

के बारे में आपने देखा, लेकिन आप जानते हैं कि स्विट्जरलैंड जो ऐतिहासिक तौर पर एक न्यूट्रल देश रहा है, और अपने ढंग से एक गुटनिरपेक्ष देश रहा है इस लिये कि जब योरोप में हिटलर की हद्द भी बज रही थी, चारों तरफ से हिटलर उसे घेरे हुए था उस समय भी स्विट्जरलैंड न्यूट्रल रहा, लेकिन उसकी एक कंपनी भी आज पाकिस्तान की मदद कर रही है और उसके लिये स्विस् गवर्नमेंट ने क्लियरेंस भी दे दिया है। आज के टाइम्स आफ इंडिया में आया है, मैं उसको पढ़ कर सुना देता हूँ। यह टाइम्स आफ इंडिया, पैट्रियट, स्टेट्समैन, हर अखबार में है और जिनेवा की रिपोर्ट है :

"Two Swiss firms today said that they delivered auxiliary equipment for a uranium enrichment plant to Pakistan after the shipments had been cleared by the Swiss Government. There was no immediate comment from the Government which began an extensive investigation last week. The two firms said that shipments of gas handling units and vacuum proof valves had been ordered by the special works organisation of Rawalpindi and delivered to Pakistan last June."

इसका कॉन्फर्मेशन अमरीकी अफसरों और अमरीकी सरकार ने पहले ही कर दिया था। 3 मई को टाइम्स आफ इंडिया में निकला है जो अमरीकी आफिशियल्स का बयान है, वह मैं सुनाता हूँ :

"Officials in Washington have confirmed reports that Pakistan is building a plutonium plant, in addition to the plant assembled from some components bought from Britain, West Germany and other European sources to produce weaponsgrade uranium. It was also confirmed by officials that besides imports of components from West Germany and Europe, Pakistan also bought from California plant components that could be used in the uranium enrichment plant."

इसका कॉन्फर्मेशन खुद स्विस् कंपनी ने किया है, खुद अमरीकी सरकार से हो चुका है। यह एक बहुत गम्भीर बात है। दूसरे मुल्क, अमरीका जैसे मुल्क देते हैं, ब्रिटेन देता है, जर्मनी और फ्रांस ने किया है, वह तो अलग बात है लेकिन स्विट्जरलैंड जैसा मुल्क जो कि एक न्यूट्रल मुल्क रहा है, वर्षों से इसका अपना एक इतिहास रहा

है, वह भी इस झमेले में पड़कर पाकिस्तान को बढ़ावा दे रहा है, उसकी कंपनी उसको हथियार दे रही है तो भारत सरकार को गम्भीरतापूर्वक इसकी नोटिस लेनी चाहिए। सरकार को इसके विरोध में कदम उठाना चाहिए और हर तरह से भारत सरकार को सतर्क रहना चाहिए कि न्यूक्लियर आफेंसिव न्यूक्लियर तैयारियां जो पाकिस्तान कर रहा है पाश्चात्य मुल्कों के कहने पर, उसका जवाब देने के लिए भारत सरकार तैयार है। यह विदेश मंत्री और प्रधान मंत्री जो को स्पष्ट कर देना चाहिए। साथ ही हमारी सरकार स्विस सरकार से बातचीत करे और उससे विरोध प्रकट करे कि ऐसा स्विस सरकार ने क्यों किया जबकि उसका इतिहास एक न्यूट्रल देश का इतिहास रहा है।

DISCUSSION ON THE WORKING OF THE MINISTRY OF STEEL AND MINES

MR. DEPUTY CHAIRMAN: Now we take up discussion on the working of the Ministry of Steel and Mines. As the House is aware, in spite of the fact that we sat late last evening, many speakers could not participate who wanted to speak. So I will request the hon. Members to please keep some sense of time so that more Member's could be accommodated. Shri Pranab Mukherjee.

SHRI PRANAB MUKHERJEE (West Bengal): Are you fixing any time or leaving it to the discretion of the speakers?

MR. DEPUTY CHAIRMAN: Yes.

SHRI PRANAB MUKHERJEE: Then it will be more difficult for us.

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR AND PARLIAMENTARY AFFAIRS (DR. RAM KRIPAL SINHA): Fifteen minutes.

SHRI PRANAB MUKHERJEE: Then it is all right.

Mr. Deputy Chairman, Sir, while raising a discussion on the functioning of the Ministry of Steel and Mines for the year under review, the first point

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which strikes my mind is a part of the speech of the hon. Steel Minister himself on the floor of this very House, of course, not in the capacity as the Minister but as a private Member while participating on a private Member's Resolution, as a private Member, on 30th July, 1971. The issue was, of course, completely different but the then hon. Member and now the hon. Minister expressed his anguish over the impoverishment of the Steel Ministry in production and allied matters of State. And I would like to quote only a few lines. Sir, while sarcastically he was replying to an observation of another Member that India is a great nation, he tried to prove that it is not a great nation; it is a big nation, "one of the most populous nations, one of the most impoverished nations. Its total striking power is only four million tonnes of steel while nine million tonnes of capacity." This was said by Mr. Biju Patnaik while intervening on a debate on a private Member's Resolution, urging upon the Government to recognise Bangladesh which was a problem, a burning issue at that time on 30th July 1971. And as far as I could guess from the statement and the speech of the then Member and now Minister, he wants, and perhaps rightly so, that India, a country having 600 million people, must have a striking power, so far as the production of steel is concerned, in a much larger order, as in the context of the same speech he compared the production capacity of steel of Japan and certain other countries and pointed out that in spite of so many disadvantages for Japan, —they are to import coking coal; they are to import so many raw materials, but merely depending on the technology and their capabilities—they have been able to produce huge quantum of steel and have captured a sizeable part of the export market in the world. Therefore, Sir, one who keeps this attitude of the Minister in mind, would naturally expect when he gets an opportunity to preside over the same Ministry that he would try his best

