

थाइलैंड में लाखों-लाखों भारतीय रहते हैं और उन के माध्यम से यदि भारत सरकार अपनी नीति और भारतीय संस्कृति का प्रचार करना चाहे, उसका असर डालना चाहे, तो यह चीज आसानी से और जोरदार ढंग से हो सकती है। लेकिन श्रीमन्, हम देखते हैं कि भारत सरकार ने यह नीति अख्तियार कर ली है कि वह ब्यूरोक्रेटों को ही अपना दूत बनाकर भेजेगी। जो अपने देश में यहां की जनता से नहीं मिलते हैं, वे विदेशों में जाकर वहां के लोगों से क्या मिलेंगे ?

श्री सभापति : आप प्रश्न पूछिये।

श्री नागेश्वर प्रसाद शाही : प्रश्न ही तो पूछ रहा हूं। क्या भारत सरकार इस तरह की बात सोचेगी कि देश के समाज-सेवियों को इन देशों में जहां पर की भारतीयों की संख्या बहुत है, वहां पर अपना दूत बना कर भेजेगी और वहां के भारतीयों का इस्तेमाल अपनी नीति को प्रभावकारी बनाने के लिए करेगी ?

श्री सुरेन्द्र पाल सिंह : सभापति महोदय, जहां तक दूतों के भेजने का सवाल है, यह तो सरकार अपने आप निर्णय करती है कि कौन सा व्यक्ति कहां के लिए सबसे अच्छा साबित होगा।

श्री नागेश्वर प्रसाद शाही : श्रीमन्, यही मेरा मूलभूत प्रश्न है कि सरकार अपनी नीति में तब्दीली करेगी, या नहीं करेगी ?

श्री सुरेन्द्र पाल सिंह : क्या तब्दीली आप चाहते हैं ?

श्री नागेश्वर प्रसाद शाही : ब्यूरो-क्रेट्स को न भेज कर अपने देश के समाजसेवियों को भेजिए।

श्री सुरेन्द्र पाल सिंह : यह हमारा अपना जजमेंट है कि कौन आदमी कहां के लायक है। जो हमारे एम्बेसेडर वहां जाते हैं वे आफ़ीमर भी होते हैं, पब्लिक लाइफ के आदमी भी होते हैं। कौन सा व्यक्ति कहां के लिए मोर सूटेबिल होगा वह हम तय करते हैं और उसके आधार पर आगे चलते हैं। क्या तब्दीली आप चाहते हैं, यह मेरी समझ में नहीं आता।

MR. CHAIRMAN : Next question.

New Steel Units

*622. DR. Z. A. AHMAD :

† SHRI A. G. KULKARNI :

SHRI KALI MUKHERJEE :

SHRI KOTA PUNNAIAH :

SHRI KRISHAN KANT :

SHRI CHANDRA SHEKHAR :

Will the Minister of STEEL AND MINES be pleased to state :

(a) the time by when the four new steel plants will start production; and

(b) what will be the production cost of steel in each of the steel units, separately?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SUKH DEO PRASAD) : (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) Apart from Bokaro Steel Plant, which is continuing scheme, three new Steel Plants are proposed to be set up at Salem, Vijayanagar and Visakhapatnam.

The first phase of the Salem Steel Plant which envisages installation of a Cold Rolling Mill complex for cold reduction of

†The question was actually asked on the floor of the House by Shri A. G. Kulkarni.

30,000 to 35,000 tonnes of hot rolled stainless steel sheets, is likely to be commissioned by the end of the Fifth Plan. The other units of the Salem Steel Plant and the two New Steel Plants at Visakhapatnam and Vijayanagar are expected to be commissioned in a phased manner in the Sixth Plan.

(b) The cost of steel production in each of the Steel Plants at Salem, Vijayanagar and Visakhapatnam would be available only after the Detailed Project Reports are prepared.

