

**CALLING ATTENTION TO A
MATTER OF URGENT PUBLIC
IMPORTANCE**

**ABANDONMENT OF SCHEME OF 'PRODUCT-MIX'
FOR EXPANSION OF DURGAPUR ALLOY STEEL
PLANT CAUSING RESENTMENT AMONG
WORKERS OF THE PLANT AND PEOPLE IN
WEST BENGAL**

SHRI BHUPESH GUPTA (West Bengal): Sir, I call the attention of the Minister of Steel and Mines to the abandonment of the scheme of 'product-mix' of Durgapur Alloy Steel Plant, causing resentment among the workers of the Plant and people in West Bengal.

[MR. DEPUTY CHAIRMAN in the Chair THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAJI MANGALAM): Mr. Deputy Chairman, Sir]

The existing capacity of the Alloy Steel Plant, Durgapur, is 100,000 ingot tonnes of Alloy Steel a year, corresponding roughly to 60,000 tonnes of finished product. The primary blooming mill has a capacity to roll about 240,000 ingot tonnes a year. Finishing facilities like bar mill, sheet mill, forge shop, have however, been provided to handle only the present capacity of 60,000 tonnes of finished products.

2. The expansion of the plant to increase the capacity from 100,000 tonnes of ingots a year to 300,000 tonnes of ingots a year was accepted in principle in March 1971. The question of product-mix has been considered in considerable detail and a decision has now been taken to fix it as follows :

| | Tonnes/ Year Capacity after expansion |
|-----------------------|---|
| (i) Die Blocks | 4,000 |
| (ii) High Speed Steel | 4,000 |

| | |
|---|------------|
| (iii) Alloy Tool Steel | 7,500 |
| Uv) Stainless Steel | 13,000 |
| (v) Alloy Construction and Carbon Construction Steel | 176,350 |
| | 204,850 or |
| | 205,000 |

This corresponds to ingot production 300,000 tonnes per year. In addition to the expansion of the capacity of the plant, it has also been decided to set up a seamless tube plant in the Alloy Steels Plant which will utilise 74,500 tonnes of the Alloy and carbon construction steel produced by the latter. The Central Engineering and Designs Bureau have been commissioned to prepare a detailed project Report on this basis.

3. The above product-mix was decided on overall technological and economic considerations. It has been found that the most economical method of utilising the inbuilt blooming mill capacity and expanding the production of the plant is to adopt the product-mix now selected for expansion including the setting up of a seamless tube plant.

4. It will thus be seen that the proposal to expand the Alloy Steels Plant has not been abandoned but is in fact, being implemented.

SHRI T.N. SINGH (Uttar Pradesh): What is the blooming mill's capacity?

SHRI S. MOHAN KUMARAMANGALAM : The original blooming mill, that is to say, the primary blooming mill, has a capacity to roll about 240,000 ingot tonnes year.

SHRI BHUPESH GUPTA : Mr. Deputy Chairman, Sir, the reply is not happily-worded. Sir, the discontent is due to the fact that a certain decision, which was taken on 6-3-71 at a meeting in the room

[Shri Bhupesh Gupta] of the Secretary of the Ministry of Steel in the presence of many officials and representatives of different Ministries, has been abandoned. Now, Sir, according to the decision of the meeting, the minutes of which are available, certain important aspects of the decision have been given up by the Government. According to the minutes, a copy of which is available with the workers' Union, it is said:—

"On the basis of the available date, CEDB could go ahead with the preparation of detailed project report for increasing the capacity from the existing level of 100,000 tonnes ingot to 300,000 tonnes ingot, out of which, 20,000 tonnes might be earmarked for defence requirement, about 30,000 tonnes for forge shop and the balance 250,000 tonnes for rolling, out of which stainless steel /sheets could be in the region of 60,000 tonnes." Sir, this decision was supported by the workers and their Union. Then, suddenly there was a meeting of the Steel Ministry on the 23rd of July, 1972 and they changed the old decision and took another new decision of what is called 'product-mix' for alloy steel plant which reduces the production or expansion of production of stainless steel sheet. That has given rise to conflict between the management on the one hand and the workers on the other.

The hon'ble Minister says that a certain other project is being put into operation which will, according to him, lead to expansion. This is disputed by them. For example, he says there is a proposal for setting up a seamless tube plant and this will be, according to him, economical and would also lead to expansion of the entire steel project at Durgapur. I am not going into it. The workers have a different point of view. I am not an expert. But the workers and their Union have a different point of view. They say it would be uneconomical. Sir, the main contention of the workers is this; why the production of

the target of the stainless steel should be reduced? There was no need for it. The demand for it is very great and the production in other places should not mean that the production here should be reduced or frozen at a particular level. That is not at all necessary. Even if the production is raised to a higher level and production is started in other places, even then the demand is such that we will not be able to meet it. Why then, Sir, the target is sought to be reduced or not implemented according to the decision of March 1971, we cannot understand. And this has given rise to discontent among the workers and among the public also. Many of the newspapers in West Bengal have come out with strong comments. They think that this will create a serious situation and needless industrial unrest in Durgapur and also resentment among the public. To my knowledge, the matter has been brought to the notice of the hon. Minister. Mr. Kalyan Roy raised it in the Consultative Committee and deputations have also met him. The Minister, I understand, told the deputations that he had been advised by the engineers and so on. He has his own case, but the workers, too, have their own case, the men who work on the spot or men who run the industry. I do not see as to why the original plan should not be stuck to.