to improve the situation. In that context, I would like to draw the attention of the House and through you, Sir, his own attention, though he knows these facts very well, to the performance of this Ministry under his stewardship. Sir, in 1976-77, when everybody claimed that everything was going to dogs, the total production in the integrated steel plants, if I understand correctly, was of the order of 6.92 million tonnes. In 1977-78, it came down. In 1978-79, strangely though the document published by the Government of India titled 'Annual Plan, 1978-79 and Review of Plan performance, 1977-78' stated in page 61, page 15 that:

"In 1978-79, a production of 7.68 million tonnes of saleable steel is envisaged from the integrated steel plants; 7.168 million tonnes."

What is the actual production? According to the annual report of the Ministry, it is 6.56 million tonnes. The reasons are there, readymade reasons. There is power shortage, there is transport bottleneck, there is non-availability of coking coal, there is bad industrial relations and so on. Every Minister, including myself, if I occupy that seat, would go on giving all these reasons. But the question is, when you are envisaging, while reviewing your performance, that you are going to have a production of the order of 7.68 million tonnes, none of these factors come overnight. Transport bottleneck is a permanent problem in this country. Power shortage is a permanent problem in this country. Non-availability of coking coal is a permanent problem in this country. Higher ash content in the indigenous coal is a permanent problem in this country. Now, none of these problems which the Ministry is trying to justify for the reduction in production, is a new phenomenon unknown to the Ministry or the experts. When you are planning to achieve a particular target, all these factors are before you. This is not a long-term

target; this is only for the annual plan. You are reviewing the annual performance and, there too, you are trying to project your shadow longer than your size. This is the whole difficulty with the Government. Sir, I understand the difficulty of the Minister, particularly, in relation to this Ministry. But if the whole attitude of the Government becomes something perverted, if the whole industrial approach of the Government is erroneous, it cannot be expected that in a particular sector, be it the steel sector or be it the heavy industry sector, the performance will be of the high order. Now, day in and day out, we are told by the Ministers that we are going to manage the economy in an excellent manner. Our allocation, outlay, in the draft Sixth Plan—I am sorry, rolling Plan—those days are gone when we used to adhere to the phrase of 'Five-Year Plan' and soon; now, these are days of rolling plans—was of the order of Rs. 2,491 crores. Out of this, Rs. 1976 crores are for the on-going Plans. If these figures are correct, only Rs. 515 crores will be available for new projects, for fresh projects. What is the total installed capacity in the integrated steel plants today? If I understand correctly from these figures, it is a little over 10 million tonnes. Sir, if you go through the report, you will try to find out. I do not know whom they are trying to fool. They state in one part of the report—I do not want to quote the page number; if the Minister challenges or if somebody challenges, I am prepared to do so—that availability of steel will be more in the current year as compared to the last year. And how will the availability be more? Not from increased production, but from increased import, from reduced export and a little from better performance in the mini steel plants for which definitely the Minister deserves some credit. Sir, the production is going down. When we consider the installed capacity, the total production of these things, is almost insignificant as compared to our needs and requirement. That insignificant production is also going down year

after year. What longterm objectives have you got if you want to have a real genuine strike in power, so far as steel sector is concerned? You are thinking in terms of importing steel. Because you have some foreign exchange you could depend on it, but that too is not on trade account, that is on non-trade account, through remittances, depending on certain uneconomic strenuous conditions. One could understand if that were on trade account. You could have used the surplus, you could have taken the risk by importing any quantum you liked to have. Therefore, Sir, when Mr. Biju Patnaik took over the responsibility of steering this Ministry, I expected that it will be possible for him to do away with the old rotten ideas and to bring some amount of modern approach in managing this sector.

Sir, you are looking at the watch. Kindly give me some more time.

So, Sir, at least I expected that from him.

PROF. N. G. RANGA (Andhra Pradesh): Some amount of dynamism.

SHRI PRANAB MUKHERJEE: Yes, some amount of dynamism; I use the phrase suggested by Prof. Ranga because the man himself is dynamic. Nobody in the country can say that Mr. Biju Patnaik is not dynamic, but then I do not know why he cannot bring dynamism in the Ministry—in the objectives, in the targets fixed, in the long-term perspective. Sir, why can't he try to have that technology which will reduce the ash content? Of course, as a temporary measure, for a short period, to meet your requirements one can understand your depending on imports, but it is not unknown to me or to anybody in this country that the reserves of the coking coal in this country are not adequate, the ash content is more and you will have to solve it on a permanent basis, you will have to adopt such a technology by the application of

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which you can reduce the ash content and make a permanent settlement. You will have to make a long-term perspective plan to utilise the natural resources which you are having, such as, iron ore, etc. so that the raw materials are not transferred and they do not perpetuate the colonial system of economy in which resources are transferred from developing nations to the developed nations. You will have to see that your ongoing projects come up in time, instead of politicking with the promises of establishing new steel plants, just as it was done during the Chikmagalur election campaigns. When the Chikmagalur by-election was going on, I was surprised to learn that a promise was made—and that too not by the Steel Minister, but by the Industry Minister, which the Minister later on corroborated—that a steel project will be established at Mangalore. This is not the right type of attitude and approach.

