैं, ऐसी मन्दी जगहें हैं, जिनमें कि प्रादमी बसते हैं और वहाँ पर प्रादमी बरसात के दिनों में नहीं पहुँच सकते हैं, और वहाँ से लोग भ्राना चाहे तो नहीं आ सकते हैं। रूरल स्वप्न के लिए कुछ भी प्राविजन इसमें नहीं रखा गया है और न ही इसके बारे में किसी बात का रिपोर्ट को पढ़ने से पता चलता है। पता नहीं कौनसी कोशिश इन रूरल स्वप्न को दूर करने की की जा रही है।

जहाँ तक गावों में हाउसिंग का ताल्लुक है, गाव हिन्दुस्तान की डैमोक्रेसी के एक यूनिट हैं और यह देख कर मुझे दुःख होता है कि गावों में हाउसिंग की तरफ कोई तबज्जह नहीं दी जा रही है। पहले तो १५०० गावों को डिबेनप करने की बात थी। इनमें से ५०० गाव अब चूने गये हैं। और उनको १९५७-५८ में शामिल किया गया था। लेकिन रिपोर्ट में बताया गया है कि ५०० गावों के बारे में ही स्टेट गवर्नमेंट्स से रिपोर्टें आई हैं कि उनको डिबेनप किया जाए। रिपोर्ट को देखने से यह जाहिर नहीं होता है कि कितने गावों में मकानों बनाये गये हैं, कितना रुपया खर्च किया गया है। इन सब बातों के बारे में रिपोर्ट बिल्कुल साफ़मेंट हैं . . .

Mr. Chairman: I think the hon Member is likely to take some more time. He may continue tomorrow. We will now take up the Half-an-Hour Discussion.

18 hrs.

***GHAT TO GHAT BOOKING BETWEEN MAHENDRA GHAT AND PAHLEZA GHAT**

श्री राजेन्द्रसिंह (छपरा) सभापति महोदय, इस सदन के सामने दो प्रश्न हैं। पहला तो यह है कि जब आप बिहार के भौगोलिक और प्राकृतिक नक्शे की ओर देखेंगे तो आपको पता चलेगा कि बिहार के मध्य से गंगा बहती है, बिहार के दो भागों को गंगा विभक्त करती है। इन दोनों भागों का सम्बन्ध स्थापित करने में तथा एक भाग से दूसरे भाग में पहुँचने में हमको गंगा को पार करना पड़ता है। यह भी याद रखने की चीज है कि पटना जो कि बिहार राज्य की राजधानी है, वह गंगा से ऊपर बसा हुआ है। जिन लोगों को उत्तर बिहार में पटना जाना होता है उन्हें गंगा को पार करना पड़ता है। इसी तरह से दक्षिण बिहार में लोगों को जब उत्तर बिहार जाना होता है तो गंगा पार करनी पड़ती है। तब प्रश्न उठता है कि इसको पार कैसे किया जाता है? रेल का जहाज इस नदी में चलता है और वहाँ एक साधन है जिससे कि लोग उत्तर से दक्षिण और दक्षिण के उत्तर बिहार से सम्बन्ध स्थापित करते हैं। कोई भी भाव ? हिन्दुस्तान में एक स्थान से दूसरे स्थान जाना चाहता है तो यह उसकी इच्छा पर निर्भर करता है, उसकी मर्जी पर निर्भर करता है कि जिस तरह से चाहे जाये, जहाँ चाहे जाए और जहाँ से चाहे जाए। उसके ऊपर कोई भी किसी प्रकार का प्रतिबन्ध नहीं है कोई उसके रास्ते में रुकावट नहीं है। अगर वह अर्थात् बिहार बहुत से हालात में बहुत से दृष्टिकोणों से केन्द्रीय सरकार की ओर से उपेक्षित रहा है। अगर मैं समझता

हूँ कि यह और भी ज्यादा तकलीफ की बात है कि रेलवे की ओर से भी बहुत से अर्थों में, बहुत से मांगों में यह उपेक्षित रहा है।

सभापति महोदय, यह गौर करने की बात है कि अगर भादमी पटना के उस पार जाना चाहे तो जहाज का टिकट उसको नहीं मिल सकता है। उसके ऊपर यह बात जबर्न लादी जाती है कि अगर तुम जहाज पर सफर करना चाहे तो तुम को रेल का टिकट कटाना पड़ेगा। मैं पूछना चाहता हूँ और इस सदन के सामने अपनी यह शिकायत रखना चाहता हूँ कि क्या यह सही नहीं है कि अगर मैं दिल्ली का निवासी हूँ और गाजियाबाद जाना चाहता हूँ तो मैं एक टिकट कटा सकता हूँ गाजियाबाद का और जा करके वापस टिकट लेकर आ सकता हूँ या नहीं आ सकता हूँ? आप मानेंगे कि मैं ऐसा कर सकता हूँ। अगर पटना का भादमी अगर पहलेजा घाट जाना चाहे तो उसके लिये यह कर सकना सुसंभव नहीं है और अगर वह इस तरह की हिमाकत करेगा तो उसको सजा भुगतनी पड़ेगी। अभी हाल ही में इस सदन के अन्दर एक सख्त सा कानून बनाया गया है जिसमें यह दर्ज था कि जो लोग बिना टिकट सफर करते हुए आए जायेंगे, उनको सख्त सजा मिलेगी कड़ी सजा मिलेगी। अगर कोई भादमी पहलेजा घाट से पटना जाना चाहता है तो हालाँकि उसकी कोई मंशा नहीं है, कोई स्वाहिसा नहीं है कि वह आपका कानून तोड़े या बिना टिकट के जाय, लेकिन पहलेजाघाट से पटना जाने में वह सजा का भागी बनेगा, उसको दंड मिल सकता है, उसको नाना प्रकार की कानूनी यातनायें दी जायेंगी। यह कहा तक सही है? नेरी रेलवे के अधिकारियों से अर्थात् हुई, उन्होंने कहा कि इसमें हमारा कुसूर नहीं है कुसूर प्रान्तीय सरकार का है। अगर मैं सोचता हूँ कि यह रेलवे अनालय की एक सचकी वहीच

*Half-an-Hour Discussion.