Sir, I want to make one thing absolutely clear. Some people are trying to bring in regional considerations and other things. Not at all. I am told that at some place, Mr. Mohan Kumaramangalam said, "You blame me because I am doing it in Salem." No, I for one would not blame you for it at all. By all means go ahead with the Salem plant. We were fighting for the Salem plant here in the House long before you came to Parliament or even thought of coming to Parliament. We have been fighting for the Salem plant and I am glad that you are doing it. By an accident of birth, you might be born in that district. But the Salem people are there and they

deserve that plant. By all means you go ahead with that plant. Any suggestion that this should be counter-posed to the Salem steel plant or the project in Salem is entirely wrong. We do not support such views. Therefore, Sir I make this absolutely clear. But that should not be made a sort of excuse, in the name of larger economy, not to go ahead with the expansion proposed earlier in the Durgapur Alloy Steel Plant in so far as production of stainless steel sheets is concerned. This is what I am saying. One should not be counter-posed to the other at all. Let Salem go ahead. Let Durgapur also go ahead in this manner. I am not at all suggesting that the hon. Minister is interested in closing down the Durgapur Alloy Steel Plant or in shrinking it. I am not suggesting it. Anyhow I am not an expert. He has got many experts around him. But I am not sure whether all the experts give him good advice. My fear is that this advice may not be always good. The workers, all of them, are saying this; there is no dissent among them. Therefore, there must be some substance in it. They are the people who run it and who will be running it in future also. I think it is necessary for the Minister in charge of Steel to carry with him the workers also. Even if sometimes they may be a little wrong, it is necessary to try to accommodate them. I am told that Mr. Mohan Kumaraman-galam, being a good advocate, meets their arguments, not so sophisticated, with his powerful advocacy ...

MR. DEPUTY CHAIRMAN : Please conclude. One of your Party Members has also to put questions.

SHRI BHUPESH GUPTA : Therefore, the demand of the workers, is this, and I would suggest to the Government to consider it—explore the possibility of sticking to the old plan which was settled in March, 1971. Try to stick to it. Go ahead with

that and keep also to the Salem project. We wish that project also success.

SHRI S. MOHAN KUMARAMAN-GALAM : Mr. Deputy Chairman, Sir, may I first of all express my gratitude to my good friend, Mr. Bhupesh Gupta, for bringing this matter before the House because it is a matter of considerable importance, and, as he himself mentioned, there is a considerable amount of apprehension — I would call it misapprehension really — among some sections of the public and the press in Bengal regarding the decisions that we have taken about the product-mix for the expansion of alloy steel plant ? Now, decisions of this character are based principally on technological and economic considerations, and naturally they are somewhat difficult to appreciate at times and also there are quite often two sides to the question, and it is not an easy matter to come to a correct decision in a matter like this. The honourable Member is perfectly correct when he said that in March 1971 it was decided to expand the ASP from 100,000 tons to 300,000 tons and the words used at that time were "in principle." The product-mix was to be : defence requirements — 20,000 tons; forgings—30,000 tons; and stainless steel — 60,000 tons; and the balance was still to be decided, that is no definite decision was taken as to how the balance was to be filled up. After this discussions took place in March and the CEDB was looking into it to prepare a project report. In July-August, 1971 further discussions took place and the question then was whether in relation to an estimate of stainless steel demand of 117,000 tons made by the National Council of Applied Economic Research what should be the manner in which we should produce such steel. After discussions we came to the conclusion that probably this figure of 117,000 tons is a slightly excessive estimate and a more reasonable assessment was 100,000 tons