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): He was only following the old habits.

SHRI PRANAB MUKHERJEE: But Mr. Biju Patnaik can give up any habit at any time if he likes.

SHRI BIJU PATNAIK: I did not say that.

SHRI PRANAB MUKHERJEE: Therefore, what I want to suggest to the Minister is that he must impress upon his colleagues in the Government, as he tried to impress upon his former colleagues also, that unless they laid emphasis on this sector, provided adequate resources, it would not be possible for this country to attain that striking power which we want to have.

And what is the allocation for the Ministry? Why can't he fight to get more money? All sorts of goody-goody things we are hearing that this much is earmarked for the small scale industries, this much is earmark-

ed for such and such project, all these things are good things, but at the same time what is the position about the capacity utilization? Why is capacity utilization going down? Why can't you fully utilize the capacities which have been created out of the resources of the community, out of the resources of the country? These are not the resources of an individual. If we do not think of a long-term programme, if we just want to sort out the problems by tinkering with these, by importing aluminium, it is not going to help. These problems are known to everybody, and particularly to Mr. Biju Patnaik. It is known to him what the constraints are for having a desirable level of production in the aluminium sector. So merely by importing, he cannot solve the problems for all times to come. These are *ad hoc*, short-term solutions. But where is the blueprint, where is the scheme or the plan for the Ministry to go by, where is the objective? We are finding whatever deductions they are deriving from the conditions prevailing at the time are erroneous. This is time for us to ponder over and look into these problems.

Take the case of IISCO. It is a permanent problem. The more you produce, the more you lose. You cannot go on with this. You cannot go on with a plant where with rising production, losses will go up. You will have to think of diversification. You will have to think of something whereby it will be economically viable; otherwise you will have to close it one day. You will have to take that political decision. You must have that political determination. You cannot waste natural resources of the country. It is, after all, the community's savings, the community's resources which are being invested therein. If you find that economically a project cannot be made viable—this is my straight and blunt question to the Minister—how long are you going to survive, how long are you going to carry on? And if you find that economically it can be made viable by diversification, by resorting

to new technology, whatever be the cost, you will have to make an economic plan on the basis of that. You will have to go ahead. Therefore, Sir, so far as the Steel Ministry is concerned, I am sorry to say that the amount of performance, the level of performance that we expected from it is not there. There too, the Minister will have to agree that except in IISCO there has not been any serious labour trouble in any of the integrated steel plants. You have a body of experts who have acquainted themselves with the technology, who are capable of appropriating any sophisticated technology and converting it into the Indian system. There is no lack of technically competent personnel. There is no lack of money to absorb that technology. But in spite of all these things, why is it happening? If you do not have huge construction activities and if you have a little more production—say one million tonnes more—the Minister will have to think where he should go. The export market is going down. What is the policy? This year you are saying that you are meeting old commitments. Is it possible in the area of exports to confine only to the old commitments? Other countries will come. Japan will come. Other developed countries will come. Therefore, in order to meet your indigenous demand if you simply cut the export, if you do not try to enter into new areas, into new markets, who will keep the market for you that, say, after five or ten years you will produce more and therefore this market should be reserved for Indian steel? Is it possible? Is it a sound policy so far as export is concerned? Whatever commitments you have made, you are fulfilling these. But at the same time if you do not go on expanding, where will you get the market? Actually you had this problem in 1977-78 immediately when you took over. There was no market. Today the demand has gone up. There is no scientific study and even the Ministry is not in a position to project what the actual requirements are either in the area of production or in the area of demand generation. All these statis-

tics become faulty and lead us to a real difficult situation.

My submission is that the Minister will have to have a long-term perspective and see that you produce sufficient quantum of steel. Because where is your ship-building activity? Where is your constructive activity? Unless you have industrial and these activities and create demand generate demand in the economy, it is very difficult. A country having 600 million people cannot absorb 10 million tonnes of steel or 20 million tonnes of cement. You have not done anything. What have you done during the last two years? Where is a visible indications? Therefore, my submission would be to have a long-term perspective instead of resorting to *ad hocism* and creating the problem the way the Steel Ministry is functioning for the last two years.

Sir, I strictly adhere to the time schedule, and with this I resume my seat.

MR. DEPUTY CHAIRMAN. Mr. V. E. Raju.

SHRI BIJU PATNAIK: I agree with all that you said. How to do it is the question.

SHRIMATI SUSHILA SHANKAR ADIVAREKAR (Maharashtra): Allow him to come to those benches.

SHRI BIJU PATNAIK: He can take my place and do it.

SHRI V. B. RAJU (Andhra Pradesh): You can privately decide it later on. Sir, the story of the Indian steel industry....

SHRI BIJU PATNAIK: Only you are obstructing.

SHRI V. B. RAJU: I am obstructing? I am trying to bring actually a balance and sense on both the sides.