SHRI A. G. KULKARNI : The Minister says that Bokaro is a continuing scheme. I want to know specifically what was the targeted capacity and to what extent it is achieving the capacity at present. About the other three steel plants they have mentioned that initial action has been taken and they have been targeted for completion in the Sixth Plan. May I know whether there is any foreign collaboration envisaged. What is the capital cost of investment in all these three projects which are to be commissioned in the Fifth and Sixth Plans?

SHRI T. A. PAI : So far as Bokaro is concerned, during the current year the plant is expected to produce 35,000 tonnes of steel ingots and finished steel is yet to be produced. During the current year it has been producing 73,200 tonnes of pig iron per month. So far as the cost of the three plants is concerned, only estimates have been made. For the Salem plant the cost is estimated to be around Rs. 340 crores and for Vijayanagar it would be around Rs. 900 crores each. The detailed project reports are still awaited. I can say that among the expansion programmes so far as Bhilai is concerned, it is going to be cheaper because of the infra-structure already available there. It will be about Rs. 2,000 as against Rs. 3,500 per tonne of capacity in respect of the new steel plants. I may also inform the House that the ECAFE session, which is going on in Delhi, estimated that at present the cost of a new plant will not be less than \$. 350 per tonne. In this country it costs a little more because of the time taken for the completion of a project.

SHRI A. G. KULKARNI : What about foreign collaboration?

SHRI T. A. PAI : We have not thought of any foreign collaboration for the present.

SHRI A. G. KULKARNI : May I know, Sir, when the Minister says that the cost roughly comes to Rs. 3,500 for these three plants, whether he is aware that the ultimate cost to the consumer is oppressive and prohibitive in this country compared to international prices? How does the Minister expect that the engineering industry can competitively and aggressively export its products against the competition of foreign countries when our investment costs are prohibitive? So may I ask a specific question? It was reported by HSL as regards Bokaro that the other services like housing, bungalow for officers, guest houses required by officers, were included in the project cost. Would you please avoid that pitfall and treat it exactly as a commercial business as regards the capital cost invested, so that we can have a competitive edge over the other countries? May I also know whether you have received any suggestion from the Government of Maharashtra to have a new steel plant at Chandrapur and whether you have cleared it?

SHRI T. A. PAI : Sir, so far as the capital costs are concerned, I entirely agree with the Member. Apart from the end product being costly, if the capital costs are high, even the resources that are available for investment will be severely restricted. One of the reasons, as I pointed out, is the enormous delay that takes place in this country to put up a steel plant. As against 24 months in Japan we take at least seven to eight years. And this is one way by which possibly the cost could be reduced.

SHRI A. G. KULKARNI : Indecision by you.

SHRI T. A. PAI : I agree; indecision or lack of decision, all go into this. I am not justifying it. But I am afraid that all these factors have to be looked into to see how the capital costs could be brought down.

SHRI A. G. KULKARNI : No question of looking into it, do it.

SHRI T. A. PAI : I shall do it after looking into it.

Therefore, while it might have been justified in the past, these delays and these expenses, all these, have had a very bad effect on the total economy, and it is necessary that the capital costs of these projects should be kept as low as possible. So far as the past is concerned, I can just give this information—

	Cost per ton of capacity
	Rs.
Bhilai	2136
Durgapur	2185
Rourkela	3287
TISCO	2207
IISCO	1763

So far as the infra-structure costs are concerned, we shall certainly see that they are kept to the minimum necessary and more emphasis will be laid on the production facilities of the product itself.

SHRI A. G. KULKARNI : What about Chandrapur? Chandrapur is a new steel plant. What do you want to say about it?

SHRI T. A. PAI : There is a question about Chandrapur which I am to reply subsequently. But this has also been suggested as one of the possible sites for a new steel plant, and there have been many suggestions that each State must have a steel plant. I wish the dream of all of us to have a steel plant in each State comes true. But in the meanwhile what is important is, if we are interested in the manufacture of steel and at the cheapest cost as indicated by the Member, the site must be considered purely on economic considerations and not on other considerations, and if he agrees with that . . .

SHRI A. G. KULKARNI : I agree with you.

SHRI T. A. PAI : . . . the emphasis would not be on a full fledged steel plant but even to begin with, something like this, and in the particular case we have cleared the licence to go ahead with pig iron billet production.