[Shri S. Mohan Kumaramanglam] And the question was whether it would be worthwhile putting the entire thing in Durgapur or putting the entire thing in Salem or dividing it between these two Plants, and so on. At this time also we began to take into consideration what possibly could have been done earlier but what was not done; and that is where we should place the seamless tube plant because that is also a plant of some considerable importance for our country. The bulk of our requirements of seamless tubes are being imported to the tune of Rs. 8 to Rs. 12 crores a year. And we have to put up a seamless tube plant, somewhere in the country. Should we put that also in Salem and put something else in Durgapur? Naturally that was being considered purely on technological and economic basis. After examining the entire matter with great care, not in a hurry at all, ultimately we came to the conclusion that it would be better to keep the present level of stainless steel production in Durgapur as it is and to change the product-mix in the manner that has been indicated in the statement that I read in the beginning where the main emphasis is on the increasing of alloy and carbon construction steel to 176,350 tons from the present level of 38,500 tons. Out of this 176,350 tons roughly 74,500 tons will be used for the production of seamless tubes and apart from the expansion of the alloy steel plant which will take it up to this 2,05,000 tons of alloy steel, the seamless tube plant itself will be put up in Durgapur adjoining as it were part of the alloy steel complex. Now, the reason why we decided ultimately to put the seamless tube plant in Durgapur was that we can get in Durgapur not merely the alloy steel from the Alloy steel plant which would be necessary, that is, alloy constructional blooms from alloy steel, plant and the carbon constructional blooms, we will also be able to get pure steel plant blooms which will be used

for making another type seamless tubes; that is, that it would be useful—we were advised on technical grounds—to keep the seamless tube plant in Durgapur for this purpose. The other argument really in favour of having stainless steel in Salem was that the present blooming mill in Durgapur can only produce blooms of 40 inches width. That means 42" and when you finish, it will come down to 40". There will be no doubt that we have to go up to 48" which means 46" after finish or even 56". It is not possible to produce blooms of that size in Durgapur. Therefore, we decided that we will put up a larger semi-continuous hot strip mill and continuous casting in Salem and build it in such a way that it will produce up to 48" or 56" and that will be decided in the very near future.

The third point was that there will be no question of having seamless tube plant in Salem. They asked: Why do you have the seamless tube plant here? But we found that continuous casting is not a very sure way of producing slabs that can be used for seamless tubes. It was these various considerations that ultimately decided the matter in favour of Salem so far as stainless steel is concerned and in favour of the Alloy Steel Plant so far as seamless tubes are concerned. It is not in favour of A or B, and it is not in favour of this particular location and that particular location. The hon. Members will appreciate another fact. We originally had in Alloy Steel Plant production of Die Blocks, High Speed Steel and Alloy Tool Steel. That also needed some expansion. That is also included in the expansion of Alloy Steel Plant at the present moment. The two main criticisms are these. The main criticism is that economically Alloy Steel Plant is not going to survive. I have been advised on the calculations that have been made that if we had adopted the original product-mix which was not a clearly defined product-mix, that is of March, 1971, and if

we adopt the present product-mix, the difference will be very marginal in the sense that the present product-mix may yield a slightly better profit. This is the present assessment.

The other question which is crucial from the point of view of Bengal is what would be the employment potential? If really the change is going to lead to less employment in Durgapur and more in Bhilai or Salem or anywhere else, then certainly it is something which needs a close look. But again I have been advised that so far as the employment position is concerned, probably the present product-mix will marginally—I will not say marginally, but it will provide somewhat better employment potential than the previous product-mix would have provided. Apart from the expansion to 300,000 tonnes we are also going to have a seamless tube plant installed in Durgapur. Taking all these different points into consideration we came to this conclusion and I will ask hon. Members to help me in putting across this decision of the Government. It is a *bona fide* decision arrived at after examination of all the technological considerations involved. I was told by a delegation that went to Japan to have a look at their stainless steel plant that by and large we should not add to the number of products in any plant and it is better, for instance, for the stainless steel plant to keep either to stainless steel or Silicon steel which we are proposing to do in Salem. So far as Salem is concerned, we are going to do it. Taking all these various points into account, I think it was a very *bona fide* decision that we arrived at and I am perfectly sure that it is not going to harm the position of worker or the employment potential or the future of the Alloy Steel Plant...

SHRI LOKANATH MISRA (Orissa) :
Whydon't you shift it to Rourkela if West Bengal is objecting to the expansion? 13
RSS/72—5.

SHRI S. MOHAN KUMARAMANGALAM : With respect, I am not sure of the relevance of the question.

I SHRI PRANAB KUMAR MUKHERJEE (West Bengal) : He is very much inclined to do that. But the people of West Bengal want to keep it and expand it. In view of the economic reasons which the hon. Minister has put forward on the floor of the House, Government has decided to freeze expansion of stainless steel in Durgapur Alloy Steel Plant and in its place Government is going to establish the seamless tube plant there. I would like to know whether any comparative assessment has been made about the employment potentialities and economic viabilities of the Durgapur Alloy Steel Plant either by expanding the present capacity of stainless steel from 13,000 to 60,000 as was formerly decided in the meeting of March as pointed out by Shri Bhupesh Gupta or by establishing this new project of seamless tube in Durgapur. Secondly, has the hon. Minister made any assessment of consumption of stainless steel? He said that the present consumption of stainless steel will be 100,000 tonnes per year and in that connection I would like to know whether he has made any assessment to the effect that Salem plant which is basically meant for producing stainless steel and the present capacity of Durgapur Alloy Steel Plant to the tune of 13,000 tonnes per year will be sufficient to meet the present requirements? But has he made any assessment about future potentialities of stainless steel in the domestic market and outside market? Keeping that in view, has the scheme of expanding stainless steel production been frozen for ever or is it only for the present?

