

motions has been put down namely, the report on the working of the University Grants Commission and the Union Public Service Commission. Two months ago, when we had a meeting to select the subjects to be put down for discussion in this session, we decided to appoint a sub-committee. In that subcommittee we suggested the discussion of the 17th and 18th reports of the Indian Labour Conference in this session. But I find that that item has not been put down for discussion. I would like to know whether there is any chance of those reports coming up for discussion.

**Shri Satya Narayan Sinha:** The Report does not deal with that. In this Report we only allot time. Regarding the motions which will come up, that has not been decided. That is a separate thing. The hon. Member has not understood it properly.

**Shri T. B. Vitta Rao:** I have looked into it properly. If they do not find a place in the Report for allotment of time, there is no chance of their coming in at all.

**Mr. Speaker:** The point is this. The Business Advisory Committee does not decide as to what items ought to be brought up by the Government or any hon. Member before his House. This Report only allots time for those items which are taken up. Even now it is open to the hon. Minister to take up the suggestion of the hon. Member. If the sub-committee has already decided it, that should be given preference. The hon. Minister will consider that matter.

**Shri Satya Narayan Sinha:** I will consider that matter.

**Mr. Speaker:** When the business for next week is going to be announced tomorrow, the hon. Minister will consider the suggestion that has now been made. Now the question is:

"That this House agrees with

the Sixty-third Report of the Business Advisory Committee presented to the House on the 13th April, 1961."

The motion was adopted.

DEMANDS FOR GRANTS\*—Contd.

MINISTRY OF STEEL, MINES AND FUEL

**Mr. Speaker:** The House will now take up discussion and voting on the Demands for grants under the control of the Ministry of Steel, Mines and Fuel. Does the hon. Minister want to initiate the discussion?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** No, Sir.

**Mr. Speaker:** Motion moved:

DEMAND NO 83—MINISTRY OF STEEL,  
 MINES AND FUEL

"That a sum not exceeding Rs. 36.48,000 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, 1962, in respect of 'Ministry of Steel, Mines and Fuel'."

DEMAND NO 84—GEOLOGICAL SURVEY

**Mr. Speaker:** Motion moved:

"That a sum not exceeding Rs. 2,90,75,000 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, 1962, in respect of 'Geological Survey'."

\*Moved with the recommendation of the President.

DEMAND NO. 85—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF STEEL, MINES AND FUEL

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 37,19,51,000 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, 1962, in respect of 'Miscellaneous Department and Other Expenditure under the Ministry of Steel, Mines and Fuel'."

DEMAND NO. 132—CAPITAL OUTLAY OF THE MINISTRY OF STEEL, MINES AND FUEL

Mr. Speaker: Motion moved.

"That a sum not exceeding Rs. 72,16,91,000 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, 1962, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'."

Shri T. B. Vittal Rao (Khammam): Mr. Speaker, the other day Shri Manubhai Shah, the Minister of Industries, while replying to the debate on the Demands of the Ministry of Commerce and Industry, stated that in order to build India we should build machines. He also stated that he based his policy on six pillars. Until and unless the raw materials for building up these machines, the basic raw iron, are available, I am afraid the six materials, namely, coal, steel and pillars will sink due to subsidence, which generally happens in coal-mines.

Sir, I will briefly refer to coal and then will come to steel and oil. With regard to coal, there is the statement which the hon. Minister made in De-

ember last regarding the coal policy during the Third Five Year Plan. We tried to discuss that statement and gave notice of a motion but, unfortunately, neither in the last session nor during this session could it be taken up for discussion. I find there is deviation from the industrial policy statement with regard to certain contiguous areas to the private sector. I do not know under what circumstances the hon. Minister was forced to make that statement. In that statement there is only one term, and that is "national interest". With regard to coal, if national interest has to be taken into consideration, I am afraid we will have to develop our mines only in the public sector. This was the policy laid down in the Second Plan, which was in accordance with the industrial policy statement. I do not know what made the hon. Minister to deviate from that. Just in the wake of that statement only the other day, the Bengal Coal Company, a British concern, of which the managing agents are Messrs. Andrew Yule and Company, have announced their intention to increase their capital. They have announced the issue of Rs. 60 lakhs of debenture shares. That means, the Bengal Coal Company is going to expand its mining operations in the private sector. The Bengal Coal Company is already mining metallurgical coal which is required for our steel industry. So, we are going to give more concessions to these foreign companies in a vital sector. Today we are faced with shortage of metallurgical coal and so we have to conserve it and utilize it in a very judicious way. I do not know why this permission was given to the Bengal Coal Company. There seems to be some deviation which is thought of by the Government. If they were to do that, they should have seen that the Parliament had an opportunity to discuss. The hon. Minister should have insisted that discussion should take place before any deviation of the industrial policy statement, which has been approved by the House, takes place. Unfortunately he has not done so.

Coming to the target for the coal industry during the Third Five-Year Plan period, the target has been set down at 97 million tons. While working out the target for coal in the Third Five-Year Plan, we should take into consideration the various industries that are going to come up and the fuel requirements in our country because so far, till this day, the chief supplier of energy is coal. 85 per cent of the energy generated in our country is by means of coal. Therefore it is very essential that while working out the target this point should have been borne in mind and taken into serious consideration by Government.

Looking at the target from the angle of industrial development that is going to take place in our country, I find that this target of 97 million tons is not sufficient. It has to be increased otherwise what is going to happen is the same position which we have witnessed during the last year of the Second Five-Year Plan, namely, some factories partially closing down or closing down for want of coal supply. It may be said that it is due to the transport bottleneck. But the same position is likely to occur if we are not going to increase our target during the Third Five-Year Plan from 97 million tons to at least 120 or 130 million tons.

With regard to the allocation for the additional coal to be raised, I find that it is 20 million tons for the public sector and 17 million tons for the private sector. When the Draft Third Five-Year Plan was placed before this House I was very happy to see that Rs. 138 crores have been allotted for the development of coal mines in the public sector. But I was only entertaining hopes which were destined to be disappointed. I had thought that all the 37 million tons of additional coal that will be raised during the Third Five-Year Plan will be in the public sector because I worked out on the basis of Rs. 40 per additional ton of coal raised and found that this amount of Rs. 138 crores was sufficient for raising 37 million tons of addi-

tional coal in the Third Five-Year Plan period. But when some figures were given by the Planning Commission and when we got the break-up of this figure of Rs. 138 crores we were astounded because out of these Rs. 138 crores something was provided for the development of the workshop in the coal mines, Rs. 10 crores were for the centralised aerial ropeway and another Rs. 10 crores for prospecting and for advanced work for the Fourth Five-Year Plan. This was how it was given. Only Rs. 60 crores or Rs. 70 crores were provided for the development of the public sector. The rest was given to the private sector.

Today we are going to discuss the question of nationalisation of coal mines in the private sector and in that connection I would be able to point out certain other things, but it will suffice for me to mention in the debate here only two facts about this. It was very injudicious on the part of the Government to have allowed the private sector to raise 17 million tons of additional coal during the Third Five-Year Plan. Their production should have been pegged. There should have been a proportionate increase in the public sector. What is happening now is this. We were to raise during the Second Five-Year Plan 25 per cent of the total production and now we are going to raise only 33 per cent during the Third Plan period. On the other hand, it should have been more. It should have gone up to 50 per cent if nationalisation of the coal mines is not possible now.

I had been looking at the per capita consumption of coal in various countries. In our country the per capita consumption of coal is only 1 ton whereas in Japan it is one ton and in the United Kingdom it is 4.5 tons. If we have to consume coal at the rate at which it is being consumed in England, we will have to raise annually nearly 2,000 million tons of coal. That shows to what great extent we have to go ahead with the development of coal because that is the only source

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of supply of energy until Shri Malaviya gives us oil. Till then this is going to be the main source of supply for our energy. Even taking the figure in the Japan into consideration we will have to raise not less than 450 million tons per year. We have to make much headway if we have to catch up with the other industrial countries. That only shows that the target which has been fixed by the Planning Commission for the Third Five-Year Plan does not stand scrutiny at all.

Now I come to another question. In the public sector by the end of 31st March, 1961, we have spent something like Rs. 58 crores or Rs. 60 crores. Basing our calculation at Rs. 40 per ton as investment for raising a ton of coal, we find that there is no correlation between the amount invested and the result produced. This needs an explanation. We have invested huge sums of money in the National Coal Development Corporation. We have given them sufficient foreign exchange. Therefore, we would like to know as to how it is that the production, we would like to know as to how it is that the production does not bear any relation to the amount spent. This is very essential; otherwise, we cannot exercise proper check over the amount spent in the public sector.

Then I come to the question of the low temperature carbonisation plant. This was to be installed at Kotlagudium during the Second Five-Year Plan itself, but what has happened is that for want of a few lakhs of rupees of foreign exchange this was deferred. It was not taken up during the Second Five-Year Plan. Then they included it in the Third Five-Year Plan. But when we asked a question as to what has happened to the low temperature carbonisation plant, we got the reply that it was not possible to put it down in view of the foreign exchange difficulties. Can we not find a few lakhs of rupees of foreign exchange for

this? This low temperature carbonisation plant is very essential for our country for supplying domestic fuel. It will supply not only domestic fuel but there are other useful by-products like diesel fuel but there are other useful by-products like diesel oil, tar and other things which could be got from it. How is it that priority is not being given to it? If you are not going to supply soft coke for domestic fuel, people will go on burning cattle dung and firewood. They will be used for domestic fuel. That way you are going to denude your forests. On one side you are going to denude the forests for firewood and for supplying domestic fuel and, on the other, you give a slogan and spend so much money on afforestation. Here lies the curse. If the problem is considered properly and if right steps are taken at the proper time, you will not have any difficulty. Cattle dung will be saved for using it as manure and thus raising agricultural production. Our forests could be saved if only we take up this low temperature carbonisation plant. I hope that at least during the Third Five-Year Plan sufficient emphasis will be given on it and this low temperature carbonisation plant will be taken up.

Then comes the question of the utilisation of the middling from the washery and of slack coal from the coal mines. This is not a very easy problem. This is a very important problem, because during the process of raising coal by mechanisation to which we are going to resort more and more, we are going to get slack coal to the extent of 33 per cent. The middlings from washeries are going to be somewhere between 25 to 30 per cent. Therefore the utilisation of this slack and middling should be properly thought of and a proper method should be utilised. I have no alternative except to suggest that all stationary boilers should utilise only this middling

Mr. Speaker: The hon. Member has taken fifteen minutes. He should now try to conclude.

Shri T. B. Vittal Rao: I want another ten minutes.

Mr. Speaker: All right, he may take ten more minutes.

Shri T. B. Vittal Rao: I have touched only one problem, Sir.

I understand that the Coal Council—had appointed a sub-committee and that sub-committee has submitted its report to the Government. I do not know at what stage of consideration it is. I hope Government will consider that report quickly and see that proper steps are taken, so that there need not be accumulation of slack and mid-ling.

Sir, on account of the transport bottleneck one million tons of coal is going to be transported from Bihar-Bengal coal fields to west coast and southern regions by ships from Calcutta. I do not know why other methods have not been thought of. I suggest that the target of the Singareni Collieries should be raised by one million tons. The target for the Third Five Year Plan is something between 5.6 million tons to 6 million tons per year. If you could raise it to 7 million tons, the south could be supplied without difficulty from these collieries. Thereby we will be saving a lot of transport. By sending coal through ships, the cost to the consumer in the west coast and the south is going to be high. Even if Singareni Collieries are not in a position to meet this requirement, we have got coal-bearing areas extending to 800 square miles in the Andhra region. These could be easily exploited. I have been writing to the Planning Commission requesting them to see whether the target for the Singareni collieries could be raised to 7 million tons.

Simply because the management of that company stated that they had no physical capacity, you agreed with them. Could you not ask them what

the reasons were? When we go to discuss the matter with the State Government representative, they say: we have to get for the development of this mine finances from the Government of India; they have been putting so many hurdles in giving that; even in sanctioning the amount allotted during the First Plan they have given us a lot of headache and during the Second Plan period as well, for two or three years after the commencement of the plan they could not enter into an agreement with regard to participation in the capital. They point out all these difficulties. To the Planning Commission they say they do not have the physical capacity. When we discuss the matter with the State Government representatives, they give the reason that we do not get adequate finance from the Government. Therefore, if you want to avoid transport bottleneck, if you want to avoid extra expenditure involved in transporting coal from Bengal-Bihar coal-fields to the South, the easiest and simplest method is to increase the production of Singareni coal-fields. With regard to supply to the West coast, the Madhya Pradesh and Maharashtra coal-fields could be developed and one million tons raised.

In this connection I would like to refer to the recent controversy between the Ministry of Steel and the Railways. The Steel Ministry says that there is coal, but it could not be moved because of transport bottleneck and shortage of wagons. The Railway Ministry was saying that they had given the wagons asked for by the Coal Controller. This controversy has been going on. The Cabinet is seized of this matter and a small sub-committee has been appointed. But over and above this I want a small and responsible committee to go into this question to find out whether it is short supply of coal or short supply of wagons. The responsibility should be squarely placed and the persons responsible should be strongly dealt with. Otherwise, this is going to be repeated every year of the Third Five Year Plan.

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Because we are not able to supply adequate quantity of coal to the industries in the South, they have been asked to switch over to furnace oil. What is this economy? What is the policy of Government? Is it so easy to switch over to furnace oil? The industries have to change their furnaces. What about the economics of this? Firstly foreign exchange will have to be spent for getting furnace oil which in today's condition it would not be wise on the part of Government to do, when we have got abundance of coal. If you calculate the thermal value of 1 lb. of furnace oil and 1 lb. of coal, and compare it you will find that though the thermal value of oil may be more, the cost is going to be very huge. It is going to affect the industries? It is going to put up the cost. I read in the papers a month or so back that a sub-committee at the Secretariat level had decided against furnace oil. I hope the hon. Minister will clarify this point.

Then I come to the question of uniform price of coal at all railheads. This has assumed some importance now and I would draw the attention of Estimates Committee. The Estimates Committee had clearly recommended some four or five years ago that this question should be thought of and had recommended that coal should be sold at a uniform price at all railheads. That recommendation was turned down. Now they have taken up this matter. I hope soon there will be a policy statement to the effect that coal would be supplied at all railheads at a uniform price. Otherwise, what happens is this. The industries in the south will be at a disadvantageous position, in view of the fact that 80 per cent of coal raised in our country is from Bihar-Bengal coal-fields.