SHRI KOTA PUNNAIAH : In the statement it is stated that besides the Bokaro Steel Plant, three new steel plants are proposed to be set up, at Salem, Vijayanagar and Visakhapatnam. Are these steel under the proposal stage or has a final decision been taken? The Prime Minister announced some time back that all these three steel plants will be taken up simultaneously. But now the hon. Minister says that the Salem Plant will be commissioned in the Fifth Plan and the other two at Vijayanagar and Visakhapatnam will be commissioned in a phased manner in the Sixth Plan. Why this discrimination, even though the Prime Minister of this country has laid the foundation-stone for the steel plant at Visakhapatnam two years ago? Will the hon. Minister say in categorical terms that all these three steel plants will be taken up simultaneously and the connected works will be started immediately?

SHRI T. A. PAI : It all depends upon seeing that the work is being taken up. The work has been taken up at the various stages. Land has been acquired. General Managers have been appointed and so many steps have been taken. In the case of the Salem Plant, the company has been registered and we shall go ahead also with the registration of Companies in respect of the other two. But so far as the investment decision is concerned, in the light of what my hon. friend has suggested, I also feel that we will have to go into the entire aspect whether we should go into production only after Rs. 900 crores have been invested for each project or whether there is any other intermediate stage at which we can try to have the project and earn our bread. Therefore, what steps will be taken during the Fifth Plan are being carefully looked into, and we do not just want to make a commitment that the project will be completed in the Fifth Plan. I am very earnest that whatever we take up must be completed in time, and should not be held up for want of resources.

SHRI KRISHAN KANT : May I know from the hon'ble Minister whether there is a change in policy after 1970 about steel plants? The Prime Minister announced in the Lok Sabha on the 17th April 1970 that the plants will be ready in

7-8 years. May I know whether it is a fact or not that Mr. Mohan Kumaramangalam said that the Salem plant's first stainless steel will be ready within 4½ years? Is it also not a fact that out of a budget of Rs. 4.75 crores of Salem for this year only Rs. 2 crores is being spent on that and the rest will be diverted for the expansion of TISCO and, may be, Bhilai? Why this whole change in policy? That is why instead of spending about Rs. 40 crores in 6-7 years only Rs. 2 crores is being spent this year over the Salem plant. In reply to Mr. Kota Punnaiah the hon'ble Minister said that only 10 per cent of the land for Vijayanagar has been acquired and that 90 per cent will be acquired later on. Both the General Managers are sitting here. May I know whether with this policy he is not laying the foundation of shortage of steel for the next full decade? If it is so, what are the reasons for doing so? Is it also not a fact that after the establishment of the Steel Authority of India the Steel Ministry is completely non-cooperating and a war of nerves is going on between the two and that is why the steel project programme is not going ahead? May I know whether he knows these facts or not? If he knows, what steps he is taking to solve the problem?

SHRI T. A. PAI : It is true that the Prime Minister has indicated that these projects will be completed in seven or eight years and has expressed her anxiety also that they should be taken up and immediately completed. But it all depends upon the resources that are made available to us by the Planning Commission for this particular item. I shall see that we get all that we require . . .

SHRI KRISHAN KANT : You have had four plans and . . .

MR. CHAIRMAN : You have said that twice. Now let him complete.

SHRI T. A. PAI : So far as the Salem plant is concerned, the first stage of the plant can be easily accomplished because from the first stage itself it is possible to make stainless steel and make it profitably. But both the Vizag and Vijayanagar are complex projects which require heavy investment before they start yielding results. Therefore, we will have to redraw

the whole manufacturing programme to see how they can be made viable within the shortest possible time. I share the anxiety of the hon'ble Member to produce steel as quickly as possible. But I also assure him that if we invest in the way that we did we may not go far. The easiest way now, therefore, is to expand Bhilai and go ahead with the expansion of Bokaro, and the TISCO programme is also going through. We are giving simultaneous attention to all these projects. There is no escape for this country except to see that the speediest action is taken for producing steel.