I would like to have clarifications on these three points.

SHRI S. MOHAN KUMARAMANGALAM : So far as stainless steel consumption is concerned, the assessment is that it will be 100,000 tonnes in 1979-80. The hon. Member is not entirely correct in

[Mohan Kumaramanglam] saying if I heard him correctly— that the plant is basically meant for production of stainless steel. If one looks at the present product-mix, out of somewhere around 60,000 tonnes of salable steel, the rated capacity of stainless steel is only 13,000..

SHRI PRANAB KUMAR MUKHERJEE : I was referring to Salem plant when I said that it was basically meant for that...

SHRI S. MOHAN KUMARAMANGLAM : I am sorry. I have misunderstood. Anyhow let me clarify because it will be useful if we put the facts on record. The main product even today is alloy construction steel which is somewhere around 38,000 tonnes. So far as the existing production is concerned, it is unfortunately running at a very low figure of somewhere around 30,000 to 35,000 tonnes against the capacity of 60,000 tonnes. The amount of stainless steel that is produced is only around 3,000 tonnes, that is, something like 10 per cent of present production. So far as Salem is concerned, it is meant for producing stainless steel on the one hand and silicon steel on the other. But of course as the demand for stainless steel goes up, we hope to be able to meet it in Salem as they are putting up a semi-continuous hot strip mill which will be able to produce much more steel. It may then produce even upto 100,000. The Member asked me about assessment (a) of economics and (b) employment. So far as the economics of the plant is concerned, while replying to the point raised by Shri Bhupesh Gupta I said that, if anything, the change in the product-mix will lead to a slight improvement in the economics of the plant. So far as employment potential is concerned, the expert view is that the present product-mix with the seamless tube plant would provide somewhat higher employment than

would have been the case if we had continued the 1971 March product-mix. This is the assessment. I think that makes the position clear.

There are one or two corrections. When I was replying to Shri Bhupesh Gupta's points, I made certain statements. First of all the reason for having the seamless tube plant in the Alloy Steel Plant in Durgapur was that we can make mild steel seamless tubes there using the raw-materials from the Durgapur Steel Plant nearby. It would not have been possible if we had placed it at Salem. It would not have been possible also if we had shifted it to Rourkela or Bhilai, because there we do not have the alloy steel slabs which could be used.

Then, regarding the blooming mill in the alloy plants, it is not blooms, but slabs, which are produced of 40' width and which are not adequate. The blooming mill is not big enough to produce slabs of 46" or 54' width. These are the corrections that I would like to make.

DR. BHAI MAHAVIR (Delhi) : Sir, I wish to ask only one or two questions. May I know what the present production of the various plants of the Durgapur Steel Project is, I mean, the production compared to the capacity ? In other words, I want to know the idle capacity as it prevails there. Has there been any improvement lately in the plant regarding the utilisation of the installed capacity ?

Then, Sir, the second question has been partly answered. If, as the honourable Minister has stated, it is correct that the employment position would improve by the change decided upon by the Government, I would like to know what it is that is, resentment among the workers. If there is no likelihood of anybody losing his job or anybody's pay being affected, then

what are the causes for which this particular resentment or this particular agitation has commenced against the Government's decision to change the product-mix as the honourable Minister has explained ?

Lastly, I want to know whether it will involve any change in the investment (. What change in investment would be there because of the change in the product-mix as envisaged by him after the new decision ?

SHRI S. MOHAN KUMARAMANGALAM : So far as the question of the production in Durgapur is concerned, would request the honourable Member to permit me to confine myself to the alloy steel plant, because that is actually the matter under consideration.

In 1970-71, the total finished steel was 38,621 tonnes, in 1971-72 it was 35,006 tonnes and in 1972, from April to June it was 7,131 tonnes, which is broadly about the same level, because the honourable Members will appreciate that in the first quarter it is usually somewhat below the average for the whole year. I think this answers the question so far as the figures are concerned. Of course, we are not satisfied with the position as it is.....

DR. BHAI MAHAVIR : Just a minute, Sir.

SHRI S. MOHAN KUMARAMANGALAM : __ and we are taking steps to improve it. I do not think, Mr. Deputy Chairman, that that is the point at issue here, that is, the working of the Durgapur Steel Plant. If perhaps the honourable Member wants a discussion, we can have a full-scale discussion on it later...

DR. BHAI MAHAVIR : Excuse me, Sir. Just one clarification.