Sir, while on this subject, I have to refer to a few grievances of the workers in the coal-mines in the public sector. There should be formation of works committee in all the coal-fields.

I do not know why it has not been done. Industrial relation is the responsibility of the Government of India. I do not know why these committees have not been set up. If you want more production at every pit, production committees should be set up. Quarters should be constructed for the miners, because the existing housing conditions are very bad. With regard to water-supply it has been hanging fire in Bokaro and Kargali coal-fields for a very long time and I do not know whether the negotiations with the Coalmines Welfare Organisation has been finalised.

Then I come to the question of likely retrenchment in the Coal Controller's Office. I am told that some job evaluation has been done of the staff there and some 125 men are going to be retrenched. When job analysis is done it should be done in cooperation with the employees there. I hope the Minister will stop this retrenchment. If the coal target is going to be raised to 97 million tons during the Third Five Year Plan, there will be increase in work in the Coal Controller's Office and this staff could be utilised. I would suggest that the recognition of the Coal Workers' Union may be considered more sympathetically. This question has been there for a very long time.

With regard to the amalgamation of small collieries there was a committee which went into the question and the report of the committee was accepted in principle. It was also said that legislation was going to be undertaken and that the small collieries would be amalgamated where they do not go in for voluntary amalgamation. I need not repeat here what all has been said in that report with regard to small collieries. But suddenly now the hon. Minister comes and tells us that they are not thinking of legislation in view of the fact that the production has to be increased. If production is to be increased from small collieries, it could

be done only if they are properly amalgamated. The committee has said that at least 10,000 tons a month should be raised by a mine if it is to be an economic unit. Therefore I would urge upon the hon. Minister to see that legislation is brought forward early for the amalgamation of these small collieries.

Then I come to oil. We were told with regard to the Barauni Refinery that the detailed project report would be available by the end of February, 1961. And now we are told that it would take some time more. I understand the difficulties of the hon. Minister that where foreign experts have to be dealt with, these things cannot be adhered to. But every day of delay is going to cost us very much. Therefore, when the project report is being delayed, I would urge upon the hon. Minister to see that certain other ancillary works are taken up immediately and completed, so that when the detailed project report comes we could accelerate the pace of the work.

**The Minister of Mines and Oil (Shri K. D. Malaviya):** That is exactly what they are doing.

**Shri T. B. Vittal Rao:** So far as Cambay and Ankleshwar oil is concerned, there seems to be some delay with regard to the setting up of a refinery at Gujarat. This has to be expedited. The hon. Minister told us in the Consultative Committee that full-scale production cannot be undertaken in Ankleshwar until and unless 120 wells are dug and all this oil which is there is also tested. Whatever it may be, I am still firmly of opinion that two refineries may be set up, a small refinery at Cambay and a bigger one at Ankleshwar, so that this crude oil which we get in the meantime before the big refinery goes into production could be refined at the small refinery at Cambay. Transport of Cambay oil by pipe will be very uneconomical, because this has got 14 per cent paraffin wax and this cannot be sent through the pipes to Bombay unless

we have boosting and pumping stations at various places. And this boosting and pumping station means that we will have to have a power station with at least 2,000 kilo-watts, and four stations of such size have to be set up. Gujarat is already a power-shortage stricken State. If in that State you are going to utilise power for boosting and pumping this oil, it will be difficult. Therefore, I would ask the hon. Minister to see that this Cambay oil is refined in a refinery in Gujarat itself. I am suggesting this not from a parochial or any such consideration but purely on the basis of economics, because sending Cambay oil to the Bombay refinery would be very uneconomic.

I am glad and I welcome the decision of the Government that there shall not be any expansion of the foreign-owned refineries; because this agreement, it is admitted on all sides, is an unequal agreement, and they are not going to modify it. Therefore, under no circumstances should there be any proposal for expansion of the refinery capacity of these oil refineries. Regarding exploration work, somehow or other the Government does not seem to be very much enthusiastic about the exploration of oil in the Cauvery and Godavari basins. In the Godavari basin, we are told, only gravity-magnetic survey is being conducted and that the other surveys will take time. Even to this day a proper geological mapping has not been done. When once we asked the hon. Minister, "Why not we concentrate in one particular area for the exploration of oil", he said, "We do not know whether we will get oil in that particular place or not; therefore, we have to diversify and go in at more places, so that by chance we may strike oil in some area". Therefore, basing it on that very argument, I would urge upon the hon. Minister to accelerate the pace of the exploration work for oil in the Godavari and Cauveri basins.

With regard to the development of mines, we have these Daribou and Khetri copper fields. We are spending

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a huge sum of foreign exchange for importing copper. With our stepping up power generation in the country it is very necessary that we get this copper. Huge deposits of copper have been found not only in Rajasthan but also in Sikkim. A smelter of at least 10,000 tons per annum should be installed immediately both at Khetri and also in Sikkim, so that we could go ahead with the exploitation of these copper deposits.

With regard to gold mapping, some investigations were being conducted by the Geological Survey of India. Now we have to pay our subscription to the International Monetary Fund or discharge our other international obligations by means of gold. Therefore it is very essential that we develop some fields for the exploitation of gold. There are rich gold mines at Hatti. They could be exploited fully and the expansion work carried on. With regard to Kolar Gold Mines there are no proper lodes in the old mines, but in the adjacent areas of Chittoor and Ramgiri there are some gold mines and these could be attended to.

Then I come to another matter. The Mineral Beneficiation Committee's report was submitted last year to the Government. I do not know how far its recommendations have been considered by the Government. If Government take one year to consider the report, I do not know what is to be done. They could say "We do not

accept the Committee's report". They can reject the recommendations or say that they accept those recommendations. Otherwise, delaying these things would not help. Because, mineral beneficiation is a very important item in the development of the mineral industry in our country, and minerals. Therefore, let the Government tell us what are the recommendations of the Committee which have been accepted, what are the recommendations which are still under consideration, what are the recommendations that they have not been able to accept, and why they have been rejected. Merely keeping it in cold storage is not good.

Unfortunately, for want of time, I am not able to touch the subject of Steel. Anyway I will submit one or two points about steel. In the iron ore mines which are being run by the Bhilai Steel Plant: the wages paid to the iron ore miners are very very low. They can refer the question of their wages to a tribunal or they can enter into an agreement for increasing the wages of these people.

Then, one disturbing thing that I have heard is that there is a flight of technicians from Bhilai to the private sector steel factories.

**Shri Aurobindo Ghosal (Ulberia):**  
From all factories.

**Shri T. B. Vittal Rao:** My hon. friend Shri Aurobindo Ghosal says that the flight is taking place from all factories. That is because the pay given in the private sector is very attractive. Government should see that these people who have undergone training in the public sector are retained and that proper salaries and wage scales are fixed for them. Otherwise we are going to suffer. We should see that the raw material position is improved for these steel plants; otherwise, there may be a shortfall in production in these steel factories.

**Shri Viswanatha Reddy (Rajampeth):** As usual I would like to



confine my observations with regard to the oil industry. The House is aware of the great progress that has been made in the public sector in respect of the oil industry, and the House has always lent its great support to the policy pursued by this Government.

However, there are certain voices which have accused the Ministry, and particularly, the Minister of Mines and Oil, of a doctrinaire approach to this problem, and of investing large sums of public money in ventures which are speculative. We are aware that we are not the only country in the world which has embarked on the oil industry in the public sector. There are other countries like Egypt, Mexico, Brazil, Bolivia and some other countries which have their own governmental organisations devoted to the development of the oil industry in their own country, probably taking into account this type of trend in the oil-producing countries. The Adviser on Oil, to the World Bank, has been credited with the following statement which I would like to read to the House. He has said :

"Where total capital resources are scarce as they are in all economically under-developed areas, expenditure on oil exploration can only be at the expense of other claimants. In a developing country, there is urgent need for services and utilities, schools, hospitals, houses, roads, power stations etc. which private enterprise cannot as a rule be expected to provide. If the State diverts its scarce capital resources from these channels into fields in which private enterprise is willing and able to help, essential tasks will be postponed or left undone, and the country's economic and social development greatly retarded. This is the choice that Governments have to make but they seldom care to put it into such simple terms."

These are the observations from a very high quarter.

Shri Rajendra Singh (Chapra):  
What is the source?

Shri Viswanatha Reddy: I am reading from page 122 of petroleum Press Service, April, 1961.

Shri Rajendra Singh: Is it an organ of the private sector?

Shri Viswanatha Reddy: It is available in the Library.

This statement comes from a high source, and the World Bank, I believe, has refused to advance any credits to any State undertakings in the oil industry. Putting these facts together, it is a very significant thing for us to remember now that from a very high quarter, the oil industry is being discouraged. It is good that today we have really a doctrinaire approach to this problem, because we know very well that oil has played a great part in the internal politics of various countries. Even today, it is playing a great role in the internal politics of this country. It is well for us to remember the bare facts, on this occasion. I should like to submit to the House a few very salient facts in respect of our own country.

It has been calculated that at the end of the Third Plan, our consumption of oil would be of the order of 14 million-tonnes and some knowledgeable sources say that even this estimate might be an under-estimate, because in some backward countries like ours, the pace of consumption of oil is probably more than one can really calculate. 14 million tonnes would require foreign exchange of the order of nearly Rs. 350 crores per year on oil loans. An annual drain in foreign exchange of the order of Rs. 350 crores is a thing which, I am sure the House will agree with me, is not a small thing for our economy to bear today. A part of this exchange drain could be prevented by a vigorous oil exploration in this country. Again, several people who know the oil industry intimately have said that out of these Rs. 350 crores, as much as Rs. 100 crores to Rs. 150 crores can be accounted for by way of profits.

[Shri Viswanatha Reddy]

Therefore, while we deny ourselves the profits that accrue from this oil industry, we have also to bear the foreign exchange drain of nearly Rs. 350 crores per year.

Again, the world oil industry has told the world at large that taking into account the speculative character of oil exploration, taking into account the number of various dry holes that any organisation engaged in the oil industry has to contend against as also what are called 'wild cats', that is the fluke oil wells that may be struck occasionally, taking into account all these extreme cases, they have put a figure of \$100 million, that is Rs. 45 crores nearly for producing oil at the rate of 2½ million tons per year. An investment of Rs. 45 crores is not a big thing, when we consider the amount of other benefits, namely foreign exchange conservation as well as the element of profit that is available in this industry. I am trying to put before the House a pragmatic approach rather than a doctrinaire approach, although I agree that even a doctrinaire approach in this oil industry, as far as our country is concerned, is not something that we should feel shy of.

There is another position with regard to this oil industry. Among the Asian countries, Japan has recorded the greatest amount of progress in the consumption of oil. Between 1959 and 1960, the consumption of oil in Japan has increased by as much as 31 per cent. In our own country, the consumption has increased by about 10 per cent. The rate of increase during the next few years, and in particular, during the Third Five Year Plan, will be much more than this estimate of 10 per cent per year.

With all these activities and all these considerations before us, if any persons or individuals or institutions like the World Bank or any other high personages from abroad accuse us of a doctrinaire approach. I must

say that I must congratulate the hon. Minister in charge of oil for having this doctrinaire approach in this matter and for effectively and very vigorously pursuing this oil programme.

With regard to the progress of the Barauni refinery, Shri T. B. Vital Rao has made some observations. I believe that pending the foreign collaboration agreements and the receipt of the detailed project reports from the Soviet and Rumanian experts, Government are going ahead with all civil works; and the acquisition of land for the laying of the pipe-lines and all other ancillaries.

In this connection, I might be permitted to dispose of one criticism which has often been made, namely that in Naharkatiya and Moran areas, although oil was discovered as early as 1953, it has taken nearly seven to eight years to produce oil there. If we take into account the actual production schedule in respect of oil from these fields, the schedule has to start by the end of 1962, or the beginning of 1963; that is as much as 10 years has been taken right from the time of discovery of oil in that area up to the time of the actual production of oil.

13 hrs.

Now, with regard to oil, we have to remember one thing. It is not enough to produce a few barrels of oil per day in order to sustain a refinery. We must have a substantial amount of oil in order to sustain a refinery. To produce that substantial amount of oil, the initiative has always been in the hands of the Assam Oil Company. In spite of the vigorous efforts that have been made by them during the last so many years and also by the Oil and Natural Gas Commission, it has not been possible to produce the required number of productive wells in that area to sustain a refinery. Even today there is some misgiving that by the time the Barauni refinery and the Nummati refinery are ready,

the oil may not be available in the required quantities. There may be some quantity available, but it may not be sufficient to fully sustain the production capacity of these two proposed refineries.

A reference has been made by my hon. friend Shri T. B. Vittal Rao to the location of one small refinery and another big refinery in Gujerat. I am not one who will oppose the starting of any number of refineries in this country provided we have the necessary facilities to do so because, I believe, that the consumption of oil in this country is going up so fast that any number of refineries in the public sector will be able to have full work during the next 10 or 15 years. However, a similar analogy may be applied to this area also as to the Barauni area. I believe, by the middle of this year the production trials of the wells that have already been struck in Gujerat will start in Cambay and Nunmati areas. After the complete proof of the production capacity of these wells has been obtained the refineries will start coming up with great vigour.

With regard to matters that have come across in the course of my study of this subject, I would like to place these matters before the hon. Minister. I came across an article in the journal published by the Oil and Natural Gas Commission in which one Superintending Geologist, Mr. Poddar has said a great deal on the photogrammetry and photo-geology. I believe, the Oil and Natural Gas Commission has got very very few technicians who are trained in these two branches of study. As regards the importance of the study of these two subjects in the field of oil exploration in modern times, Mr. Poddar has got the following to say:

"It is likely that in future, as that science becomes more advanced photo-geologists will probably be able to pin-point sites for drilling also on the basis of the geological interpretation of aerial photography."

Therefore, in the oil industry, these two subjects, in his opinion as also in the opinion of several other knowledgeable scientists, have got to be given a great deal of importance.

Sir, as regards the oil industry in our country it is the technique, the expertise that has to be acquired by various scientists in this regard. That really contributes to the success of our efforts. We know fairly well the areas where we have to look for oil in this country and those well-defined areas can only be exploited quickly to meet the requirements of our country if only we have the necessary number of technicians and also the equipment.

Sir, I am glad to be able to tell the House, as I have got the information from the Ministry that even in respect of the manufacture of rigs and drills, efforts are being made to set up plants to produce these rigs and drills. Therefore, in all aspects of the oil industry we have been able to acquire the expertise in this country and the whole credit must entirely go to the Ministry and particularly to the vigorous steps taken by the hon. Minister himself.