The story of the Indian steel industry, Sir, in short, can be said as the coal-rail-power muddle. Anyway, this

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also reflects the incoherence of the inner politics of the ruling party. The lack of co-ordination is articulated in public by the Ministers in charge of Railways, Steel and Coal blaming one another for the sorry state of affairs. It is a very funny contradiction that they work in secret in the Cabinet but they talk against one another in the public. This, I think, can be placed in this perspective that we suffered in 1975 and 76 by the excesses of emergency and from 1977 we have been suffering from the excesses of democracy. Anything in excess is bad. Even goodness in excess is bad. So let at least the country be saved from these excesses. It is a great search for a scape-goat. As Mr. Pranab Mukherjee put it correctly, things have not happened overnight; they have not changed overnight. When a new Minister comes he makes a new announcement. And if he succeeds he claims it to his self not that success to the Government. Generally in this House also when the Minister answers, he says "I have given orders". He never says, "The Government has given orders." Everything is "I". "I have done this", "I have done that." The word "Government" is nowhere. The objective situation is nowhere.

PROF. N. G. RANGA: It is my Government.

SHRI V. B. RAJU: Anyhow, "I" actually is very important even for the Opposition also. That is the whole trouble. Sir, one of the perennial infirmities for human beings is to ascribe their own failure to forces that are entirely beyond their control. And this is a human weakness or deficiency or whatever we call it but the wise men overcome it. But, Sir, fuels and metals occupy an important place only after food and fibre in the economic life of our people.

Now, what is this country extolled for or talked about? It is generally said that India is a very rich country where very poor people live. Even

though this country is endowed with vast resources of coal, iron ore and limestone, what we could add as additional installed capacity for production of steel ingots is only 9.3 million tonnes in the last three decades or more. 9.3 million tonnes only is the additional capacity that we have added. When we became independent we had already 1.3 million tonnes installed capacity which was completely owned by the private sector.

Sir, what did the public sector achieve? In fact the public sector provided a new direction. We had taken to the socialist pattern of economy whichever party was in power. It was laid down by Parliament also in 1955 that the country should have such an economic philosophy for developing the economy. And what is it that we achieved in the public sector? By the end of 1978 the installed capacity achieved by the public sector was only 7.6 million tonnes. Today we have a total installed capacity of 10.6 million tonnes. But the remaining 3 million tonnes came from the TISCO and the TISCO with expansion. How much did we invest actually for this achievement of 10.6 million tonnes minus the 1.3 million tonnes capacity which was already there? Sir, we have invested Rs. 3,057 crores in the course of 51 years including the capital and also the loan that is given by the Government of India. For Rs. 3,057 crores investment this was the achievement.

Sir, what has been the production performance? It is all right that we have installed the capacity. There was a great difficulty. When we do not find any living scapegoat, we look to the cloud, and we say that it has either created drought or floods. The cloud cannot come and answer in the House and there is nobody to speak on behalf of the cloud. That has become the most convenient tactic, on the part of the politicians in this country. We made hypocrisy a fine art, and that is our greatest achievement. And we try to philosophise and moralise it. And then we say

that India is a great country with a glorious past. We take the names of Ashoka and Akbar. If we want to divert the attention of the people from the basic issues, poverty and unemployment, we just quarrel amongst our-selves and see that the media report these things and the people may get interested Sir, take out the papers of the last two years. What was being reported on the front pages of the daily national newspapers? No rally for eradication of unemployment, no rally for bringing down the prices but rallies against each other, against democratic parliamentary decisions and against judicial decision. For diverting the attention of the people, if we do not have anything, we take about prohibition and prevention of cow-slaughter. Are these the basic issues, the relevant issues, at this moment?

The performance in the Parliament and the problems of the people have no coherence. What we are talking and discussing here has nothing to do with the problems of the people. That has been the state of affairs. Let us first become honest enough to admit our mistakes. The first thing Gandhiji said was, "Admit your own mistakes and then proceed; admit your failure." The steel performance is the greatest failure in this country.

I am blaming the planners. The politicians are not in the picture. They know very little about it. So, I blame the planners.

Sir, the 1976 white papers has said—I think, the Minister has gone through the white paper—that the target fixed by the end of the century is 75 million tonnes. If the performance in 30 years is at such a low level, can you achieve 75 million tonnes? Sir, this country has million tonnes? Sir, this country has been endowed with vast resources of coal and high grade iron-ore and limestone. I once said on the floor of this House when Mr. T. A. Pai was the Minister. "Do not gloat by saying that you have exported so many million tonnes of iron-ore. Sir, it is to

my knowledge that many of the industrialised countries have stopped exporting their rich iron-ore. There is no pleasure in emptying the bosom of the earth. By exporting only the manufactured items you add to employment. We don't do that. Therefore, this is a basic question and this has to be debated thoroughly. If this debate had been held in September, by that time we could have got the report on the performance Public Undertakings for the year 1978-79. We do not know what has happened in 1978-79 fully. Sir, without taking much of your time, I will just go on with the other points.