SHRI S. MOHAN KUMARAMANGALAM : Let me finish. You can always ask questions. You need not interrupt me.

I do not interrupt anybody. Things can always be clarified.

Sir, the honourable Member asked why there is this resentment amongst the workers. I can only say that it probably arises out of some misapprehensions regarding the decision of the Government, out of misunderstanding. This happens sometimes because when one decision is taken, people are happy about it and then, when it is changed, they have some misapprehensions that there may be some other reason for the change. I cannot explain it otherwise and I cannot say why there should be all these misapprehensions.

Then, Sir, the honourable Member asked me whether there will be any change in the investment. Probably, with the introduction of the seamless tube plant, there will be an increase in the actual investment. But, we are still working on final plans in relation to this and I do not think that it will be proper for me to give a categorical reply until we have sorted out the details and are able to give a firm reply. If the honourable Member has any other point, I will certainly reply.

DR. BHAI MAHAVIR : Sir, the clarification I had asked for is regarding the extent of idle capacity. Why I want to know is the information I have here is that the production was something like 65% to 70% of the capacity. I would like to know if these figures are correct, because I they are quite encouraging, if they are correct.

SHRI S. MOHAN KUMARAMANGALAM : The hon. Member is referring to what I had mentioned earlier, that is, the blooming mill. That blooming mill's idle capacity was there from the start in the sense that the blooming mill had a capacity to roll about 240,000 tonnes so that we can expand it when introducing another mill. There was nothing wrong in that. Sometimes you do that when you

[Shri S. Mohan Kumaramangalam] think in terms of the future; you "over" provide in a particular area, so that when you expand you do not have to build that particular equipment. It is cheaper to provide right at the beginning instead of putting it later. That is really the position so far as the capacity of the blooming mill is concerned.

SHRI T.N. SINGH : Sir, the blooming mill is the costliest part of an alloy steel plant which has a capacity of 240,000 tonnes. This position has been in existence for the last 8 or 10 years. Not to make full use of the blooming mill's capacity will be a great error. We have already got a steel plant at Bhadravati and I do not know what has happened to that. In the Planning Commission, when I was its member we had worked out certain projections of alloy steel requirements and according to that we felt that for the Fifth Five Year Plan, even 240,000 tonnes will be enough to take care of our special steel and alloy steel requirements. How is it that original concept is not being implemented today, because running the blooming mills only to half its capacity or trying to divert its production elsewhere, because you cannot use it, is uneconomic? You have to transport the blooms or ingots to long distances. Why this costly process is being followed? I think it is second thought which has come to the mind of the Government, and on that basis they do not now care about the economics of the plant itself. I would like to urge upon the Government that it is high time that we made full use of the plant from the start and we should not shift part of its products to some other place to be rolled into some other variety of alloy steel.

SHRI S. MOHAN KUMARAMANGALAM : I am grateful to the hon. Member—very knowledgeable Hon. Member—for raising this question. But I am unable

to understand the basis of his fears. The entire decision to put stainless steel expansion is Salem and seamless steel plant in Durgapur arises out of the very consideration which he himself correctly urges upon the Government namely, full utilization of the 240,000 tonnes capacity in the blooming mill. This is the basis of the decision. Let me assure the hon. Member that it is because we want that 240,000 tonnes capacity available in the blooming mill should be fully utilized that we have settled on this product mix. The blooming mill size is such that it does not allow us to bring out slabs of higher widths namely 48 and 56 inches and finished to about 46 and 54 inches. Therefore, this 176,000 tonnes of Alloy Construction and Carbon Construction Steel, if I am not wrong, 7500 tonnes of Alloy Tool Steel, etc. will lead to full utilization of the blooming mill. And if that is the case I think the hon. Member would be entirely satisfied.

MR. DEPUTY CHAIRMAN : Mr. Kalyan Roy I am calling you in place of Mr. Raha.

SHRI T.N. SINGH : My point was that the blooming mill's output should be used on the spot itself. The economics of the plant depends on full utilization of the blooms on the spot, not by transporting them a thousand miles away and re-heating them all over again. You will have to reheat them.

SHRI S. MOHAN KUMARAMANGALAM : There is no question of transporting a single bloom which comes out of the blooming mill in the ASP according to the new product mix; no question at all. I never said so; the record may be seen; if I have, I stand corrected. The position is that the blooming mill capacity under the new product mix will be fully utilised in the ASP itself and not a single slab or bloom will be shifted anywhere else, including Salem.