I have been told that several ancillary industries are to be started in Nunmati as well as in Barauni areas to utilise the natural gas and other by-products of oil refineries. One of these ancillary industries is proposed to be Polyethylene industry. Now, I have come across a statement where the latest plastic, namely, Polypropylene can be produced more economically than this Polyethylene. This other plastic, that is, Polypropylene has got a wider use and it has got better qualities and more efficient utilisation than this Polyethylene and I hope it is possible for the Government to encourage the manufacture of this Polypropylene in the place of Polyethylene.

I have come across a news item in one of the journals where it has been said that the Italian credit of \$ 75 millions for exploration and develop-

[Shri Viswanatha Reddy]

ment including a refinery in South India is to be given to the Government of India. I do not know the truth of the matter because it has not been mentioned in any of the reports. I would like the hon. Minister to clear the position with regard to this matter.

I thank you, Sir, for a great deal of indulgence that you have shown to me in allowing me this time for making a submission on these points.

Shri Morarka (Jhunjhunu): Mr. Speaker, Sir, this Ministry deserves congratulations of the House and appreciation of the whole nation for its overall performance during the year under review.

The Ministry has completed the setting up of three steel plants. It has achieved at least the rate of the targeted production of coal as laid down in the Second Five Year Plan and it has also done a lot of work in the field of mineral exploitation particularly for the development of oil resources. The year under review has been a year of transition, so far as the steel plants are concerned, from the year of construction to the year of production. Therefore, it has been a year of trials and troubles, and strains and stresses. But, in spite of that, I think, the performance of the Ministry in achieving the target of the steel production deserves special mention. These steel plants are the backbone, if I may say so, of the public sector. They provide a definite and a sound base for the industrial development of the country and they are expected to make a substantial contribution to the resources of our Third Five Year Plan, to meet the needs of the industry which were hitherto met from imports, and not only this, but to make some steel available to us for export purposes.

Sir, having achieved the targets of the Second Five Year Plan, the Ministry during this year has decided to expand the three steel plants at

Rourkela, Bhilai and Durgapur and it has also decided to put up the fourth one at Bokaro. The idea is to achieve the target for the Third Five Year Plan which is fixed at 10 million tons. There are some hon. Members in this House and some outside who do not favour this idea of increasing the production of steel any more. Their main fear is that there would not be enough demand in the country and that our production of steel would not be competitive in the world market and that is the reason why they want to discourage it.

Now, Sir, if we look at the actual demand at home what we find is that during the year 1960.61 the total demand was something like a little more than 5 million tons and even after allowing for imports we could hardly meet 60 per cent of this demand i.e., for about three million tons. Even today there are many industrial units which are either partially working or are completely shut down for want of steel. The industrial ventures, on which we have spent a lot of money and foreign exchange on the import of capital goods and other things, are worked only partially for want of steel. Therefore, from the point of view of the home demand, the expansion of steel production is not only desirable but is vital. But leave that aside. There was a committee appointed by the UNO to assess the steel requirements of the world. That committee meeting in Geneva had assessed the requirements of steel for India in 1970 at about 28 million tons. If that is so, it is quite natural that for our Third Five Year Plan, we have at least a modest target of 10 million tons. A German newspaper called *Die Welt* made the following comment:

"The goal of reaching a production 40-50 million tons may be achieved after a generation. Only then will the Indians have reached a living standard which can

compare with the living standards of the great world Powers".

So even people outside India, people who are knowledgeable and expert on this subject, feel not only that the target for the Third Five Year Plan should be at least 10 million tons, but talk in terms of 40-50 million tons. From that point of view, I think it is just as well that Government have kept the modest target of 10 million tons for the Third Plan.

But, before we embark upon the new venture of the 4th plant or the expansion of the existing steel plants, I think it is timely for us to look back and see what our experience in putting up these three steel plants has taught us. If we do that, one thing which is bound to strike us immediately is that the performance of the Russians at Bhilai has been far superior to that of the Germans in Rourkela or of the British at Durgapur. This is the first point which is bound to strike any impartial objective observer who sees the construction of our steel plants.

The second thing which would equally stand out is that the estimates of the steel plants have been rather defective. The estimates have gone up from time to time and one wonders whether there has been proper scrutiny before increases in the estimates were accepted.

The third impression one gets is that the planning of the steel plants has not been very precise, with the result that some units have gone into production whereas others which should have gone into production earlier have still not done so, and so many bottlenecks and other difficulties have been created.

When I point out all these things, I hope I would not be misunderstood as if I am criticising the public sector. That is not my purpose. I have no doubt in my mind that ultimately these steel plants would succeed; I have also no doubt in my mind that

steel plants are admirably suited to be developed by the public sector and public sector alone. Therefore, when I point out certain weaknesses, my intention is only to show some light to the hon. Minister and to the officers in charge so that when they embark upon new projects they may avoid these pitfalls.

I was talking about the estimates. The original estimate in the Second Five Year Plan was Rs. 353 crores. In August, 1957, this figure went up to Rs. 559 crores. According to the latest report available to us now, it has gone up to Rs. 605 crores. This is subject to escalation clause. I know the hon. Minister would say that the Rs. 353 crores did not include the townships and ancillaries. That is quite correct. But still the fact remains that the resources allocated for the steel plants in the Second Plan were only of the order of Rs. 353 crores. Instead of Rs. 353 crores, if we require Rs. 605 crores, certainly it upsets the priorities and allocations in respect of other projects.

**Shri Naushir Bharucha (East Khandesh):** Is that why he congratulated the Ministry?

**Shri Morarka:** I congratulated them on their performance in constructing the plants. It is a pity that the hon. Member's hearing power is very selective. He hears only what he wants and ignores what he does not choose to hear.

**Shri Nazim Chavha:** But the understanding power is very high.

**Shri K. D. Malaviya:** He condemns the hon. Member's selective hearing power only.

**Shri Morarka:** As I said, the estimates have gone up. If we get our money's worth for the increased estimates, nobody can make any grievance of it. But the doubt generally felt is whether Government have a proper machinery to scrutinise these items.

[Shri Morarka]

I will give one example to make my point clear. In the Durgapur steel works, the contract given for civil engineering works was for Rs. 11 crores. But instead of Rs. 11 crores, ultimately the consultants have paid Rs. 25 crores. This sum has been paid without consulting Hindustan Steel which owns the three steel plants, and without even referring the matter to the Government of India to whom the whole thing belongs. If this is so, we feel a bit disturbed whether these consultants have been fair to us in sanctioning such a huge increase, particularly for a project which was a turnkey job. I wish the hon. Minister could make this a test case, order a proper inquiry and see whether what I have said is correct or not. I personally would be very happy if I am proved incorrect.

Similarly as regards the fourth steel plant at Bokaro, which is still in the paper stage, we read in the Press that the estimate has gone up from Rs. 200 crores to Rs. 235 crores already. Again, for expansion the estimates concerning Bhilai has gone up by Rs. 8 crores, that relating to Durgapur has increased by Rs. 21 crore, and that in respect of Rourkela has been raised by Rs. 10 crores. I sincerely suggest to the hon. Minister to provide some machinery within his Ministry or within Hindustan Steel, whatever it may be, to scrutinise each and every item, because after all, the finances involved are huge. It is a funny thing that in government departments, audit objections are raised for small amounts of 10 annas or Rs. 5 or Rs. 10 or Rs. 15, but when we come to deal with crores of rupees, because the corporations are autonomous, everything is sanctioned and passed, as a matter of course.

I referred to defective planning. In this respect, the Russians have done their job admirably well. Here I would like to give a few quotations, not from what our people have said but from what has appeared in the

foreign Press. Here is what one Mr. Earle Smith, Vice President of the Republic Steel Corporation, has got to say after a visit to Bhilai. He referred to the Russian performance as 'outstanding' and said:

"What I saw did not diminish my respect for Russian steel making potential. The Bhilai plant was better designed for continued production than any plant I have seen in either the United States or Russia proper".

This is what has been said about Bhilai. I wish we had similar statements about Rourkela and Durgapur. But unfortunately that is not so. Prof. Galbraith, who is often quoted in this House, has said this about our Rourkela plant:

"A brief stay at the actual sites of the new steel mills reveals numerous faults, and other difficulties are on the way".

Even the German newspaper *The Christ Und Welt*, which blamed the Communists for running down the Rourkela plant, says:

"On the other hand, the future of Rourkela is not completely safe."

It recommended the appointment of a technical team to stay at Rourkela. It also made a grievance of the fact that that team is not being appointed and many officers are leaving Rourkela for home.

Mr. Speaker: Why did they say so? What are the grounds on which they say that it has not a safe future?

Shri Morarka: They say that this plant has been constructed by 36 different German contractors plus 130 different Indian contractors. The machinery is very complicated of course, it is modern, but it is very complicated—that they feel that the Germans are required to train the Indians for 6 months or so or a long

time; unless the Indians can take over from them, they feel that there would be a lot of difficulties. Therefore, they suggest a team of technicians to train the Indians and to run the plant for at least a couple of years. Negotiations have been going on between the German firm, German Government and our Government. Ultimately, what that paper says is this:

"Pedantry and hair-splitting at Government level which had done harm to Rourkela before seem to be continuing."

This is the opinion of the German paper about Rourkela, which gives not only a warning but also makes a constructive suggestion. Unfortunately, that team is not constituted yet.

Now, I come to Durgapur. Here I would quote what the British Press had said. I quote from the British paper, *Daily Telegraph*. This is what it has said about the Durgapur plant:

"India's £105 million steel works at Durgapur, 190 miles from Calcutta, built by a Consortium of 13 British companies, ISCON, is facing a crisis. It may be reduced to a state of chaos."

Some Hon. Members: Carry on.

Shri Morarka: I wanted the hon. Speaker to hear me.

Mr Speaker: I am only trying to devise a particular method. The other day this was brought to my notice that the original estimates were so much and subsequent increases were made. If the increase is not a considerable amount we need not worry. It is true that the other amount is included in the next year's Budget and formal sanction is taken. I would like more pointed attention to be drawn to this matter. If information is made available to the Members to find out how the original estimate was not sufficient, then, they can make these observations if necessary if the estimate had been prepared a little carelessly; whether this occurred on account of any mistakes or whether

it was a real addition which could not have been contemplated. I want a memorandum of that kind to be submitted every time there is an increase over the original estimates. That is what I am contemplating.

Sardar Swaran Singh: Sir, you will give us enough time to present our side of the picture and put our views to you before you finalise your idea.

Mr Speaker: I was only thinking aloud. It would be good both for the Minister and Shri Morarka.

Sardar Swaran Singh: Sir, he belongs to my party.

Mr Speaker: I do not find any difference. Party members are as critical as Opposition members. So far as these matters of common interest are concerned, I do not think there is anything like a party. He has just now said how it has to be tackled and all that.

Sardar Swaran Singh: He has not done so, Sir.

Shri Morarka: Sir, I am grateful to you for your observations. With great respect, if I may say so, what you said would be of great assistance to the Members and such criticism may be less, provided the Members are better informed about the increases.

If you give me some more time I will dilate on this point and bring one particular point to your notice. At one time you were pleased to refer a matter of increases in general service charges at Rourkela to the Estimates Committee. That was a special reference made by you. The Estimates Committee examined that matter and, after 15 or 17 months, made a report. I wish only to make this submission that after reading the report one gets the impression that the Committee could not get all the information that it wanted from the Ministry; and, hence, it was unable to come to any conclusion or to justify this increase. This is not much by way of criticism but this is a grievance which I am

[Shri Morarka]

making. If more facts are available, then, much of this avoidable criticism could be avoided.

Coming back to the Durgapur plant, there was a Colombo Plan Committee which was appointed. It visited the Durgapur plant for examining the conditions there. If you kindly remember, you ruled some time ago that reports of these expert committees should be laid on the Table of the House. Verbatim extracts from that report have appeared in the London paper, *Daily Telegraph*; and this is what the report says:

"The opinion expressed by Sir Eric Coates which also said the project's different departments seem to be engaged in guerilla warfare with one another . . ."

First, they say, it is a chaos; then, they say it is facing a crisis; and secondly, they say that different departments are engaged in guerilla warfare. The conclusion of the report is that a high-power committee should be appointed to go into this matter. It is the view of not only this team but of others also that these foreign collaborators, the British collaborators are not discharging their duties properly.

If you kindly remember, these are the people who glossed over the defective piling work; these are the people who took over the equipment without trials and without proper demonstration from the contractor. Again, these are the people who sanctioned Rs. 25 crores instead of Rs 11 crores; and they have accepted at least one particular equipment which burned down within a week from its acceptance. Therefore, one gets the feeling that these consultants, in particular, who are also British, are not playing their role independently and objectively; and, perhaps they are showing a soft corner to the contractors there. I am again quoting:

"There should be a high level investigation as it was feared that

the 'financial implications are by no means inconsiderable'."

These are the views of the foreign experts and this is what they have said about Rourkela and Durgapur. Durgapur seems to be in the worst light; and I am sure the hon. Minister will take steps to correct this position as early as possible.

Now, I will give you some interesting figures about actual production. I am not comparing with anything else. I am comparing between Bhilai, on the one hand, and Rourkela, on the other. The blast furnaces in Bhilai and Rourkela, both of them, first and second furnaces, went into production almost at the same time. The production of pig iron in Bhilai is 9,82,000 tons and the production of pig iron in Rourkela is only 5,80,000 tons.

Mr Speaker: During what period?

Shri Morarka: Up to the end of December 1960. The first blast furnace was commissioned, as you remember, on 3rd February, 1959 and the second was commissioned on 11th January, 1960 in Rourkela; and similarly in Bhilai, the first was commissioned on the 4th February, 1959 and the second on 28th December, 1959. The capacity of the blast furnaces is the same; the time of commissioning is almost the same and yet, in production, we find that the production in Rourkela is 4 lakh tons less than the production in Bhilai.

Take another item of production, that is coke. The coke oven batteries were commissioned almost at the same comparable time; and still production in Bhilai was 10,72,000 tons and in Rourkela it was 7,92,000 tons. Here again it is less by about 3 lakh tons. The production in Durgapur is comparatively better as compared to Rourkela.

I can quote another set of interesting figures; and that is about the cost of raw materials as compared to the



value of production. In Rourkela, for every Rs. 100 worth of raw material consumed, we produce Rs. 128 worth of finished goods. The ratio is 100:128. In Bhilai, this ratio is 100:186. In Durgapur, it is 100:124. But Durgapur has worked still less and so it may not be quite comparable with the other plants. But Rourkela and Bhilai are quite comparable. The justification for spending more money on Rourkela is that it is going to be the most economical plant and the greatest economy expected there is in the raw materials. Yet, what we find purely in terms of value is this: the ratio of raw materials to production in Rourkela is 100:128, and in Bhilai it is 100:186.