Now, what is exactly that has happened? The production of steel ingots was only 8.24 million tonnes in 1977-78. But it came down to 8.17 million tonnes in 1978-79. In March 1977, this new party took power into its hands. The production in the earlier two years was higher than in these two years. Why has the production been going down from 1977? In 1977-78 it came down to 8.24 million tonnes from 8.428 million tonnes in the previous year. And in 1978-79 it has gone down i.e. 8.17 million tonnes. Floods have not been there only recently. Every year we have been having floods. Mr. Patnaik, who comes from Orissa, knows that every year the coast is attacked by cyclones. Now I think we are having a cyclone again. It is nothing new for the country. It is not a discovery. Let us stop talking in these terms. Now, why is this going down? The reasons I shall give you. He complains against Mr. Ramachandran that he is not supplying.....

SHRI BIJU PATNAIK: You have given the reasons yourself. Too much of goodness or what?

SHRI V. B. RAJU: No, it is not too much of goodness. The production of saleable steel also from the integrated units came down. In 1976-77 it was 6,922 million tonnes. In 1977-78 it came down to 6,894

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million tonnes and in 1978-79, it has further come down to 6.560 million tonnes. Now both steel ingots and saleable steel have come down in production, while the installed capacity has increased. No doubt, it is a slow increase. But the situation in 1978-79 was saved because of the production in mini-steel plants, which were the product of Mr. Malaviya. Some people criticised him at that time. There is room for criticism. There are now 130 electric arc furnace units in the country with a capacity of 2.97 million tonnes.

SHRI SURENDRA MOHANTY (Orissa): All uneconomic.

SHRI V. B. RAJU: Please wait. The country itself is facing an uneconomic political set-up. Sometimes even this sort of democracy may be uneconomic. We want steel. And they have given 1.5 million tonnes. Sir, the situation was saved in 1978-79 only because of the increased production by the mini-steel plants. . .

PROF. P. G. RANGA: At very high cost.

SHRI V. B. RAJU: I am coming to that point.....and by increased imports and by reduced exports, and not by the integrated steel plants, on which Rs. 3,057 crores have been invested. Sir, I would request the Minister to bring about co-ordination between the various sectors of the steel industry. The integrated steel plants the electric arc furnaces, which are called mini-steel plants, and the rerolling units, all these have got to be properly co-ordinated. And their roles have to be specified also. There is no such thing now. Take the example of the textile industry. We tried to bring about co-ordination between

the large-scale industry the handlooms and the powerlooms. We were able to do it. In fact when people are complaining about mini-steel plants that they are very uneconomic, it is not a question of economy or not satisfying the rules of economy. But they are consuming electricity or power which is in short supply. A time will come when they can take to production of special steels. But first they should be helped, supplied with raw materials, that they require. Here, as Mr. Mukherjee said what is the Government doing in the matter of being abreast with modern technology? Many things are going on on the globe. In some countries today, in industrialised countries, including Japan, there is recession in steel industry. It is a peculiarity that there is recession and less demand elsewhere but in India the domestic demand is very high. We have to take advantage of this—the production processes also. I need not go into the technicalities of it. Sponge iron becomes one of the important inputs into the mini-steel plants. I would like to warn the Minister, the country would blame him, would find fault with him if he does not correct his statement. He seems to be more anxious for foreign collaborations. In just 30 years India possessed the third largest scientific community. In my recent visit to other countries I have found Indians doing extremely well. In the United States Indian engineers, Indian doctors, Indian technicians Indian academicians, are considered to be the best available. I am not trying to flatter anybody or praise anybody. I am saying this from my personal experience. This is the present situation as far as the image of the Indian scientists is concerned. We have the third largest scientific community in the world. And yet we want to go in for foreign collaboration! You want to go in for collaboration for sponge iron! Fortunately Andhra Pradesh has taken up a plant at Kothagudem with 30000 tonne capacity, and the Minister is also trying to do something elsewhere.

I am told—I should be corrected if I am wrong that Tatas submitted a proposal for sponge iron but it did not find favour with the Government. The Government seems to be very much allergic to local talent, to indigenous talent. They are trying to get assistance and collaboration from foreign countries. The Minister all of a sudden made a statement, a statement which really caught us by surprise. In 1970 the then Government announced three steel plants in the peninsular India—one at Salem, one at Vizag and one at Hospet. The Salem people were wise people—in Tamil Nadu—and they managed to give it a shape and the plant took birth. Eight years have passed since, but the Visakhapatnam steel plant does not see the light of the day. We see only in newspapers that the USSR is evincing interest in assisting and that the Minister is discussing. There is no sanction from the Planning Commission. I do not know what exactly is the procedure in this Government. Eight years have passed. Yet, nothing has taken shape. Do you take eight years to give shape to an idea, to a conception? In the case of Bokaro steel plant to get 1.7 million tonnes (first phase) capacity, it took 11 years. I am not blaming you, Mr. Minister. Not this Government. But it took 11 years for the first phase 1.7 million tonnes. And with this sort of performance and method of decisions, do you expect to reach 75 million tonnes by the end of the century? Whom are you going to fool...

SHRI BIJU PATNAIK: I did not say so.