SHRI KALYAN ROY (West Bengal): It is a very moving reply, I must say. But instead of clearing the apprehension, I am afraid there will be serious doubt and suspicion now. It is not, I regret to say, on the basis of a technological report but on something else that the decision has been taken. I would only request the Minister to find out what it is. He all the time says he is being advised but he knows very well that the success or failure of an alloy steel plan depends on the product-mix. It is not the tonnage which will matter because Mr. Kumaramangalam knows that during 1969-70 we had more tonnage but we were able to get only Rs.82 million. In 1970-71 there was less tonnage but we got Rs. 153 million. The product-mix was changed to stainless steel. The experts went to Japan and they got the know-how. They have mastered the technique of making stainless steel including nickel chrome—chrome type, manganese type; all sophisticated things. And they have developed it indigenously also. That is why the production in the Alloy Steel Plant has gone up to something like 60 per cent. In spite of that what is it, which particular group, which clique working in the Ministry, pressure, tactics have been used?

SHRI S. MOHAN KUMARAMANGALAM : I must protest against his insinuations, Mr. Deputy Chairman. This is not a fair way of making comments at all. Without any basis, without any facts such insinuations should not be made on the floor of the House.

SHRI KALYAN ROY : I did not insinuate at all. I have patiently listened to the rubbish. Let him also listen to whatever I say. How is it that in spite of the repeated requests of the Japanese experts, the technical people, to replace the hot strip mill by a strip mill in order to produce more stainless steel, in order to

produce more sophisticated stainless steel according to the set standard this obsolete hot strip mill was kept?—In spite of the Japanese advice. Why was not the capacity of the melting shop increased?—Is it not a fact that the reasons for the drop in production is because of irregular availability of coke oven gas in the Alloy Steel Plant? So, the question is even if you go up to 100% rated capacity if the product-mix is not proper, even with the 100 % utilisation of the capacity the Durgapur Alloy Steel Plant will be losing constantly in future. All we advise is, please give some other alternative. But in view of the fact that they have the expert knowledge they have been able to produce a sophisticated stainless steel and whatever is not possible for them is because of your failure to supply them with the facilities. Please do not change the decision which was arrived at in March in the presence of the Secretary of Steel & Mines, Mr. Sarin, in the presence of the General Manager, ASP, Durgapur, and force the workers of the INTUC, of the AITUC, of the CITU into launching an indefinite strike who have already given you 60 per cent of the rated capacity—which you have not been getting in Bhilai. So, do not force the workers into launching a strike along with the technicians, along with the skilled workers, along with the officers in order to defend a plant by this sort of new addition of a seamless tube mill and all that. This will not satisfy the workers; this will really kill the project. Mr. Deputy Chairman, I must first of all protest very strongly against the insinuation made without any basis whatsoever in fact at all that there are groups or cliques in the steel Ministry working for a particular objective; there are not. This is a matter of great seriousness which has been dealt with in a very serious manner and if the matter is being misunderstood today then I think it is contributions of this character that lead to SJ;

[Shri Kalyan Roy]
misunderstanding. Hon. Members will appreciate..

SHRI KALYAN ROY : But...Sir, it is...

SHRI S. MOHAN KUMARAMANGALAM : I am entitled to have my say.

SHRI KALYAN ROY : ...because of wrong decision and wrong planning that all this is happening and they are subjected to pressure from outside.

SHRI S. MOHAN KUMARAMANGALAM : With great respect I say I always give and try my best to give respect to all Members but it is my duty also to defend myself when charges of *mala fide* are made against the Department. If the hon. Member says I am wrong he is entitled to his opinion but when the hon. Member ascribes motives to me or to the Ministry I am entitled to resent it and repudiate it.

SHRI BHUPESH GUPTA : On a point of order. I did not want to intervene in this exchange between Mr. Kalyan Roy and the hon. Minister but when the hon. Minister accuses another Member of making charges *mala fide*, in short you are saying that something is being said in bad faith. That is not proper. Mr. Kalyan Roy believes to be true, to the best of his knowledge, that there are cliques; he may or may not be right but that is a different matter. As the hon. Minister says he has changed the decision in good faith, it is a *bona fide* change, I do not charge him of *mala fide*. But Mr. Kalyan Roy has made the charge absolutely *bona fide*. It is for him to demolish it if he can; it is for him also to demolish what he has said. Therefore I think Mr. Mohan Kumaramangalam, being, a very intelligent man, should not commit this indiscretion of accusing a Member of making a *mala fide* charge.

SHRI S. MOHAN KUMARAMANGALAM : Mr. Deputy Chairman, I never charged—records may be seen—Mr. Kalyan Roy with *mala fides*. I resented his insinuation that the Steel Ministry was acting *mala fide*. That is what I have objected to. Let me make it very clear that I did not and I do not charge him with *mala fide* but when he charges the Steel Ministry with acting *mala fide* because of the existence of groups and cliques working for a particular end, when he has imputed that the decision that was arrived at was not *bona fide*, but *mala fide*, it is my duty to defend my self and resent and I say I resent the charge which has been made without even an iota of material. Nothing is there which shows that we have acted *mala fide*. We may have acted rightly or wrongly; this hon. House and the people at large will decide whether we have been right or wrong but I do resent—and I repeat I resent—the charge that the decision has been arrived at on the basis of any other considerations except the technological and economic considerations which lead us to a particular decision which is in the interests of the country as a whole. Durgapur, West Bengal, Tamil Nadu, Salem, all these steel plants and steel production in the country alone has been the consideration for us to arrive at this decision.