As far as the differences between the Steel Authority of India and the Steel Ministry are concerned, I am not aware of it at all, I do not know. I have been getting the best of cooperation and have been going into all the steps that have been taken.

So far as the acquisition of land is concerned, acquisition of land has to be done by the State Government. We are already going into the question whether we have got to acquire as much land as we did in the past because to acquire 5,000 or 6,000 or 7,000 acres of land without any immediate use would add to the cost. We may have to look into it.

SHRI KRISHAN KANT : I asked whether the Budget of Rs. 4.75 crores has been slashed to Rs. 2.75 crores . . .

MR. CHAIRMAN : You have put your question. You cannot take too much time of the House.

SHRI KRISHAN KANT : Sir, I have asked that out of Rs. 4.75 crores allocated for the Salem steel plant only Rs. 2 crores is being given to Salem while the rest is being diverted to Bhilai and Bokaro. Is this policy not responsible for shortage of steel during the next decade?

SHRI T. A. PAI : I am not sure whether any amount has been diverted from Salem to Bokaro or Bhilai. I can only assure him that Salem will not be permitted to suffer for want of money. I shall find resources for it.

SHRI VEERENDRA PATIL : The three projects, that is, Salem, Vizag and Vijayanagar were announced by the Pri

Minister in the year 1970 on the eve of the mid-term election and the foundation stone for these three projects was laid by the Prime Minister in 1971 on the eve of the General Election.

Now the Minister, after a lapse of two or two and-a-half years, has come out with a statement that the detailed project report is yet to be completed. That means that though they did not have the detailed project report, they requested the Prime Minister to lay the foundation-stone because the elections were nearing. What I want to know is when the detailed project report is going to be completed and when the work is going to be taken up. It is all right saying that land acquisition cases and other cases are going on. We know—

have got some experience of the administration—that these will go on. If the Government wants that land acquisition should be expedited, there is no difficulty in expediting land acquisition cases also. As Mr. Kota Punnaiah has said, a doubt is lurking in our mind that this is still at the proposal stage because in the statement the Minister himself has admitted that all the three steel plants are at the proposal stage. What we want to know is whether they are still at the proposal stage or the Government of India has taken a final decision. Then, what is the amount that has been spent already, and what is the amount that is going to be spent during the current year? There is an apprehension in this House that whatever amount is earmarked or is going to be earmarked, will be diverted for expansion of the existing units and all the three units are going to be given up.

SHRI T. A. PAI : Sir, I also belong to the South and I can be as parochial in suggesting that these should be started immediately. I am no less anxious that these steel plants which we propose . . .

SHRI BHUPESH GUPTA : On a point of order, Sir. When we are preaching for national integration, is it proper for the Minister to say that he is as parochial as the Member?

SHRI T. A. PAI : I said I can be, not that I am.

SHRI VEERENDRA PATIL : I am not being parochial.

SHRI T. A. PAI : I was only telling the hon. Member that my anxiety to have the plants in the South is as keen as anybody else's. The point is, the Prime Minister has laid the foundation-stone. That is perhaps the assurance that the plants will come into existence. By what time we will complete this project, I am unable to say at present. The Planning Commission is considering a provision of Rs. 225 crores for each of these plants in the Fifth Five-Year Plan. But we are anxious that this money should be spent carefully and we must try to see that the production programme goes through as quickly as possible. Whether it is 2 million tonnes or 3 million tonnes as envisaged, what is most important is to go ahead with steel production earlier than what we have possibly done.

SHRI KALYAN ROY : Talking about expansion, Mr. Mohan Kumaramangalam said in this House that the installed capacity of Durgapur was not perhaps 1.6 million tonnes and there was need for a probe, and that the expansion of Durgapur was under consideration. May I know from the hon. Minister what steps have been taken to investigate into the installed capacity of Durgapur and for the expansion of the steel plant?

SHRI T. A. PAI : Sir, we have gone up to 1.1 million tonnes during these three months. I do not know about the dispute whether it is 1.6 or 1.1 million tonnes and for what reasons we have not been able to achieve 1.6 million tonnes. So far as Durgapur is concerned, I have already assured the House that we shall certainly look into the expansion programme along with the other projects.