SHRI V. B. RAJU: For the Vizag plant land has been acquired and it is lying there for 8 years. Let the Minister say what is happening. Let the Minister take the House into confidence and say what has happened in the last five years. See how much steel we have imported bet-

ween 1973-74 and 1977-78. We have imported Rs. 1464 crores worth of steel. Imports are going up. The Planning Commission does not seem to agree with the projection of your Ministry. Your Ministry expects 15 per cent annual increase in the production capacity. But the Planning Commission seems to depend upon imports. This is a horrible state of affairs. The Minister should not have made that statement about the three steel plants—one at Visakhapatnam, one at Paradip and the third to be shifted to Mangalore. What is this decision? It is a bolt from the blue. On the east coast there is a proposed shore-based plant at Vizag which has not seen the light of the day. Now he talks of Paradeep. And he shifts the plant from Vijayanagaram to Mangalore for the reason that you want a coast-based plant. For what? For importing coking coal? The officers of the Coal Ministry say that they do not encourage import of metallurgical coal. They would not. We have to go in for new technology. Can we depend permanently upon import of high cost coal from other countries to build up our steel industry? If you do it, it will meet the same fate of Tarapur. That is what is going to happen here. Let the Minister beware. I want to give this warning to the Minister. Do not plan your steel industry on the assumption that there will be raw materials available from outside. Japan is quite different. Japan has an export-based economy. We do not have that. I do not want to take the time of the House any longer. The point is that the Minister should be careful about his statements. I do not know whose decision was it. Let him complete Vizag first. He says that all this can be achieved in four years. I want to know whether he has actually said so. Or, did the newspapers report him incorrectly? Can you do this in four years? If you do this within four years, we will give you a Padma Bhushan. We can put up your statue and we will adore you....

AN HON. MEMBER: And make you also the Prime Minister.

SHRI V. B. RAJU: It will be a miracle. How can you complete these plants within four years, when you have already taken eight years on Vizag? Where are the resources? Have you actually provided for it in the Plan? Much of the planned provision is for continuing projects, and hardly very little is left. Do you depend on outside resources? I am told that you are looking to countries other than Soviet Union. What is happening is that today we are again going for assistance to other countries with a begging bowl. Assistance for what? For rupee assistance? It is not for technology. What is the assistance that you want? We have got foreign exchange worth more than Rs. 5,000 crores. What are we short of? Only rupee assistance. Are you going for that? It is not good.

The Minister has made another statement which is again not good. He made the statement that he was cutting down 8 per cent of production, only to improve the stock position of coking coal. If that is necessary, he should not have made that statement. With all the information at my command, I would say that this statement has given a spurt to the price hike. Already the material is scarce in the market. Is it at that time that the Minister should make a statement that he is cutting down production? Is it wise? Is it prudent? Is it morally correct? Today what is the price of steel in the market? The premium is anything from Rs. 500 to Rs. 1,000 a tonne or even more. Is it for this purpose that you have done it? I do not want to attribute any motive to the Minister. It was an unwise statement. He should not have made it.

There are many more things to be said. Now I would only request the Minister to take this House and the country into confidence and present

another white paper, a supplementary white paper to what had been presented in 1976, and tell us what is the new technology to make use of the non-coking coal available in this country. It is in abundance here. For Heaven's sake do not depend on coking coal from elsewhere. In future when you plan for a new plant, you should have a new technology.

1.00 P.M.

Sir, I have taken a few minutes more. I will appeal to the Minister who has dynamism, openmindedness, and objectivity, to take the Opposition parties into confidence, and evolve a steel policy, which is relevant to the solution of our economic problems.

MR. DEPUTY CHAIRMAN: The House is adjourned for lunch till 2 P.M.

The House then adjourned for lunch at one minute past one of the clock.

The House reassembled after lunch at five minutes past two of the clock. *Mr. Deputy Chairman in the Chair.*

SHRI SURENDRA MOHANTY: Mr. Deputy Chairman, Sir, at the outset, I should like to preface my remarks by the simple observation that the performance of the integrated steel plants is not as bleak as it is sought to be painted. Had not the intra-party squabbles given the whole economic issue a political overtone, I am sure this would not have been so much dramatised.

Sir, it is true that there has been a reduction in production, rather than a shortfall in production. In 1977-78, the production was 6.45 lakh tonnes and in 1978-79 it has come down to 6.28 lakh tonnes. The shortfall is 2.6 per cent. At the same time, Sir, the TISCO's production

has gone down from 1.96 lakh tonnes in 1977-78 to 1.86 lakh tonnes of saleable steel, a reduction of 5.6 per cent. While, this, of course, does not minimise the fact that there has been a reduction in production, shortfall in production, it cannot be justified by the shortfall in production in the Tatas.

If we look at the history of steel in this country, in 1912 the Tata's rolled their first ingot of steel and between 1912 and 1945, a span of 32 years, the steel production in this country was of the order of one point some million tonnes. Now, during the last 30 years with five integrated steel plants we are today nibbling at 6.28 million tonnes with investment of the order of about Rs. 4,000 crores. Certainly this is an achievement of which no Government can be proud of.

Sir, those who make it a political issue, this shortfall in production, they completely forget the fact that there was the shortage of basic inputs all through. There was coking coal supply less in 1978-79. It was less by one million tonnes, over which the Ministry of Steel had no control. There was restriction on the supply of power, on which again the Ministry had no control. And so also the floods which had inundated Durgapur and the IISCO. Mr. Raju said that this is an alibi available to any Government, who can attribute floods and droughts for any economic failures. Certainly, he cannot close his eyes to the fact that in the last year's floods the Durgapur and the IISCO plants were inundated, which caused a shortfall in production.