The hon. Member is perfectly right in saying that the success or failure of a particular plant depends on the product-mix. We are very conscious of this. This is why we have taken into consideration what should be the product-mix for Salem, what should be the product-mix for ASP from the point of view of assuring that both the plants are able to contribute their maximum to the country's economy and also effectively provide employment production etc. in the manner that we need. But I can only say that what he has stated regarding the considerations that have moved us, and regarding the product-mix is not correct.

There is no point in my repeating myself in an elaborate explanation, because all the facts on the basis of which we came to this conclusion have been put before this hon. House.

SHRI KALYAN ROY : I will seek your protection. I asked a specific question—which he avoided—why is it that in spite of the repeated advice of the Japanese experts and the technicians there, the hand sheet mill has not been replaced by the strip mill, as a result of which production has been affected. Why is he avoiding this question ?

SHRI S. MOHAN KUMARAMAN-GALAM : There is no specific advice of this character which the hon. Member is referring to. The hon. Member is quoting from a newspaper evidently. But everything that appears in a newspaper..

SHRI KALYAN ROY : From a memorandum submitted by the union to the officers.

SHRI S. MOHAN KUMARAMAN-GALAM : Everything that appears in a newspaper or in a memorandum need not necessarily be correct. The hon. Member may also appreciate one thing that when an advice is given it is not necessary that the advice given at a particular stage is persisted with at the next stage because this is a matter under continuous discussion, and advice given at one stage or decision taken at one stage need not be there for all time if on the basis of further discussions the decision is changed. It does not mean that the original decision was right and the subsequent decision was wrong. It is a question of examining decisions on merits, and what I have attempted to put before all Members of this House is what are the merits that led us to a particular decision and I have said, I think not once but several times, that in view of all the needs of I

the country, stainless steel, constructional steel, tool steel, etc. we came to this conclusion.

SHRI BHUPESH GUPTA : The workers and the engineers there, they should be convinced. It seems something is wrong somewhere.

DR. R. K. CHAKRABARTI (West Bengal) : The main question in the whole problem revolves around the production of stainless steel. Now the demand for stainless steel is going up more and more day by day because of, as we know, the space science and technology. So it is not a question of producing 100,000 tonnes this year or next year, or in the next five years 200,000 tons. The whole problem in the Durgapur alloy steel plant arises if you do not expand the rated capacity of stainless steel from 13,000 tons. Therefore, we should confine our attention to more production of stainless steel. If we increase our production from 13,000 tons, which the hon. Minister has stated, to say, 20,000 or 25,000 then the profits which the company will fetch will be much more than if we go on producing 100,000 or 150,000 tons of seamless tubes, which are made out of mild steel. So the main contention is that if we concentrate our attention in producing more of stainless steel instead of diverting our attention to produce other products, the plant will be able to make more profits. The question is that a plant is always designed with some in-built extra capacity to produce more; at the same time it allows of expansion possibilities also. No plant is designed with a closed door policy. It can be expanded further. So the hon. Minister should allay the fears of the workers and the public of West Bengal. I request the hon. Minister to give us some categorical assurances on the floor of this House on the following four points:—

1. No reduction of personnel engaged in the production of stainless steel by

[Dr. R. K. Chakraborti] diverting them into other products division, shall take place.

2. Adequate personnel to be recruited for reaching the rated capacity of production of stainless steel after a thorough study by an expert committee on requirement of personnel.

3. New personnel shall be recruited for helping in producing diversified items such as seamless steel tubes; etc.

4. Consideration of expansion of the plant for producing stainless steel be taken up as soon as 80 per cent of the present rated capacity for producing such steel is reached. That is, as soon as 80% of stainless steel production has been reached, its expansion possibilities must be taken into consideration by Government.