SHRI JOACHIM ALVA : I want to ask the Minister whether he has compared the production of steel in our country with that of other countries in the last 30 years, so that we could increase our production. In the "German Tribune", the figures of steel production are given. In the USSR, it is 126 million tonnes. It has beaten the USA. In the USA, it is 121 million tonnes. In Japan, it is 97 million tonnes, in China, 23 million tonnes and in the enlarged European community, 139 million tonnes. India does not stand anywhere in this statement. It stands at about 11 million tonnes. Has

we got a programme, ministerial, managerial and production, so that by the end of the century, we will reach a target of 30 million tonnes? Unless we do that, we will be far, far behind the other countries who will go far ahead in these 25 years.

SHRI T. A. PAI : Sir, I agree that even after going ahead with our steel programme, as against an installed capacity of about 8.9 million tonnes, we are producing only 6.5 million tonnes. Last year's production was 6.5 million tonnes, of which at least 20 per cent was accounted for by the so-called mini-steel plants. In Italy, 40 per cent of the steel production is ensured by the smaller plants. And I am aware of the great strides that the other countries have made. Personally I would like to see that this country produces 100 million tonnes by 1980 or by the end of this century and not 69 million tonnes as the hon. Member says because the needs of the country will increase and the entire development of the country depends upon this. Therefore, we must have not only an ambitious programme but perhaps the strongest will also to implement it.

SHRI A. P. JAIN : Sir, I have great admiration for the Minister because he walks on earth but does not float in the air like some of his colleagues. Some of the things which he stated in the House are realistic. Now, he has stated that the cost of the product is high, the investment per tonne is high, and it takes 8 years to complete a plant here whereas in Japan it takes two years. And he has also expressed his desire to improve. Now, all this tantamounts to a revision of the steel policy. May I ask the hon. Minister whether he is going to make a comprehensive review of the steel policy and take this House into confidence?

SHRI T. A. PAI : Sir, I have already undertaken a study. I shall certainly keep the House informed of the decision that we take from time to time.

Mining and Allied Machinery Corporation, Durgapur.

*623. SHRI KALYAN ROY : Will the Minister of HEAVY INDUSTRY be pleased to state :

(a) whether Government's attention has been drawn to the news item published in

the Amrita Bazar Patrika on the 21st April, 1973 under the heading "Top Men Feud, Government pays";

(b) if so, Government's reaction thereto;

(c) whether a private audit firm has been engaged by the Mining and Allied Machinery Corporation at Durgapur for its audit; if so, the name of the firm, the fee paid and the reasons for such appointment; and

(d) whether the Audit firm has submitted any report; and if so, the details thereof?

THE MINISTER OF HEAVY INDUSTRY (SHRI T. A. PAI) : (a) Yes Sir. The press report was to the effect that a firm of auditors had been appointed by Government to resolve the difference of opinion between the Financial Adviser and the Managing Director over the annual accounts of MAMC for the year 1971-72.

(b) The newspaper report is not correct.

(c) In order to introduce proper accounting procedures, a proper system of job costing, etc. the Board of MAMC on 23rd February, 1973 approved the appointment of Messrs P. K. Mitra & Co., Chartered Accountants, for this purpose. The appointment was for a period of six months on a remuneration of Rs. 3,000 per month plus certain incidental charges.

(d) The firm has submitted interim reports relating to introduction of a job costing system in the undertaking. The final report is expected to be submitted by the firm shortly.

SHRI KALYAN ROY : Sir, the mining Machinery industry is in a mess but the mess is not as deep as in the past. The loss is about Rs. 4 crores. Sir, why is it that instead of this being audited by one of the senior officers of the Indian Audit and Accounts Service, the Managing Director went out of the way and appointed a friend of his, a private party, to audit such a huge, big and losing public sector unit?

SHRI T. A. PAI : Sir, the information of my hon. friend that the Financial Member of this Organization is an I. A. & A. S.