Apart from this, I find that so far as the salaries and wages are concerned, the expenditure in Bhilai has been the highest. It is 15 per cent of the production value in Bhilai, 10 per cent in Rourkela and 16 per cent in Durgapur. But again, I cannot compare Durgapur with the other plants, because it is only partially worked yet. But in Bhilai it is 15 per cent and Rourkela, 10 per cent. There have been some other minor defects in planning. For example, the calcining plant in Rourkela which was taken in trial in October, 1959 is still not commissioned. The semi-continuous strip mill in Rourkela which was ready in February, 1960 is undergoing trials in March, 1961. There are a few other matters to be referred to in this connection, but I would like to skip over them and proceed to say a few words about raw materials.

Here again, there has been some,— what I might call loose planning. The blast furnace in Bhilai as well as in Rourkela were commissioned first in February, 1959. But the mines from which iron ore was to come, were not ready till December, 1960, in the case of Rourkela, and October, 1960 in the case of Bhilai. About Durgapur, the directors say in their report as follows:

“The quality of the ores supplied to Durgapur has sometimes

been somewhat unsatisfactory affecting production adversely.”

Coming to the supply of coal, the position seems to be slightly worse. I am quoting from page 17 of the report of the directors of Hindustan Steel:

“The quality of raw coal supplies is progressively deteriorating as larger supplies are drawn and the ash content of coke is correspondingly going up. This has adversely affected production both in quality and in cost.”

As you know, both Bhilai and Rourkela are to get their coal supply from Kargali and Dugda washeries. The Kargali washery went into production two years ago, but still, it has achieved a capacity only to the extent of 50 per cent. It has cost us a lot of money. But somehow or other, the directors of the NCDC kept only Rs. 17 lakhs as the earnest money deposit for the proper performance of this.

The last item of raw material which I wish to refer to and which is very essential for the steel plants is limestone. The position about limestone, you may kindly note, is most astounding. I may again quote from page 17 of the directors' report wherein you find the following:

“For both Rourkela and Durgapur, so far, the main source has been Birmitrapur which cannot supply all the requirements. Attempts were continued to locate other sources of limestone in the country and special prospecting Divisions are working to locate suitable supplies.”

The plants are ready. We have spent Rs. 605 crores. But the prospecting teams have now gone out to locate the supplies of limestone! We have spent Rs. 8 crores for the project report and different foreign experts were called, who should have pointed out in the beginning and located the supply of raw materials, namely, iron ore, coal, limestone and water. Instead of that, when the plants are ready,

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prospecting teams are being sent out now.

About raw materials I may point out one more aspect. For Rourkela, for producing one million tons of steel ingots we require 1.5 million tons of iron ore and 1.5 million tons of coal. In Bhilai, for producing the same quantity of steel, we would require two million tons of iron ore and two million tons of coal. I would like the hon. Minister to tell the House as to why the difference is so big.

**Shri Naushir Bharucha:** It depends on the metallic content of the iron ore.

**Shri Morarka:** As my hon. friend has pointed out by his interruption, we must know whether the ash content is the reason or whether there is any other reason for this difference. I would have accepted that; but the consumption of coal is also more and, therefore, I thought there would be some other reason. I request the Minister to say something about this when he replies.

Now, I come to the balance-sheet. I want to point out only two items in the balance-sheet. The first point is about depreciation. This point has been made by the Auditor-General also. This year's balance-sheet shows a loss of Rs. 1 crore and odd lakhs. According to the Auditor-General, this depreciation should have been provided in the accounts, and the real loss must have been shown something like Rs. 5 crores to Rs. 6 crores. They have charged a depreciation at the rate of five per cent. The usual practice everywhere is to charge depreciation at ten per cent, even though the life of the plant may be 20 years. But for the purposes of accounts, on business principles, you must provide a ten per cent. depreciation every year. This has not been done.

The second point is that so far as Government loans are concerned,—

they were more than Rs. 200 crores at that time and they are more than Rs. 300 crores now—no interest has been provided. The Financial Adviser and the directors of Hindustan Steel only make a small note about this, which says:

"No interest is payable on the unsecured loans from the Government of India up to 31st March, 1962. From 1st April, 1962 interest has to be paid at the rate of five per cent per annum on these loans."

In the previous year interest was provided; in the subsequent years interest "would be paid," but only for these two years, the interest is not provided. My point is that purely from the standpoint of accounts, interest must be provided, but if the Government wants to forgo that, it must have been treated as a subsidy, because, after all, this money goes, out of the Consolidated Fund of India, and as the service charge on the public debt has increased, I think, for a proper picture of the performance of the steel plants and public finance, this item should have been taken into consideration.

Sir, as I said earlier, on the success of the steel plants depends the success of the public sector philosophy, the actual functioning of the national economy and the implementation of the third Plan. Our tasks have been difficult and unfortunately, due to delays and various other things that I have pointed out, it has cost us more money. It is therefore necessary for the hon. Minister to take immediate remedial steps. According to me, this is a situation which does not brook any further delay. In the past we have already suffered because of the delays.

Finally, this Corporation which today manages three steel plants would also manage the fourth steel plant and would also put through expansion programmes. It would manage three coal washeries; it would have the by-products and the fertiliser plants, and last but not the least,

the tool and special alloy steel plant. By the time we finish all these projects our total investment on them would be more than Rs. 1,500 crores. I would request the hon. Minister and this House to consider whether one Corporation is enough, one Board of Directors is enough, to manage—to apply its mind to such huge and gigantic projects, or whether it would be more desirable to have one corporation for each steel plant at least.

I would now say a few words about coal. Recently there has been a lot of controversy about coal supply. As the previous speaker, Shri Vittal Rao, said, there has been a controversy between the Ministry of Steel, Mines and Fuel and the Ministry of Railways. I think the blame lies to some extent on both of them. Firstly, I will explain why it lies on the Ministry of Steel, Mines and Fuel.

It is no doubt true that they have achieved the rate of targeted production envisaged in the Second Plan. But if you analyse the colliery-wise production you will find that the increased production is more in the Bihar—Bengal fields and the production in Central India coal-fields—Madhya Pradesh coal-fields has been less.

To give one example, one colliery—Bisrampur colliery—which was to produce 2.7 million tons, has not been touched. It has been relegated to the third Five Year Plan. It is true that we have reached the targeted production, but because it has been reached more in Bihar-Bengal fields, there has been transport difficulty and a bottleneck has been created.

Similarly, the increase in production has been so sudden that during the last four or five months, all of a sudden the production has reached the targeted figure. Till last year, the production was much less, particularly in the NCDC collieries. But it has now reached the contemplated production in the Second Plan. This sudden jump has also caught the railways napping.

As against that, you would kindly remember that the railways were first asked to carry 56 million tons of coal. In 1958, it was revised and they said, railways will have to carry about 53 million tons only. But actually, the railways could carry only about 45 million tons. So there is a shortfall in the railways also, and there is lopsided production of coal more in certain collieries and less in other collieries. That has upset the apple-cart.

I would humbly request the hon. Minister to give more attention not only to achieving the targets, but also achieving the targets as was planned. Otherwise, it is quite possible that we may create difficulties not only of the nature that we have created, but the entire industrial apparatus would be put out of gear if we do not get coal in certain areas. I, therefore, earnestly appeal to the Minister to plan the production of coal in such a way that not only the total targets would be achieved, but the targets of each colliery would be achieved.

In this connection, another point to be remembered is, we had targeted to supply 10 million tons of coal to our steel plants. In fact, the needs of the steel plants were only 7.5 million tons. In spite of less supply to the extent of 25 per cent to the steel plants, the transport difficulty and coal-supply difficulty have arisen.

The importance of mechanisation of coal mines cannot be over-stated. In one mine which is, according to some foreign experts a most well-mechanised mine—I am referring to Saunda—the production is 81,000 tons of coal with the help of 100 workers. In the ordinary fields, for the same production, you would require 600 workers. In the open cast mines also, we are producing 1.25 lakh tons by having 900 workers. So, from the point of view of economy, mechanisation of coal mines is an urgent necessity.

{Shri Morarka}

Apart from economy, the human aspect is more important. The working condition of people in the collieries leaves much to be desired. Sooner these collieries are mechanised, the better it is. It is a shame almost to see the conditions, the slums, in which they are working and the risks they are undertaking. I wish the hon. Minister success in his projects for the third Plan and I have much pleasure in supporting the demands of his Ministry.

**Mr. Speaker:** Shri Thanu Pillai. Then I will call Shri Rajendra Singh.

**Shri Parbhat Kar (Hooghly):** Probably he is not ready; he did not expect to be called so soon.

**Mr. Speaker:** If he wants to speak later, I will call him later.

**Shri Basappa (Tiptur):** In most of the demands, Mysore has not taken part.

**Mr. Speaker:** I will call Mysore; they do not have coal but gold.

**Shri Mohammed Imam (Chitaldrug):** Gold has become important now.

**Mr. Speaker:** Shri Rajendra Singh.

**Shri Rajendra Singh (Chapra):** When an over-all balance of the performance and achievement of the Steel Ministry is taken, I have no doubt it has to be conceded that it is not too bad. When I say it, I really mean it. In spite of the facts which have been enumerated by my hon. friend, Shri Morarka—how this Ministry is to be complimented—like Shri Morarka, I am quite conscious and I also deplore the stupendous increase over the estimates from time to time. Similarly, as it has been reported by the Public Accounts Committee, there is incorrect rate of exchange, placement of contracts on a blacklisted firm, non-recovery of dues from a certain firm, losses due to non enforcement of the terms of the contract,

irregular and motivated contracts, construction of road and buildings not at all necessary, rush purchases, doubtful store-records and production much below the rated capacities. I have simply noted down the headlines, so that I may not go into details, because the details have been covered by Shri Morarka.

Notwithstanding these defects, lapses and shortcomings on the part of the steel projects, I readily concede that this Ministry has provided a break-through so far as it relates to the speedy industrialisation of this country is concerned. It is no mean achievement from that view-point.

[MR. DEPUTY-SPEAKER in the Chair]

As Shri Morarka has pointed out, in view of the assessment made by the Colombo Plan team of our requirements of steel, say, five or ten years after, not only that, in view of what has been said by many experts especially Shri Dastur and those people who have some idea of the uses for which steel would be required and the quantity of steel that we would be needing, it is really deplorable that our target has been only 10 million tons. As has been already mentioned, a detailed analysis will show that in under-developed countries, no speedy industrialisation and not even substantial or considerable increase in agricultural production also could be achieved, unless we are able to produce basic goods like iron and steel.

From that point of view, Sir, I feel that the Ministry of Steel, Mines and Fuel lacks dynamism. It is something like a stagnant Ministry. It only takes orders. Whatever order is given to it by the Planning Commission on an overall consideration of things, it takes those orders and tries to implement them. I think the job of the Ministry should have been to enlighten the Government and to secure emphasis from the Government and the Planning Commission. There is

the personality of the Prime Minister in economic matters. You know, Sir, well, how vitally I differ from the Prime Minister on matters of great moment. But so far as the economic approach is concerned no industrialisation of this country—industrialisation of the country is the least ambition that any individual should have in this country—could be done unless we have in this country the maximum production of steel and at the same time we build up heavy machines making industry and make machines as fast as we can.

My estimates are—and it has been checked from many sources, I need not go into all those here within the limited time at my disposal—that we would be needing 15 million tons of steel by the year 1966.66. Our target is simply 10 million tons. How is that target of 10 million tons to be achieved? It is proposed to be achieved by having expansion of the existing three projects. It is said that the three projects that we have put up would be expanded. I say, Sir, it is nothing.

So far as the fourth steel plant is concerned, it is something that matters. In the other cases it is only a question of expansion and it is not something which could be taken great note of. What is to be taken note of is the new plant that we are putting in.

Some time back the economic unit of production of steel was one part of a million, now it is one million and even two millions. Now experts all over the world agree that 10 million units would be the economical unit today. The Ministry has planned only for production of one million tons at Bokaro. To my mind, I feel that the Ministry could not apply the imagination that was necessary in the light of experience that is obtaining elsewhere and even in our own country. So far as the Bokaro project itself is concerned, I think it is still hanging fire. Nobody knows what is going on there. An Indian firm was asked to give a detailed pro-

ject report. That firm has given it, and it is to our pride that today an Indian is in a position to give such a detailed report.

In that project report it has been clearly pointed out that in Bokaro, which has to be the hub or the centre of all the industrialisation that we have in our mind, the project has to be planned from a perspective angle. We must remember one thing. All this steel production was available to be done in a very limited part of our country. The mineral resources of this country are not so widespread that the steel projects could be scattered all over the country. Naturally, the steel projects have to be confined to a limited area. From that angle, if you look at the geography of mineral resources that we have in this country, naturally, Sir, Bokaro would become the centre of all such projects. Therefore, the Bokaro project has to be planned from a perspective angle and not from a limited angle. I urge on this Ministry—whatever plan you have in your mind you carry it out—to see that the whole plan in respect of the Bokaro project is made on a perspective basis. The securing of land, outlay, the estimate of raw materials which are needed for steel production etc., should have all to be well planned and planned so extensively that once the projects is put in there it will be able to produce 10 million tons of steel in course of time—say, three or four years. This is my suggestion to the Ministry.

Then, Sir, you have heard that there is a project for steel alloy. There is a mention of that steel alloy project in the report also. Beyond that we do not know what is actually there. Neither the project report has been published, nor do we know what is going to happen. I know that that project report has also been prepared by an Indian. He has also been possibly appointed the consulting engineer. But my report is that even though an Indian is available for the job and who can do the job, as is borne out

[Shri Rajendra Singh]

by the records that he carries of the work that he has done outside the country—he has been associated with many such things in foreign countries—the Steel Ministry is doing all that it can to manoeuvre out that firm from that undertaking. I would be happy if I am proved wrong, but so far as my information goes I understand that the Steel Ministry is not giving the encouragement that is needed, the incentive that is needed. This is not good.

Sir, the hon. Minister has been very kind to me. He took me round to Bhilai where there was a conference of engineers. One thing that struck my mind in that conference was the submission by one of the engineers. He said, it is all right that we have put in steel projects with the collaboration and assistance of foreign countries, but unless we have our own designs, unless we have our own baby, we will not be able to say to the world that actually the real industrialisation of this country is going on. I agree that the Indian consultants or the Indian engineers may not have that level of competence which the others have. That is natural, because in the present state of our knowledge and level of skill we cannot think of equalling what is prevailing in Russia or America. But whatever we have has to be utilised to the maximum possible extent.