Then, Sir, as against the normal ash content of 17 per cent in the coking coal, today it has increased to 20 per cent, over which again the Ministry has no control. But, Sir, having said all that, I would again say that these are not the mitigating factors. Sir, during the last Lok

Sabha when Mr. Kumaramangalam came dramatically to the House and announced that a holding company, namely, the SAIL, will be promoted to integrate all the basic inputs for increasing steel production, we had welcomed the proposal. Sir, the SAIL was conceived to increase production of steel by taking over captive mines, coal washeries, captive power units, and so on and so forth. Now, I would like to know, in the first instance, why the SAIL did not build up its inventory in time. Could they not foresee? Sir, I do not know what amount of control is exercised by the Ministry over the same but with all responsibility at my command I can say that the SAIL is the devil of the drama. It could have built up the inventory in time so that it would not have been left to the Minister to go on explaining that we had reached the dangerous stage when we were producing with one day's coal only available with us. Had the SAIL foreseen all these consequences, the Minister would not have come to announce that there will be a cut back in steel production by 8 per cent which gave rise to many unhappy consequences. Therefore, Sir, while there is not much weight in what is being said by the Government, certainly this is for the House to express its concern over the activities of SAIL which, I think, is not conducted on proper lines. Of course, it can be said that the SAIL units have been declaring profits which have risen from Rs. 36.68 crores to Rs. 42 crores in 1978-79. But whether this increase in profit is due to prudent management of these integrated steel plants or it is due to the pricing policy, is another matter which requires examination. But I am sure that it is only the pricing policy which has enabled the SAIL to declare an increased profit and it is not due to prudent management. What we insist upon is the prudent management.

While the per capita steel consumption in this country is 12 Kgs. it is a

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matter of natural concern that we should see that steel is not only produced cheaply but is also produced in abundant quantity. Sir, my friend, Mr. Raju said that there was recession last year in the steel production all over the world. But, Sir, statistics speak otherwise. The world crude steel production in 1978 has increased by 6 per cent, that means, the production is of the order of 712 million tonnes compared to 672.3 million tonnes in the previous year. Sir, I do not want to give the details but I only want to cite a few instances. Sir, when I visited China in 1955, there was only one steel mill which could not be even compared with TISCO. They had no steel mill worth the name. Steel industry in China was nothing to write home about. That was the condition in 1955. Today they are producing so much of steel. In 1978, they produced 41 million tonnes as against 30 million tonnes in 1977. How come that China could produce so much with no infrastructure, where the steel production was almost unknown? And if in 1978 they could reach 41 million tonnes of steel production, why are we lagging behind? As the hon. Minister very well knows, there are no sophisticated steel plants which are spending Rs. 10 lakhs on maintenance of their guest house, like Rourkela. They are producing steel in their backyards. If they are producing eight times of what we produce, with all the lime stone, with all the steel, with all the coal and with all the cheap labour that is available to us, I say this is a matter of great concern. Even in Italy, in 1977, the production was 23.3 million tonnes. In 1978, they have reached 24.4 million tonnes. In the United Kingdom, the steel production in 1977 was 20.5 million tonnes and in 1978, it was 20.2 million tonnes. I should not speak about the USSR and the USA. In the USSR, the production today is 152 million tonnes as against 146.6 million tonnes in 1977. In the USA,

the production in 1978 was 122.8 million tonnes as against 113.3 million tonnes in 1977. Japan, which has no coal, which is hauling the iron ore from Orissa over thousands of miles in the sea, is now producing 102.1 million tonnes. Therefore, with all the humility at my command, I would beg of the hon. Minister to take all these facts into consideration and convince this House, tell this House and tell the nation why steel production in the SAIL is so lousy. I am sure there is something basically wrong in the State of Denmark and that State of Denmark is the SAIL.

AN HON. MEMBER: In the state of Orissa.

SHRI SURENDRA MOHANTY: Orissa has nothing to do. Orissa's soul is as pure as crystal.

Sir, if you look at the developing countries, I am sure what I say will not be contested. In Latin America, Africa and the Middle East countries, steel production is increasing. Why should it be so lousy in the SAIL? Why should it be so unless there is some evil genius sitting in the SAIL which is in charge of these operations and which is manipulating this to create an economy of scarcity, I should say? For 1979, the steel target, as has been announced by the hon. Minister, is 10 million tonnes, provided all these inputs are available. The less said on this the better. The SAIL had submitted various grandiose schemes for increasing the output and for lowering the price. Among the various measures, I can cite two or three. One was reduced use of costly furnace oil and Naphtha; the second was reduction in use of ingot moulds and the third was import substitution. I would beg of the hon. Minister to tell us how many of these measures have been implemented and to what extent.

Sir, having said this on the side of production, now, I will come to the aspect of distribution which is real-

ly bedevilling the situation. In 1977, we were told that there was a glut in the steel market which prompted, I think, probably, the SAIL, to advise the Government that steel should be exported to foreign countries. But in between 1977 and 1978, no miracle has happened. The rupee value has depreciated. The cost of living index has gone up. The hon. Minister, on the other day, was referring to the spurt in building activities in the rural areas. I would not enter into a caveat. But the spurt in the building activities is only in the black money sector, in the organised sector and in the Government sector. (*Time-bell rings*) Sir, I would take five minutes more. But Sir, the spurt in the building activities is not of that order to justify the high premiums that are today being paid in the steel market. Sir, the aim of the Janata Government was to carry the benefits of steel production to the rural areas. But Sir, we are told—I am told; I read somewhere—that by September, 1980 Government would be able to build 80 outlets for the whole of this country, for the rural areas. I think India has got about five lakh villages and if we have got only 80 outlets and that too by the end of September 1980, God alone can save the rural consumers from the sharks of steel market.