So far as alloy steel is concerned, the progress is negligible. It is really very disheartening to me and to the country. Steel is important, but alloy steel is equally vital. For manufacture of machines, manufacture of certain vital gadgets which are necessary for machines and many other things alloy steel is absolutely necessary. They cannot be produced unless alloy steel is there. Moreover, the cost of alloy steel is tremendously very high. So we must produce it in this country. Therefore, speed, drive and dash are necessary. I would suggest that this pro-

ject should not be thwarted by red-tapism, manoeuvres and interference by the Ministry.

14 hrs.

I have a grievance and I feel like impeaching the Ministry. The Ministry have stated that there would be expansion of works in all the three factories in the public sector. Very good. But what have the Ministry done? All the skills in construction which we have brought together with very great difficulty in these steel mills are being grinded away. The workers are told that as the expansion work would start only next year—one does not know whether it will start even next year—they would better go home. The construction engineers and workers, whether they are working under the contractors or others, are being asked to go home. This is a great waste. Wastage does not mean simple financial waste. Here it is wastage of skill, whatever we have accumulated during all these years. Instead of pressing it to service, this Ministry have deliberately—I do not know on whose advice—tried to fritter away that skill. I do not know who is the interested party in this matter. I am of the view that we should not fritter away the skill which is so scarce and which we brought together with great effort and at great cost.

There is another matter which is agitating my mind, and that is the raw deal given to labour by this Ministry. I have great respect for Sardar Swaran Singh. For the last four years I had been in Delhi I had occasion to come in contact with him and I can say with all the sincerity at my disposal that he is one man in whom I have found the least of partisanship. But, so far as labour relations are concerned, I am sorry, I have found myself in a great unhappy situation. All these projects are central projects, great projects which will change the face of this country

and projects which will build up an age for which we shall take rightful pride. But has the labour to be forgotten for that? It should not be. What is being done? At Rourkela—I can stake anything to prove that—the entire labour force is behind Shri Batsia. I had been there personally and I saw the support which he has from the working class. But the union which he represents has been out-manoeuvred for the limited interests of the party. Why is that so? Suppose the PSP has a union in Rourkela or Bhilai. Why could you not tolerate that? Here is my friend, Shri Aurobindo Ghosal. Shri Ghosal has a union in Durgapur and I can tell you without any fear of contradiction that his union enjoys the confidence of the working class. I am not here to defend him. He is no friend of mine when elections come. I know it. But if the working class is behind him, what can I do? So, my submission is, whatever be the union, under whose control or leadership it might be for the moment, it does not matter, that union which enjoys the support and confidence of the working class has to be recognised. Otherwise, what will you recognise? If you do not recognise that union of working class, then you simply recognize only your own party. In that case, throw away all the labour laws that you have, both in the Centre and the States, and tell the country that no party can exist in India other than the Congress Party.

The Minister might say that the recognition of unions is in the hands of the State Governments and so he cannot help it. So far as the State Projects are concerned, I can appreciate the difficulty of the hon. Minister. But, at the same time, every year we are coming up with new and big central projects, huge projects that will employ thousands and thousands of workers. So, I would urge on the Minister to prevail on his Cabinet to have a uniform labour law, if not all over the country, at least for the projects which are sponsored and administered by the Centre.

**An Hon. Member:** Public sector projects.

**Shri Rajendra Singh:** In public sector there can also be State public sector projects. I want to confine it to the projects which are Centrally sponsored and Centrally administered. If you do that, you can say that the people who are enjoying the confidence of labour are given a fair deal. If you fail to do that, it will result in the destruction of their personality.

Shri Morarka pointed out that there is some guerilla war-fare. I think that is perfectly true. But it is not between foreign consultants and their counterparts on the Indian side. It is on the Indian side itself. The General Manager is at loggerheads with the Chief Engineer, the Chief Engineer is at loggerheads with the Deputy Chief Engineer and so on. There is an endless invisible strike among the administrators with the result that the progress is held up. What do we find? We have done a tremendous job and three steel mills are there. They are going to have a tremendous impact on the fortunes of the country. But if you go to Rourkela, in spite of all that achievement, so far as the human side is concerned, you will find there is no cheer in the heart of the individual.

**Mr. Deputy-Speaker:** Has the hon. Member been going there too often?

**An Hon. Member:** He is the representative of labour.

**Shri Rajendra Singh:** I have to go there I find that whomever you contact, whether it is the General Manager or the petty worker, he feels he has certain grouse against this government because of the lack of imagination or lack of administrative skill or lack of good faith on the part of Government. This atmosphere of suspicion, depression, frustration and disenchantment should not be there if the country has to march forward.

**Mr. Deputy-Speaker:** The hon. Member should conclude now.

**Shri Rajendra Singh:** The other hon. Members had half an hour. I am the only spokesman of my party. You must give me more time. Of course, I am not saying, Sir, that you are partisan.

**Mr. Deputy-Speaker:** How much time has he taken?

**Shri Rajendra Singh:** I have taken 15 minutes.

**Mr. Deputy-Speaker:** He has taken 20 minutes.

**Shri Braj Raj Singh (Firozabad):** He may be given another 10 minutes.

**Mr. Deputy-Speaker:** When he has already taken 20 minutes?

**Shri Rajendra Singh:** Shri Morarka has stated that the performance of the Bhilai steel factory has been far better than, and far superior to, that of Rourkela and Durgapur.

I do not know what had been at the back of Shri Morarka's mind, but that is a tribute to the socialist economy. As I told you, I have so much of difference with the Communists that it can make a world of difference, but at the same time if the Bhilai steel mill has functioned so well, better than the rest, it is not because the Russians are good and the Germans or the British are bad but because when a socialist country decides to do something it does it. When a capitalist country or a capitalist decides to do something, he can forget anything but his profit. Therefore this is the difference. There we must remain on the alert.

I am telling this because of one reason. In one of these papers, *The Commerce*, a month ago an article was published saying that coal production in the public sector could not come up to the estimated target and therefore the public sector is the devil in the sense that it has stood in the way of giving the country the needed coal. But only ten or 15 days ago I had the opportunity of again visiting the NCDC and to my joy and to the

joy of this House and everybody who loves the socialist pattern of society I found that the NCDC has come out with the output that was estimated although the hon. Minister was careful and cautious when he was speaking in the House last time. He did not commit himself to the fact that the NCDC would be coming up with the fulfilment of the targets laid down. But it has come out.

Some of the industrialists told me, "Let there be a coalition between the private sector and the public sector. Just as there are political coalitions, let there be economic coalitions". This is how the private sector looks at it now. One month ago it was just maligning us saying that the public sector is not capable of delivering the goods to the Indian people. Today when the goods have been delivered in spite of their protests, maligning and everything that they could do, they say that there should be an economic coalition between the public sector and the private sector. I would like to warn the hon. Minister that this is again a trap and he should refuse to fall in it.

But when I give this tribute and say these words of praise for the NCDC, at the same time I have my own reservations. I find that the Ministry has given a right to the private collieries to open up new mines whether they are proximate mines or are distant mines. Coal is one of the vital factors in controlling and regulating the economy of this country and that must remain in the public sector. If we are not able to nationalise it today, at least let us see that the private sector is limited where it is and under no conditions it should be allowed to expand. To that extent I view things with a sense of distress.

Then again one thing which is to be noted is this. However good the public sector is and whatever good its achievements are, it cannot ignore the financial side. There is a report that the NCDC has not been functioning



very regularly so far as account-keeping is concerned. I would like the hon. Minister to take note of it and see that the public sector is not given the praise only on account of its achievement but also on account of being economical in its performance and in the execution of the work.

Then I would say a few words about my hon. friend, Shri K. D. Malaviya, because he is a new convert and a new convert with a vengeance.

Shri T. B. Vittal Rao: Convert to what? To socialist pattern?

Shri Rajendra Singh: Not only that, new converts are very dangerous.

Shri K. D. Malaviya: He stopped at convert.

Shri Rajendra Singh: I greatly admire the tenacity that the hon. Minister has shown in refusing to give to the private sector other than what they should get. However, I feel that our estimate of the consumption of oil that we need in 1964 or 1965 is on the lower side. So far as my estimate is concerned, it would not be less than 18 to 17 million tons of oil that we would be needing somewhere in 1967 if all the industrial and power projects and transport projects are successful. How are we going to have it? It is good that we have our own exploration. It is good that we have our own drilling. It is also good that we have our own refineries. It is good again that we have our own distribution system. But what is not being done today is because of the paucity of resources at our disposal or because of certain difficulties. There we must give the devil his due.

Shri T. B. Vittal Rao: The devil is Shri Malaviya?

Shri Rajendra Singh: I mean somebody else.

An Hon. Member: Who is the devil?

Shri Rajendra Singh: Whom we are contending against.

Some of the private firms have applied for the expansion of the refining capacity that they have in India. If after they have refined our oil from Ankleshwar or from Cambay and we still need oil, I do not see any harm in their expanding their refineries. I would love you to have your own refinery—one in Cambay, one in Ankleshwar and one a coastal refinery. But if you cannot do that then let these Burmah-Shell and whatever they are come with the expansion scheme. But at the same time be ready to see that as soon as your situation improves even slightly you nationalise them. I do not mind that. We are paying Rs. 65 on one ton of crude oil and over Rs. 150 on refined oil. So this is the gap between exporting crude oil and getting it refined and taking refined oil straight from other countries. This difficulty has to be solved. I would be happy if Shri Malaviya can solve it on our terms. If it cannot be done then certainly some margin could be allowed temporarily if it is found inevitable.

There is a talk in the press and Shri Malaviya also said this many times that India is trying to have an agreement with Pakistan for getting Pakistan gas. I do not think there can be anything more dangerous than this. When I say this I am not talking only in terms of politics and in terms of opposition and animosity, which is there between these two countries and which will continue because of the inherent nature of the difficulties between these two countries for many decades to come. From the economic angle also this Muree gas....

An Hon Member: Sui gas.

Shri Rajendra Singh: No, not Sui gas, Muree gas. Muree is only five miles away from our border. If gas can be found in Pakistan only five miles away from our border, I feel that if proper exploration and drilling are made it may be possible that on our side of the border too we can have

[Shri Rajendra Singh]

gas. Therefore, we should see to it that even from economic angle and long-range interest of the country we must not enter into any arrangement with Pakistan to get their gas.

**Mr. Deputy-Speaker:** Shri Rajeshwar Patel. Absent.

**Shri P. C. Borooah (Sibsagar):** Mr. Deputy-Speaker, Sir, I am thankful to you for giving me an opportunity to take part in this debate. Coming as I do from an oil-bearing area, I wish to confine myself only to oil. But before I come to that subject, let me mention a few words about coal. The quality of coal mined in Assam is very low. I want to know whether Government has got any proposal to set up some coal washeries there to improve the quality of coal. This is a small suggestion which I wish to make. Then, Sir, in regard to the price of coal, in Assam the price has been so fixed that the worst quality of coal the highest price. This anomaly should be removed.

Then Sir, coming to oil, when we talk of oil we remember Assam. A hundred years ago, a young British officer while exploring the bed of the river Buridehing in Upper Assam for coal, found traces of oil on the surface of water. Since then nothing was done until the eighties of the last century, when the Assam Oil Company was incorporated in England and commenced work. In 1890 oil for the first time struck in this country and that was at Digboi in Assam. The depth of the first well drilled there was 662 feet and it proved successful. After serving the country for the last sixty years, Digboi is now yielding place to the new oil fields at Naharkotiya, Moran and Hugrijan. Its one thousand derricks standing high in the hills, gives one a feeling as if they are standing there as the sentinels guarding our Eastern frontier.

It is interesting to note that Naharkotiya came to the notice of the Digboi's oilmen as early as 1823 as a result of some geophysical works there; but the business of oil drilling

was undertaken only in May 1952. And in 1953 the Naharkotiya field was declared as proved. In 1954 the Assam Oil Company applied for prospecting licences for Naharkotiya field. Encouraged at the success of this field Government made an attempt to bargain with the Assam Oil Company and ultimately they succeeded in making the company agree to a joint venture to carry out prospecting in collaboration with the Government. This resulted in the formation of the Oil India (Private) Limited in February 1959. It is a great piece of achievement in the history of our oil industry and the hon. Minister and the Ministry deserve our congratulations for it.

Oil India Limited have up till now drilled 93 wells out of which only about a dozen were found dry, 4 or 5 having only gas and the rest are said to be producers. This works out at about 90 per cent successful, as against 5 per cent, which is said to be internationally accepted as reasonably successful in prospecting operations. This indeed is a very commendable piece of performance, and the Ministry and the company deserve our tribute for it.

To meet the growing demand for oil and oil products in the country, the Government felt the necessity of finding out new sources of oil and they at first jointly with the Stanvac tried to explore in West Bengal area. But, unfortunately, after drilling some ten wells which all proved dry, prospecting has been given up and more than Rs. 7 crores were lost.

The Oil and Natural Gas Commission on the other hand, had started prospecting oil in the different parts of the country. The Oil and Natural Gas Commission has up till now drilled some 15 wells in Cambay.—Ankleshwar area, 2 wells in Rudrasagar-Sibsagar area and 2 wells in Hoshiarpur-Jwalamukhi area. Comparing this with the performance of

the Oil India Limited, though the Oil and Natural Gas Commission has not been able to do as good as the Oil India Limited, it holds out hopes of optimism for us.

So far as production is concerned, we are sorry we have not been able to make much headway except about half a million tons of oil, which the Assam Oil Company has been producing since a long time. Criticism has usually been made that since oil was discovered in Naharkotiya as early as 1953, there has been inordinate delay in our making progress in production. According to the Annual Report of the Oil and Natural Gas Commission for 1959-60—

"India is producing at present less than half a million from Assam whereas the annual requirement of the country is about 6.5 million tons. Thus over 80 of the needs of the country are being met by imports involving a foreign exchange drain to the tune of Rs. 100 crores a year. India's needs are constantly on the increase. With the rising tempo of industrialisation the needs of the country will be increasing rapidly. According to some estimates, India's need will be about 12 million tons by the end of the Third Five Year Plan period."

The Journal the *Far Eastern Economic Review* has brought out a special issue on Oil in Asia, in January 1961, in which it says:

"While the Planning Commission has estimated the 1965-66 demand at 10 million tons, independent and industrial estimates place the increase at 13.5 to 14 million tons."

The disparity in the different estimates as to the demand for oil at the end of the Third Plan appears to be large and I wish the hon. Minister will enlighten the House with a more precise estimate in respect of the tar-

gets of production which have been fixed in the Third Five Year Plan.

So far as the proposed pipe line from Naharkotiya to Barauni is concerned, it is gratifying to note that this will be one of the largest pipe line systems in the world. By November 1961 its first stage, that is the line from Naharkotiya to Gauhati, is scheduled to be completed and the refinery at Gauhati is to go on stream from 1st January 1962. As I had occasion to see for myself the work of laying of the pipe-line. I feel confident that the work will be completed within the scheduled time.

In view of the fact that rich deposits of oil have been struck in the Cambay and Ankleshwar areas, the scheme for the public sector refinery proposed to be set up there should be given top priority, and the interim arrangements proposed to be made for refining the crude oil there should also be made immediately. Since the Stanvac and Burmah Shell companies are of late reported to have agreed to refine the crude oil from Ankleshwar area, it is hoped that the Ministry will be able to fix up the details of the matter at no distant date.

In today's paper there is a report that in spite of the Government's repeated statements that private foreign investment in oil is welcome but only on terms that conform to India's national interests and basic policies, there have of late been apprehensions among the foreign-aid giving countries that private foreign investment is being virtually shut out from the field of oil. While I fully endorse the view of the Government, as mentioned above, and find no reason for foreign companies being apprehensive over it, yet it will be in the fitness of things if the hon. Minister comes forward with a categorical statement as to Government's policy in regard to this matter of oil.

So far as the cost of exploration, production and refining is concerned,

[Shri P. C. Borooah]

it has not been found possible for us, from any of the reports supplied to us by the Fuel Ministry, to know the actual costs that these items have involved. In order to have an idea of the costs of exploration and production by the Oil and Natural Gas Commission and by Oil India Limited in India in comparison with those involved in other countries in similar operation, would like to request the hon. Minister to throw some light in this regard also.

Reviewing the *per capita* consumption of oil in India with other parts of the advanced world, it is observed that ours is comparatively very low. It is less than 4 gallons per head as against 70 gallons which is the world average and 600 gallons which is the figure for USA. With the advancement of India it is only natural that the demand of oil in the country will considerably increase. So early arrangements should be made to explore and exploit more and more oil before it is too late.

If I correctly recollect, there was a proposal of the Government of Assam for participating in the share capital of the Indian Refineries Limited. The House, I think, will be interested to know the decision, if any taken in this regard.

Lastly oil operations require well-trained teams of skilled and semi-skilled workers, not only scientists and engineers, but also clerks and other workers in different spheres. In order to make it possible to have personnel of the right quality available readily, I request the hon. Minister to consider if it is possible to make some arrangements for training of sufficient men ahead and to include a separate scheme in the Third Five Year Plan for that purpose.

With these words I support the Demands of this Ministry.

**Shri Basappa (Tiptur):** Today we are discussing the question about the

basic materials which are quite essential for the industrial development of this country. Much has already been said on steel, by no less a person than Shri Morarka; coal has been dealt with sufficiently by Shri T. B. Vittal Rao, and oil has gone to the side of Shri Viswanatha Reddy. Though they have made their speeches, the resources in respect of these materials in this country are so vast that one is tempted to speak on this matter again.

Friends were suggesting that I come from Mysore and therefore I should speak about gold. Gold there is no doubt, but the gold is going to be taken away by the Centre. I only hope that the conditions of working of these mines will improve and that not only Mysore but the whole of India would be benefited by this.

At the time when the Mysore gold mines were nationalised, we know what discussions took place and how the compensation that was paid was more than what was due. But because of the international things that were involved in this matter we could not but do like that. Anyhow, I will not go into that history but only appeal to the hon. Ministers that they should pay more attention to the excavation of new gold reefs in that area.

More important than gold is the black gold, and that is also found in abundance in that area, as you know. In the Sandur area, from which my hon. friend Shri T. Subramanyam comes, the best iron ore is available, and in large quantities also. We therefore look forward to some steel plant coming nearby. Sharavati also can give a lot of power. Of course, power is not a very essential thing, they say. But still, lignite is very very near, and this should therefore be taken note of by the hon. Minister, in the first instance, to establish some low shaft blast furnace, if a steel plant cannot be established there.

With regard to the Bhadravati Iron Works the expansion work is going

on. We are spending hundreds of crores of rupees on our big steel plants, Rs. 300 to Rs. 600 crores have gone for that. Let it go, I do not grudge. But can we not give, to an industry which has been started in the public sector, some ten or twenty crores of rupees to develop the Bhadravati mines? Of course, some expansion is going on, and I congratulate the hon. Minister on that.

**Shri Mohammed Imam:** Where is it? There is no expansion at all.

**Sbri Basappa:** My hon. friend who is an ex-Minister of Mysore says that it is very very insufficient. Now, these gigantic steel plants are coming into existence. We welcome this in our country. But how can a small thing like the Bhadravati Iron and Steel Works go on unless a different orientation is given to it? The hon. Ministers know very well that here is a place where high grade steels can be developed to a very great extent. So, if it cannot keep pace with the production of these gigantic plants, it can keep pace with the manufacture of high-grade steel plants. I would therefore appeal to the hon. Minister to consider this matter. Previously many things were thought about—alloy and steel to be developed, stainless steel factory to be set up. Where all this has gone, I do not know. It is time for the hon. Minister to examine this matter closely and see how this area where this iron is found can be developed.

I was speaking about lignite. This is going to revolutionise that part of the country very much. It is an integrated plant. Therefore I would earnestly request the hon. Minister to give greater attention to it because things have been delayed too long. And the Estimates Committee has stated that 10 per cent of the value has gone up because of this little delay. The briquette plant is still being delayed. As I said, it is an integrated plant, and so the railway line has to be thought of now alone. That lignite has to go to Bhadravati in course of time. So all these things should be looked after.

And in the utilisation of the by-products care should be taken to see that many industries are established there. Of course from the Madras Government it has been taken over and there is an agreement; I welcome the agreement. But the implications of that agreement have not been made clear. The Estimates Committee has made quite a good comment on that. Therefore I would appeal to the hon. Minister to look into the agreement and see that no trouble arises in the future because, after all, the royalty has to be associated with mining or with other activities of the project. All that has to be thought of seriously.

While working these public undertakings it has been stated many a time that the economics must be worked out clearly before hand. But in this case the Estimates Committee again says that this has not been done correctly. I would not say more on lignite.

I would only touch a little on oil. Of course, the members might ask how am I interested in oil. Every area has been explored for oil. I would say that the Cauveri basin needs also exploration because the Geological Survey has given some indications. I welcome the Minister of Mines and Oil in all his activities. Many criticisms have been levelled against his Ministry and his activities on the ground that he is spending a lot of money. No, Sir. I would emphatically say that it is very very necessary. My hon. friend, Mr. Reddy, told us that other countries are going ahead. Here are great potentialities and the performance is also good. We visited Cambay some months back. It was a grand sight to see oil coming out. I wish that both in Ankleshwar and in Cambay refineries will be started very soon. But what I noticed at Cambay was that only two-three drills were working. We were given to understand that we must have at least 100 to 200 drills in order to test the potentialities. Therefore, I wish to say that more drills and other things are

[Shri Basappa]

necessary to implement all the drilling and testing operations that we propose to undertake.

By way of a suggestion, I would like to say another point also. Of course, the Minister is already giving great thought to these matters. But we notice that some imbalance has already set in. When we refine the crude oil and other products, what we require is more kerosene and diesel. Therefore these imbalances will have to be looked into carefully.

We read this morning in today's papers that an agreement has been reached regarding the refining of oil by the existing oil companies here. There was some difficulty in that; but the Minister, I think, has been able to persuade them and they have accepted to refine our crude oil.

In this connection I would also like to say that the India Oil Company, which has been started now, has been laying a good foundation; but it has to build a lot of storage capacity. When the oil comes, we find the difficulty in storing them. This Company has been started with a capital of Rs. 12 crores and in the Third Five Year Plan we have provided Rs. 5 crores more. But what is being given for next year is only Rs. 1.5 crores. I strongly feel that there is need for additional allotment since the Company has to go ahead with its work. I think the Minister will see to that also.

I have spoken about lignite and people may say that there is no necessity for me to speak on coal. But I would like to say only one or two points. Now we are getting coal from Bengal area and it has to come by sea to Bhadravati. We find it very difficult to get it that way. The target of 60 million tons in the Second Five Year Plan has come down to 52 million tons and there is this shortfall. I do not know what would be the explanation of the Minister for this shortfall. He may have something to say about it. But anyhow we see that there is this shortfall. In the Third Five Year

Plan we have a big ambitious target of 97 million tons and big efforts will have to be made. Of course, the private sector would say that their performance is very good and that of the public sector is not good. Some figures are also here to show what has been done. But I feel that much has to be done by public sector. Anyhow, the transport capacity has also to be increased. Much has been said about Railways and wagons and I am not going to repeat all those things. Anyhow, the development of coastal shipping for the carrying of coal must also be looked into.

In regard to the coal mines, I would like to say one thing. I have visited some of these coal mines, and I have found that a lot of fire accidents are taking place. I have been repeatedly telling this House and in fact, everybody knows, including the hon. Minister himself, that as a result of these fire accidents, crores and crores of rupees are being wasted in the coal mines. I do not know what efforts are being made in this behalf, because it leads to a colossal waste. Probably, everyone is in a desperate mood as to what to do. But, I believe, previously there was some barrier scheme or something like that; I do not know much about it. Anyhow, the Ministry can look into these things and see how these fires can be extinguished. I know it is a very difficult job, but since hundreds of crores of rupees are being lost, something should be done in this matter. I do not know what explanations the hon. Minister may have, but even the efforts to get sand and do stowing in some of these mines have not been successfully going on. So, the stowing operations also will have to be attended to carefully.

I now come to steel. As I have already said, it is a very important basic material. The Prime Minister has been emphasising that more and more steel plants will have to come into existence. I am glad that the fourth steel plant is also going to be started. That is all very good. But our re-

quirements are also equally going up, and they are becoming higher and higher, and, so, we have to take steps to meet the situation. Some hon. Members have quoted figures in this connection. I have also got some figures here with me. It has been estimated that we shall be needing about 28 million tons between 1972 and 1975; and between 1965 and 1968, the target is 10 million tons; whereas our present requirement is 5.08 million tons, we are having only 3.2 million tons. So, the expansion programme will have to go ahead with greater speed. This will result in greater production. At the same time, we have to think of more exports also in order to earn foreign exchange. By expanding the capacity of the steel plants, we can certainly earn more foreign exchange, because, the other day, when I put a question to the hon. Minister, he said that we could offer competitive rates in the world market. That is a very good sign, and I hope the hon. Minister will try to see that exports are increased.

About costs, I would like to say one thing. I am saying this only by way of a suggestion, and not with a view to criticise. When we undertake any big project, there are bound to be irregularities, and certain things will have to be looked into. But in the case of the Rourkela plant, the Estimates Committee have found that the estimate has gone up from Rs. 13 crores to about Rs. 19 crores; this is what they have found after the matter was referred to them by the Speaker for being looked into. They have come to the finding that sufficient information was not forthcoming. Therefore, I would request the hon. Minister to ask his Ministry to see what has happened and to see whether there is sufficient justification for this increase of Rs. 6 crores.

About distribution of steel, I have to say just one or two words. In the past, the distribution was not good. Now, the position has a little eased. But, even now, in certain parts of the

country, the position is very difficult. I would like to know why it is so, and how it is that people who do not really make use of it get in large quantities while those who are really in need of it would not get anything at all. I have my own little experience in this connection. I wanted some 20 zinc sheets for a cattle-shed in my place, but I could not get it, whereas in blackmarket, we could get it for Rs. 20 or Rs. 22. That is the sort of thing that has been going on.

I have got two or three more points, but I shall reserve them for another occasion.

**Shri Mohammed Imam:** I am glad that I am speaking immediately after my hon. friend from Mysore State. Though we belong to two different groups, I think, fundamentally, we are agreed.

My hon. friend has referred to the gold mines of Mysore. Yesterday, the Minister of Finance, in the course of his statement disclosed that the Central Government proposed to acquire the Kolar Goldfields Undertakings. This statement has naturally caused some concern to those who have been associated with these mines in some capacity or the other and to those who know its history. These mines were built up by the successive old Governments of Mysore, and they were built up by a foreign firm about eighty years ago. These mines have undergone various vicissitudes, but when they took a definite shape, the Mysore Government started deriving and getting a regular revenue from these mines. They were getting a royalty every year to the extent of Rs. 30 lakhs. They were also getting revenue through the provision of electricity. Quite recently, the Government of Mysore levied an excise duty on the production of gold, as the prices soared high, and through this duty, the Government of Mysore were getting a revenue of more than a crore of rupees every year. But this was abolished and it was felt in the year 1956 that in the interest of the longevity of the

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mines and in the interest of the future of the mines, it would be better that the Government of Mysore took over these mines. So, these mines were taken over, and the companies were paid a handsome compensation so that they might not return dissatisfied. This was done in the year 1956.

Since then, the Mysore Government have been managing these mines to the best of their capacity. There are three mines in this area, namely the Mysore Mines, the Nandidurg mines and the Champion Reef Mines. I think that in order that the House may understand and appreciate the position better, I may state that the Mysore mines are the oldest mines. It is these mines that have been causing some anxiety, because it is thought that these mines will have to be closed, unless some new exploratory work is done, and unless new reefs are discovered. The Nandidurg mines are working very well, and so also the Champion Reef Mines. The position of these mines is not bad.

I think some hon. Members, especially Shri T. B. Vittal Rao and others have become a bit nervous at the statement of the Chief Minister of Mysore when he said that some of these mines would have to be closed if the Central Government did not come forward with sufficient aid.