Then, Sir, I will tell you that this economy of scarcity in steel has produced and generated black money, according to the Economic Times of New Delhi, of the order of Rs. 200 crores. This issue of the Economic Times of New Delhi dated 25th October, 1978, has published that the faulty steel distribution policy has generated black money of the order of Rs. 200 crores. I cannot vouch for the accuracy of the figure, it may or it may not be correct, but Sir, the actual experience, shows that the angles whose official price varies between Rs. 2300 to Rs. 2400 per tonne are being sold in the open market at Rs. 3000 per tonne. The steel struc-

turals whose official price is about Rs. 2300 per tonne, are being sold at Rs. 4000 per tonne. Of course, I congratulate the Minister for having applied his mind and having brought about a change in the distribution policy. Now I am told that the traders are not getting sufficient quantity of steel, it is being given to the actual users, they are getting the licence. We would like to know who the actual users are, what is the description of those actual users.

Now there is another curious phenomenon which will underline the faulty distribution policy, which has led to a sharp escalation in the rate of premium for steel products. Sir, the Rourkela Steel Plant had 1000 traders on its list who were supplied defective steel materials from the Rourkela Steel Plant. Now, according to my information and I speak with all the responsibility at my command, the number has been reduced to 58. I do not know whether the Minister is aware of this fact or not, but it is again the manipulation of the SAIL that the number has been reduced from 1000 to 58 only. In fact, the entire fabulous trade in defectives is being controlled by these 58 traders who are monopolists. If there is no escalation in steel prices under these prices, what other circumstances could escalate the prices?

Coming to traders, on 3-4-1979 in this very House the hon. Minister has said in reply to a question No. 83 dated 30th April, 1979, asked by Shrimati Leela Damodara Menon and others, I quote:

"It is not practicable to regulate marketing and pricing of steel items by traders."

I do not know since when the Government has lost its teeth to control the traders in marketing and pricing policy. If you cannot control the marketing and pricing policies of the traders, why do you issue them licences at all? I am sure this black-marketing, this high premium on

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steel, this economy of scarcity is being encouraged by somebody in the SAIL because the SAIL is not responsible for the production of steel only. It has failed on the production front as stated earlier, and now it has also failed on the pricing front also. I say that the hon. Minister should pay his attention to the affairs of the SAIL because there is something basically rotten in the state of affairs of their management. Having said that. . .

SHRI LAKSHMANA MAHA-PATRO (Orissa): You say they have lost their teeth. They get good benefit from the traders.

SHRI SURENDRA MOHANTY: . . . I must also congratulate the Steel Minister for his dynamism and vision because for the first time he is bringing an international dimension to our steel production. We know that the latest project for importing coal from Indonesia in exchange for steel that we produce will really go a long way in augmenting our steel production and in spreading the horizon of our steel production in this country.

Before I conclude, once again, as a man who has got no axe to grind, I would beg of the hon. Minister to see that SAIL is streamlined, that the objectives for which the SAIL has been promoted are strictly adhered to; otherwise the SAIL should be disbanded because we know it has no real function, except that of promoting a few Nawabs in Udyog Bhawan, in the matter of steel production. They have failed in building up factories, they have failed in building up their own washeries, they have failed in having their own captive power plants. They merely go on petering out excuses whereas, as I have said earlier, the steel production in China, in Italy and even in the developing countries of the Middle East is increasing. Thank you, Sir.

SHRI LAKSHMANA MAHA-PATRO: There are so many holes in

the SAIL. It is not able to take the boat (Interruptions).

REFERENCE TO THE REPORTED ATTACK ON A.M.U. STUDENTS

SHRIMATI AMBIKA SONI (Punjab): Sir, a Special mention was made this morning regarding the armed and brutal attack on the students of the Aligarh Muslim University who were travelling to Delhi to take part in a demonstration. We have just heard reports that many of the students are missing, and several of them have received severe injuries. I would request you, in view of the glaring incident which has taken place, with people following them in Ambassador cars and attacking them, to ask the Home Minister to make a statement so that the sense of panic which has been created. . . . (Interruptions) Sir, there are various rumours among the students and several facts also. We don't know, we should be able to distinguish between facts and rumours so that the agitated minds can be set at rest. I would requested you to ask the Home Minister.

SHRI G. C. BHATTACHARYA (Uttar Pradesh): There is no rumour. This is a fact. (Interruptions)

SHRIMATI AMBIKA SONI: I am saying rumours alongwith facts.

SHRI G. C. BHATTACHARYA: The fact is that thousands of students have been attacked at Dadri in the Ghaziabad district while they were coming from Aligarh to demonstrate here at the Boat Club against the Aligarh Muslim University (Amendment) Bill. They were attacked in a pre-planned manner by revolvers and lathis and hundreds have been wounded. Whereabouts of hundreds are not known. Still the students are lying on the platform and other places. They arrived by trains at the New Delhi railway station. There is no body