The position of these mines is this, namely that the old company, Messrs. John Taylor & Sons, just before nationalisation, unfortunately had worked only the high grade ore and did not do much of development work. Now, what is needed is that a good deal of development work has to be done in order to find out new reefs. So far as I am concerned, I am quite optimistic, and I can allay the fears of some Members and say that these mines have got a good future; they have got a good life. Even in regard to the Mysore mines, about which some apprehensions are entertained, I may say, that even as they are, they can go on for another ten years,

because even if the columns between the shafts are worked, they will provide sufficient ores for another ten years. But the point is that sufficient development work has to be undertaken, and sufficient under-ground work has got to be done, because new reefs have to be found whether in these mines or in the other mines. I may point out that this State is called Chinnadanadu, the land of gold. Geologists have given the opinion that gold is available there in plenty. So I would request the Central Government to help the Mysore Government whose finances are depleted. The State Government must be helped with sufficient grants to do exploratory and development work to find out new sheafs and new avenues of ore. If this is done, I am quite certain that these mines will have a long life. I think during 1959-60 the total value of gold that has been sold is more than Rs. 5 crores. So what is needed Central assistance; the Central Government must come forward and render necessary help to the Government of Mysore to carry on exploratory work.

**Shri K. D. Malaviya:** What help does he suggest?

**Shri Mohammed Imam:** Financial help in the form of sufficient grants for exploratory work.

Secondly, the policy of Government to acquire gold at the international rate has caused some confusion. It must be remembered that from the beginning the gold produced at the KGF was sold at the market rate, which is nearly double the international rate. It is on the basis of this market rate—though it may be high—that all the wages, salaries and other expenditure were determined. If suddenly the Mysore Government is asked to sell gold at the international rate, the proceeds from the sale will be far less than the expenditure it has to incur.

It is true that the Government of India have said that they will sub-



sidise. But I do not know how this arrangement will work. The other alternative they have suggested is that the mines will be taken over by the Government of India and formed into a corporation. Personally, I am of the view that these mines must be retained under the control of the Government of Mysore. The people of Mysore have built them and they are a prestige undertaking. This undertaking is the only one of its kind in Mysore and I want that the Mysore Government should not be deprived of its control over them, whatever may be the circumstances. If the Centre takes them over and forms them into a corporation, perhaps the Government will have to forego its right to royalty, because since it will be a government undertaking, it will not get royalty which it was getting from the old companies. Secondly, perhaps much of the income will have to go towards income-tax because they will be managed by a corporation.

**Shri C. D. Pande (Naini Tal):** There will be no income and so no tax.

**Shri Mohammed Imam:** We cannot say. Anyhow, we have been getting income.

**Sardar Swaran Singh:** Corporations generally pay royalties.

**Shri Mohammed Imam:** That assurance may be there. Even now, the Mysore Government has been making a profit.

There is one more aspect. It was thought that these mines would not be worked except by foreign technicians because they are the deepest mines. I must congratulate some of our officers on their achievement in this respect, because after nationalisation many Indian and Mysoreans have been holding key positions. They have become good technicians. The working of the mines for the last three or four years has shown that Indian are capable of working them, which we thought would not be possible.

What is now apprehended is that if a corporation is formed after the mines are taken over by the Central Government, the importance which the Mysoreans enjoy and the opportunities of employment of the technicians and others may be curtailed. So I submit that the Central Government may render financial help necessary for exploratory work and they may have the necessary control, but should allow the management to be continued by the Government of Mysore.

Now I come to steel which is an important basic raw material for the development of our industries. In fact, this is an important Ministry. Steel, mines and fuel form the basis for the development of other industries. It is true that three gigantic steel plants have been started in North-East India. It is also true that they have started production, though they have not reached the target fixed. It has been pointed out that the estimate of cost of these three plants has been doubled. I do not want to go into the township and other matters; that has been candidly dealt with by my hon. friend, Shri Morarka. The estimate has gone up from Rs. 300 crores to Rs. 600 crores. This shows that the initial estimate has been highly defective. I think the gentlemen or the organisation responsible for this estimate lacked foresight. They did not foresee the entire concerns in all their aspects. In what respects and how did the estimate go up by 100 per cent? I do not think any engineer or technician would be so foolish as to minimise or under-estimate at the initial stage. When Government and this House sanctioned the estimate, they did so on the assumption that the entire concerns would cost only Rs. 300 crores. But now without their knowledge, it has gone up to Rs. 600 crores. Such a situation will create a good deal of embarrassment to the Government. It will upset the financial equilibrium and it will not speak

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well of the concern or organisation that prepares it.

The estimate perhaps comprises two portions, the civil portion relating to the township, houses and others, and the engineering or mechanical portion. Which of these was responsible for the enhanced estimate? And who are the persons responsible therefor? I am sure there must have been wastage. I am sure many of them would have foreseen what was coming forth. The preparation of an estimate which has risen beyond our expectation is a thing which, I think, we cannot so easily condone. It is a matter which must be looked into, especially in view of another equally gigantic concern contemplated in the course of the Third Plan.

15 hrs.

Three plants have been started in one area in close proximity to each other. It is proposed to build a fourth one very near to these plants. Personally, I do not believe in such big and unwieldy things because giant plants and big ventures will always create problems which will be equally big. I would have preferred four plants of a quarter million tons capacity each to one plant of a million ton capacity. I would have preferred these smaller units to be distributed throughout the country so that the entire country might have the advantage and benefit thereof and the entire country would advance industrially. But now things have happened in a different way. There are many problems to be overcome. I know there is no co-ordination between coal and iron ore; coal washeries have to be set up; they are not yet ready. Full production has not been achieved. I am afraid the whole thing is not paying. It was expected that when these plants would be in full production, they would be able to export a part thereof to other countries and earn foreign exchange. But full production has not been reached. Our coal washeries are not

yet ready. There is no co-ordination and, I am afraid, everyday we have been incurring a good deal of loss on these plants. So far as this fourth plant is concerned, even now I submit that you give up the idea of starting an equally gigantic steel plant and start three or four smaller plants and locate them in areas where the circumstances are favourable. Iron ore is available not merely in Bihar and Orissa but it is also available in large quantities, of a very high grade, in the State of Mysore and in some parts of Madras. This iron ore is only exported to other countries and people there had been demanding that an iron plant should be started in Bellary area and that Bhadravati iron ore works must be expanded. But nothing has happened.

I say: why not in the course of the Third Five Year Plan, instead of having a big plant at Bokaro—because we have already three big steel plants—have a number of smaller plants of a lesser capacity in other parts of the country where they are needed and where there are facilities available, as that will help the industrialisation of the entire country? The iron industry is a very important industry not because of the plant itself, but when there is the facility for the production of iron, that will give rise to other ancillary and supplementary industries and many engineering industries will be started. So, I say instead of having a big steel plant at Bokaro, smaller plants may be started at other places. It may be said that the first bottle-neck is coal. I may point out that we may not have black coal, but we have plenty of white coal there. Singareni is going to produce 1 million KW of power. There are other hydro-electric works that can be started in north Kanara and in Coorg and each of them can produce ½ million KW of power and there are coal-fields near Singareni coal mines. What is needed is only the will or the desire of the Central Govern-

ment. If you want to concentrate all these plants only in one area, then not only from the economic point of view but also from the strategic point of view it is highly undesirable under the present circumstances to locate them in the same area, within the same locality, because at times it may prove very dangerous and very prejudicial to the country.

With regard to Bhadravati Iron Works, it was one of the first plants that we started in India. It was built up by the old Mysore administrators at a time when the circumstances were not very favourable. Its production is limited owing to various reasons. I do not say that Bhadravati Iron Works should be expanded or should be developed to the same extent as Bhilai or Rourkela. But, I say, it is ideally situated for the manufacture of special steel, ferro-alloys and stainless steel. The charcoal and the pig iron that is manufactured is considered to be of the finest quality. So, we have been urging upon the Ministry of Steel, Mines and Fuel to devote special attention to this and to see that special steel, ferro-alloys and stainless steel plants are located there. In fact, stainless steel was manufactured in Bhadravati long ago. They are very famous for the manufacture of ferro-alloys. They had asked for a grant. But the hon. Minister or the Government have been very lukewarm in this respect and they say— it is more or less, a coercion—that unless Bhadravati forms a corporation, they will not give the grant. That is the pressure which is being put on the Mysore Government. Sir, I may tell you, while a corporation may be formed, what are its implications. The Mysore Government is getting a revenue of nearly Rs. 1 crore and that will go. When a corporation is formed, half of it will go as income tax.

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

Shri Mohammed Imam: Sir, I want only one minute more.

I have given you its implications, how the Mysore Government stands to lose. Whatever it may be, please do not wait and take necessary steps to start these ferro-alloys and stainless steel plants in Bhadravati. I know the south is entirely at your mercy.

Shri K. D. Malaviya: No, we are at your mercy.

Shri Mohammed Imam: I do not object to Durgapur. Let the hon. Minister give a categorical assurance that all these special steel, ferro-alloys and stainless steel plants will be started and let him give the necessary grant. Let there be one fully developed plant in the south. I think that will be justified.

Sir, I am thankful for the indulgence that you have shown to me in allowing me this much time and I hope the hon. Minister will consider all these facts.

Shri Thanu Pillai (Tirunelveli): Mr. Deputy-Speaker. Sir, I must congratulate this Ministry. This is the foundation for the public sector without which no other sector, not even the private sector, can function in this country. The three steel plants were practically put up in the Second Five Year Plan period. Though originally we had a plant in Rourkela, the new plants have been put up only in the Second Five Year Plan period which no country in the world has ever attempted or implemented in such a short period. Attempts may be made, but their implementation is a great thing.

Sir, very often we hear, as we heard today also, that there is this mistake and that mistake. Obviously, there ought to be mistakes. When we construct a house, do we collect all the materials, how much of cement, how much of bricks, how much of stone—everything worked out—store them and then begin construction? All these things do change. Even in building a small house there are many changes that come about—price factor

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might change, some commodity might not reach in time and so on. Those are the things which happen. And consider the implementation of a huge scheme and that too by a country which has never before attempted it. We have to depend upon technicians and the machinery from the foreign countries. Most of the content of this price difference is caused by an increase in international price. Then, in our own country everything has increased; there has been an increase in civil expenditure, in civil construction. So, when you plan five or six years ahead—and there has been a rise at every level from every point of view, both foreign and internal—will it not have a reflection on the project? Certainly it will.

Sir, another point that was made was they did not calculate all these things. In the original report it was mentioned that townships, ancillaries and certain mines will be provided. That means, naturally when you take into consideration the provision to be made in future, future expenses will be incurred. Why? When we allow for future expansion, and when in the report it is embodied, certain points will be considered later. Obviously, future money also will have to be provided. It is one thing to point out the defects and allow him to rectify; but it is another thing to throw cold water on one's spirits.

**Mr. Deputy-Speaker:** Because it is hot iron.

**Sbri Thanu Pillai:** That is to inhibit enthusiasm.

**An Hon. Member:** That will strengthen steel.

**Sbri Thanu Pillai:** I hope the Minister will not become nervous when there is something going wrong and there is criticism, because, within these 5 years, we have given 3 plants with a capacity of 3 million tons. We are launching on a fourth plant. The fourth plant is being designed by

Indian engineers. It is a great achievement that after the implementation of the three steel plants with foreign aid and foreign collaboration, we are starting a fourth plant, one with our engineers and our technicians. I hope it might be fabricated in our country with minor imports of some essential machinery which may not be available in this country.

In the Third Plan period it is assessed that the requirements will be about 10 million tons. Now, the requirements are 5 to 6 million tons and we are providing only 2 to 3 million tons. That means there is always a gap of 2 to 3 millions between the demand and supply. This position, I am afraid, is inhibiting our expansion of many industries, big and small which are based on steel as raw material. They have not been able to implement their full programme. Mostly so in the small-scale industries and the Industrial Estates where people have put in a few lakhs, hoping that they would be able to start small-scale industries. They are looking up for raw materials which are not available. This creates a feeling in the minds of other people that they will also burn their fingers like their neighbours. When we are trying to create an industrial tempo, this one factor of lack of raw materials is retarding that, is retarding the acceleration of that tempo. Whatever might be the shortcomings or shortage of raw materials for big industrial schemes, I would request the hon. Minister to give protection to small-scale industries and, particularly, the industrial estates, which is a new scheme in our country. That enthusiasm should not be inhibited.

My hon. friend, Shri Morarka, made some points about the non-accounting for interest and the non-accounting for depreciation in connection with the performance of the steel plants. It may be correct from the orthodox accounting point of view. I would like to point out to my friend this. We have given Rs. 10 crores each to

Tatas and Indian Iron and Steel Co, interest-free. Our steel projects were to pay 4½ per cent interest. For not having paid interest for two years, they have increased the rate, I understand, to 5 per cent in future. Obviously, they wanted to make up for not paying interest for 2 years. Where you forgo 4½ per cent for 2 years, you are going to have a permanent half per cent increased rate of interest. It is not a bad bargain; it is not a bad profit for the investment in the project.

Another thing is about depreciation. Normally, we allow depreciation when there is a profit. When the whole plant has not started functioning in full and there is no profit and we are incurring a loss of Rs. 1 crore, what is the purpose of saying, let us lose Rs. 5 or 6 crores more? That would create fear in the minds of some people. All these things will be provided. After all, it is our own property; it is national property. It is not that we want to hide anything; it has been shown and it will be included in the project.

About the fourth plant I have to say this. When our requirements would be 10 million tons, the additional capacity you have provided is only 1 million tons. That is the capacity of the plant to be started. The existing plants are going to be expanded to give 3 million tons more. That means that they will expand from 3 millions to 6 millions. Due to our present performance, we are not able to meet the demand in future also. I am not sure whether the assessment is accurate. There are people who doubt whether we would consume so much. But, I am afraid whether our production would be commensurate with the demands for consumption. Therefore, in spite of relying on expansion, some provision should be made for emergencies or unexpected demands.

In this respect, I would not confine myself only to the fourth plant. As my hon. friend, Shri Imam said, I

would like that we should have plans for a fifth plant. Though they want no ceiling on land, my hon. friend wanted a ceiling to be put on the capacity of the steel plant—to reduce it to one-quarter million tons and all that. That is a different matter. (Interruptions). I would like a fifth plant also to be envisaged and planned for from even now. You may not make full provision for that. But, when you think of developing a fourth plant, I would request Government to be ready with plans for a fifth plant also. My hon. friend Shri Morarka quoted foreign experts' opinion that we would be consuming in the next 15 or 20 years about 40 to 50 million tons.

Shri D. C. Sharma (Gurdaspur): Where should it be located?

Shri Thanu Pillai: Maybe even in Punjab. I do not mind. But the idea is that our capacity of production of steel should be increased and increased to the full extent of the demand. Along with this I would submit that we should also resort to some export even now. There has been some export of billets. I say this because even if there is excess, even when you produce more steel in future, still there may not be a market when you want. I would submit that even when we have not got the full quantum for our own consumption, as you are inhibiting local consumption in many industries, even if you import steel from abroad, I would suggest that we should send our steel to foreign countries so that we may develop a market using Indian steel even now. Our product should go there with good quality and get a market there. Much expansion of foreign market may not be feasible when we are in a position to sell. Other people are not going to wait for our production and not buy from elsewhere. Therefore, we should export some of these commodities to our neighbouring countries who are not steel producing countries.

In the matter of special steel there is a lot of difficulty. In the case of

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small entrepreneurs, particularly stainless steel. Where there is good profit there are many people coming forward. Because of lack of foreign exchange there is not sufficient availability of this item. I would submit that a special quota may be allotted under the Export Promotion scheme for stainless steel which is needed for utensils and other things. In the South-east Asian countries, where a large number of our people live, there is a good market for this, according to my information. I would request the Government to consider making it available particularly to small-scale industries which are suffering and are in great distress. Now, it is available in the open market for 3 or 4 times the imported price. That means that somebody who has nothing to do with it is able to import and sell it at 3 or 4 times the value. And the man who is sitting in the factory is not able to get that.

I now come to Neyveli. It has been said that lignite is being sent for test and that the iron ore is being sent for test. That project on which the people of Madras have built great hopes is not working up to schedule. It is a grievance. Even if a thousand tons have to be exported, I would request the hon. Minister to see that it is exported in time so that this may be included in the Third Plan and attempts made for its implementation. As it is, the implementation of the Neyveli Steel project is not taking good shape. With our Salem iron ore and the Neyveli lignite, we want to have a steel plant there. After much discussion, it has been accepted, but to what extent it is implemented, we do not know. We are not very happy about it. I hope the Government will give some attention to that matter and implement it in the Third Plan without fail.

The southern region has not been fully surveyed. We hear that petroleum, copper, lead, mica and other minerals are available in that region. The survey is not complete, and there

is not even a test. I know that in the southern region the industrial mind is not there. Our private industrialists or capitalists will not come there because there is no clear picture yet and there is no proper understanding of the region. No pioneer has gone there. So, I request the Government to start some small pilot tests or surveys with regard to mica, lead, copper and petroleum, and see whether it is not possible to develop that part of the country. I hear that mica could be mined in the Tirunelveli district in the Ambasamudram hills. There are areas which contain traces of mica and lead; both are available there. Some old German author has written a book and in that book he says that that part of the southern region has got these minerals.

Then we are also likely to get some graphite which is required for the manufacture of industrial crucibles. Graphite is available in some parts of Tirunelveli, graphite of the same quality is available in Ceylon. The Government may consider these aspects and have a survey made with a view to open such mines. There are possibilities of petroleum in the Cauvery delta. We would request that one of these public sector refineries should be set up in the east coast, possibly somewhere near Tanjore or the South Arcot District. It will be a very proper location because there should not be any criticism that all things are given in the North. My hon. friend Shri Sampath is not here today. Otherwise, he would draw a distinction between the north and the south. My hon. friend Shri Mohammed Imam wanted the fifth steel plant in the South. I fully endorse that suggestion. When Mysore has got iron ore and Andhra Pradesh has coal, I want the fifth steel plant to be established somewhere in the Madras-Mysore-Andhra region. I am not particular about....

**Sbri Prabhat Kar:** Particularly Madras.

**Shri Thanu Pillai:** I am not particular about it. That is what I said. Wherever it may be established, I shall be glad. That region is starved of attention to some extent. It is a legitimate criticism. We are not saying that there is any north and south feeling or any such thing. But where there is a possibility, where it is easy to start—having established all these plants—the fifth plant may be installed in the southern region. Neyveli is not an easy project. It is very difficult. It is given for regional consideration. That is what I feel. I am very glad that the Government did it. But let them not stop with Neyveli. When the question of a major steel plant, fourth or fifth plant has come, at least let the fifth plant be started in the southern region, whether it is Madras, Mysore or Andhra. Where it is in the southern region, is immaterial, it should be in the South.

**Mr. Deputy-Speaker:** There are 66 selected cut motions relating to the Demands under the Ministry of Steel, Mines and Fuel. They may be moved subject to their being otherwise admissible.

*Need to set up a steel plant in Kutch, Gujarat State*

**Shri M. B. Thakore:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (201)

*Need to set up a steel rolling factory in Gujarat*

**Shri M. B. Thakore:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (202)

*Delay in the issue of import licences*

**Shri Prakash Vir Shastri:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and

Fuel be reduced by Rs. 100.” (636)

*Delay in giving indents to stockist*

**Shri Prakash Vir Shastri:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (637)

*Working of the Zonal Office of Controller of Iron and Steel*

**Shri Prakash Vir Shastri:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (638)

*Defective policy regarding barter deals and appointment of stockists*

**Shri Prakash Vir Shastri:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (639)

*Need for mechanisation of mines*

**Shri Aurobindo Ghosal:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (740)

*Need for expediting the removal of coal from pit heads*

**Shri Aurobindo Ghosal:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (741)

*Need for increasing the number of railway sidings in colliery areas*

**Shri Aurobindo Ghosal:** I beg to move:

“That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100.” (743)

*Need for development of Singareni Collieries*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (744)

*Need for mechanisation of iron ore mines*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (745)

*Need to shift the Head Office of the Hindustan Steel Limited from Ranchi to Calcutta*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (776)

*Need to shift the Head Office of Purchasing Office of Durgapur Steel Project from Durgapur to Calcutta*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (777)

*Need for immediate commissioning of the remaining blast furnances of Rourkela and Durgapur Steel Plants*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (778)

*Need for fuller utilisation of the by products of steel factories*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (779)

*Need for exploration of oil in the Gangetic Valley*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (780)

*Need to supply sufficient quantity of sands to the collieries for stowing*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (781)

*Need to increase coal production in the public sector*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (782)

*Need to create coal zones for proper and regular distribution of coal to different areas*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (783)

*Need to reduce the price of oil*

**Shri Aurobindo Ghosal:** I beg to move:

"That the demand under the head Ministry of Steel, Mines and



Fuel be reduced by Rs. 100."  
(784)

Need for training graduate apprentices, operators and skilled workers in Durgapur Steel factory

Shri Aurobindo Ghosal: I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(785)

Need to stop the export of iron ores containing more than 65 p. c. of iron content

Shri Aurobindo Ghosal: I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(786)

Need to develop and mechanise the iron ore mine of Bolani for supplying ores to Durgapur

Shri Aurobindo Ghosal: I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(787)

Need to expedite the completion of the coal washery for supplying coal to Durgapur Steel Plant

Shri Aurobindo Ghosal: I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(788)

Need to expedite the establishment of coal washeries at Dugda, Bhojudih and Patherdih

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(789)

Need to make available the report of the ground-water investigations conducted by the Geological Survey of India

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(790)

Need for more mapping and drilling work to be done by the Geological Survey of India

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(791)

Need for intensifying the geological investigations for economic mineral deposits

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(792)

Need to establish an oil-refine near Calcutta

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(793)

Need to intensify the prospecting work for finding out the coal deposits of high grade

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100."  
(794)

*Need for proper investigation for finding coal deposits in Bandel-Ondel area of West Bengal.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (795).

*Need to arrive at a decision about the availability of oil in Jawalamukhi area.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (796).

*Need to compel the private sector to purchase crude oil imported by Government from U. S. S. R.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (797).

*Need to produce adequate quantity of kerosene oil to attain self-sufficiency.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (798).

*Lack of settled policy followed by the Controller of Iron and Steel in the export of steel.*

**Shri Prakash Vir Shastri:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1011).

*Need to promote export of scrap to earn foreign exchange.*

**Shri M. B. Thakore:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1068).

*Need to increase the number of beds in the Hospital provided for the employees of Durgapur Steel, Factory.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1233).

*Need to extend the hospital facilities to the Members of the employees families of Durgapur Steel Factory.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1234).

*Mis-treatment of the employees of the Security Department of Durgapur Steel Factory.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1235).

*Need to provide facilities for education of the employees of Durgapur Steel Factory.*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1236).

*Question of amalgamation of small collieries*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1378).

*Delay in mapping of gold bearing areas in the region of Kolar Gold fields*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1379).

*Need for upward revision of target for coal in the Third Five Year Plan*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1380).

*Failure to achieve physical target of 15 million tons of coal during the Second Five Year Plan.*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1381).

*Unsatisfactory working of Indian Bureau of Mines*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1382).

*Unsatisfactory working of the office of Iron and Steel Controller*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and

Fuel be reduced by Rs. 100." (1383).

*Need to abandon the scheme of laying pipe line from Cambay to Bombay*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1446).

*Working of the office of the Iron and Steel Controller at Calcutta*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (887).

*Need to supply regular quotas of iron and steel to small factories*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (888).

*Need to allocate the iron and steel quotas to genuine businessmen*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (889).

*Need to check the list of quota-holders of Calcutta to stop fake transactions*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (890).

*Need for co-ordination between the Coal Commissioner and the Mines Inspectorate*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (891)

*Need to eradicate black-marketing in iron and steel*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (892)

*Need to lower the price of steel*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (893)

*Need for co-ordination between the Ministries of Railways and Steel, Mines and Fuel to ensure movement of coal*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (894)

*Need for proper gradation of coal by the Central Fuel Research Institute*

**Shri Aurobindo Ghosal:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (895).

*Need to enhance the financial allocation to the Sikkim Mining Corporation*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1447)

*Grievances of the staff of the office of the Coal Controller in regard to the evaluation of job analysis*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1448)

*Need to accelerate the pace of construction of residential quarters for the employees of National Coal Development Corporation at Ranchi*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1449)

*Delays in the setting up of washeries at Dugda and Bhojidih*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1450)

*Delay in undertaking mining operations in Neyveli Lignite mines*

**Shri T. B. Vittal Rao:** I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1451)

*Scarcity of water supply in Bokaro and Kargali collieries*

Shri T. B. Vittal Rao: I beg to move:

"That the Demand under the head Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1452)

*Need to expedite the establishment of the Alloy and Tools Steel Plant at Durgapur*

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Capital Outlay of the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (896)

*Need for economy in the working of the Neyveli Lignite Project*

Shri Aurobindo Ghosal: I beg to move:

"That the Demand under the head Capital Outlay of the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (897)

*Question of setting up of a refinery in Gujarat immediately*

Shri T. B. Vittal Rao: I beg to move:

"That the Demands under the head Capital Outlay of the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1453)

*Question of developing outlying coal mines*

Shri T. B. Vittal Rao: I beg to move:

"That the Demands under the head Capital Outlay of the Ministry of Steel, Mines and Fuel be reduced by Rs. 100." (1454)

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

Shri Naushir Bharucha: Mr. Deputy-Speaker, Sir, I am afraid I

find very little in the report that has been submitted with regard to the Ministry of Steel, Mines and Fuel, on which I can honestly congratulate the hon. Minister. The story of steel plants in our country has been a story of bad planning, bad execution and very costly errors. It has been a story of inexcusable delay which still persists. May I remind this House of the 33rd report of the Estimates Committee which condemns the handling of the projects in no measured terms? After our experience of how these plants have worked, it is evident that this country has paid a great deal for the execution of these projects. It will be recalled that in the course of the second Five Year Plan, the target set for the production of finished steel was 4.5 million tons. As the report of the hon. Minister shows, today these steel plants have produced only 2.2 million tons out of which it may be said that the private sector has produced 1.2 million tons and the public sector has hardly produced 19,000 tons of finished steel. I would request the hon. Minister to let us know how he accounts for the fact that though the Plan target is as high as 4.5 million tons making allowance for larger production from the private sector, we have lagged far behind the target in the public sector.

The result of all this bad handling and fall in the production of these steel plants has been that we have had to import one million tons of steel. We have suffered huge losses in foreign exchange at the time when we could ill afford to spare foreign exchange. There has been less of indigenous production, and subsidiary engineering industries have suffered a great deal. In any other country the handling of this type of any project would have resulted in the resignation of the Minister.

An Hon. Member: Hear, hear.

Shri Naushir Bharucha: Coming to the three steel plants I shall quickly review their progress which will show to the House how far behind the target

[Shri Naushir Bharucha]

we have been. So far as Rourkela is concerned, though according to the Plan target, all the units of Rourkela should have been in full production by December, 1959, still, we find that construction work has not been completed; the cold rolling mills and the tinning lines have yet to get ready. The most surprising part of it is about the production figures. In Rourkela, we have been told that from February, 1959 to December, 1960, roughly 22 months, only 210,000 tons of ingots have been produced. The production in Rourkela in January and February, 1961 has been stepped up, but we are told that it amounts only to 47,000 tons of ingot. Even if we take into consideration the production for the last two months, even proceeding on that basis, Rourkela will not be able to attain the target fixed for steel ingots.

I am surprised that so far as steel ingots are concerned, the production is only a quarter of a million tons as against the one million tons which we were promised. So far as production of coke is concerned, there are three batteries which have been working for two years, producing only 800,000 tons of coke as against our requirement of not less than 1.5 million tons. Instances of bad planning in Rourkela are obvious.

**Mr. Deputy-Speaker:** The hon. Member may continue tomorrow.

**Sardar Swaran Singh:** We are to continue till 3.45.

**Mr. Deputy-Speaker:** If the House so desires, we can continue. Then 15 minutes are to be made up.

**Shri Prabhat Kar:** Yesterday we sat up to quarter to seven. 15 minutes are not going to matter much.

**Mr. Deputy-Speaker:** Whatever be the desire of the House, I shall follow.

**Sardar Swaran Singh:** The Speaker announced that the House would sit till 6.15 today.

**Shri S. M. Banerjee:** The hon. Minister did not hear the other part of the story. There are some hon. Members who objected to it.

**Mr. Deputy-Speaker:** Then we will continue this debate tomorrow.

15.34 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

EIGHTY-SECOND REPORT

**Sardar A. S. Saigal (Janjgir):** I beg to move:

"That this House agrees with the Eighty-second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 12th April, 1961".

**Mr. Deputy-Speaker:** The question is:

"That this House agrees with the Eighty-second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 12th April, 1961".

*The motion was adopted.*

RESOLUTION RE: NATIONALISATION OF COAL MINES—contd.

**Mr. Deputy-Speaker:** The House will now refuse further discussion on the following resolution moved by Shrimati Renu Chakravarty on the 1st April, 1961, namely:

"This House is of opinion that all the coal mines in private sector be nationalised".

Out of one hour and 30 minutes allotted for discussion of the resolution, 35 minutes have already been taken up. Shri S. L. Saksena may continue his speech.

**Shri S. L. Saksena (Maharajganj):** Mr. Chairman, Sir, this question of