SHRI S. MOHAN KUMARAMANGALAM : So far as any reduction of personnel is concerned and recruitment of new personnel is concerned, the hon. Member certainly can rest assured that there will not be any reduction and that we will be recruiting new persons in accordance with the needs of the plant when expanded. Now, so far as the question of stainless steel is concerned, I am not in a position to give him a guarantee that there will be any expansion there because the hon. Member will appreciate that we want to use the blooming mill to the maximum, a point made by my hon. friend, Mr. T.N. Singh. Now, in order to use the blooming mill to the maximum, we have planned to put up this seamless tube plant and increase the production of alloy and construction steel, because it would be uneconomical to expand the production of stainless steel in two directions at the same time. As I pointed out earlier, the blooming mill is not adequate to be able to produce blooms of the size which we

want to produce, namely, 46" or so. This is the present position. Therefore, there is no point in making out that after 80 percent, such and such thing will be done. We shall proceed with speedy implementation and after all what the hon. Member, I am sure, will be interested in is that we should have a profitable product-mix on the one hand and a product-mix that provides the maximum employment on the other. These are the two considerations that are important and whether such a product or another product is produced is not so relevant from the point of view of the area. From the point of view of the nation it is relevant because we want to produce something which is good from the point of view of the economy of the nation as a whole. From the point of view of the area where any plant may be there, what one is really interested in is that the plant should be economical on the one hand and maximum employment should be there on the other hand. As I mentioned earlier, from both points of view, the new product-mix is probably more satisfactory than the old product-mix, that is to say, we will be able to have a more profitable product-mix, the new product-mix on the one hand, and somewhat greater scope for employment than there would have been had we kept that old product-mix. Hon. Members may also appreciate that it is very much a fact that the old product-mix, if I may term it, was vague. Apart from saying that we are going to increase the production of stainless steel and so far as defence requirements are concerned and forgings are concerned we are going to have some increase, there was a very large area that was left completely blank and it required working out much more. Therefore, it is not as if a final, conclusive decision was taken in March, 1971, but looking into the whole thing, including the seamless tube plant, we came to the conclusion that this is the most economic and most profitable product-mix and I would appeal to hon. Members an

particularly to my hon. friend, Mr. Kalyan Roy, please do not think that there is something fishy about this whole affair. What is the motive for anybody to try and play ducks and drakes with such important technical and production matters from the country's point of view? There are persons in the steel department hailing from all parts of India and we are all interested in the manufacture of all these types of steel from the country's point of view as a whole. We are not going to locate it from the point of view of some subterranean and subversive point of view. What interests have we got here except to produce the maximum amount of alloy and construction steel for the nation? It is that interest that has led us to this conclusion.

MR. DEPUTY CHAIRMAN : Fiftieth Report of the Public Accounts Committee.

SHRI N.G. GORAY (Maharashtra) : Sir, just a minute. I want to point out that we have a very heavy agenda and it would be very necessary to dispose it within the next three days. So, may I suggest that we forgo the lunch period? Let this House continue from 11 A.M. to 6 P.M. without any break. Those people who want to have their lunch could go out for lunch.

MR. DEPUTY CHAIRMAN : I fully agree with you. From tomorrow we can do it.

SHRI BHUPESH GUPTA : Mr. Om Mehta, we co-operate and we are ready to co-operate with you. We want a discussion on certain things, the Wanchoo Committee Report, for example. The other House has discussed it. We shall not disperse without discussing it. The Tata memorandum and all that is there. Nothing is discussed. Then, Sir, I say

that there is an attempt to kill the ICS Bill in this Session. That should be introduced in that House and passed and we shall pass it in no time.

Now, Sir, it is possible to find time. It is I think possible given the co-operation between the two sides. Yesterday you saw that we passed the Bill before time. Shri Om Mehta came and asked me that we should pass it before half past six. Actually, although we did not like some of the clauses of the Bill, it was passed, whatever the reason was, before 6 O'clock. Now, Sir, it is possible and the Government should make up its mind and some discussions which we had been asking for should be provided here.

We have been asking for a discussion on foreign policy matters. It is not allowed. Wanchoo Committee Report, certainly it should be discussed before we disperse and other matters also. Last time, I got a very alarming news that some people are at work to see that the ICS Bill is not passed during this session so that it does not come into force immediately, so that our friends of the ICS get a little more time for retirement, and so on. That should not be done. Therefore, I say that Mr. Om Mehta should talk to Mr. Raj Bahadur. We have talked to Lok Sabha people and they are ready to have it passed in the other House. If necessary, on Friday after the non-official business we can sit for half an hour and get it passed.

MR. DEPUTY CHAIRMAN : I think from tomorrow onwards we will dispense with the Lunch Hour and sit till six or beyond six, if necessary.

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS AND IN THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI OM MEHTA) : There is no objection. If the hon. Member, Shri Bhupesh Gupta, wants it to be discussed on Friday, we

[Shri Om Mehta]
can take it up after 5 O' clock and discuss it for two or three hours. Or we can finish all the business on Saturday,

The house reassembled after lunch at two of the clock

Mr. DEPUTY CHAIRMAN in the Chair.

**FIFTIETH REPORT (1972-73) OF
THE PUBLIC ACCOUNTS
COMMITTEE**

SHRI KALYAN ROY (West Bengal)
Sir, I beg to lay on the Table a copy of the Fiftieth Report on the Public Accounts Committee (1972-73) regarding Chapter V of Audit Report Civil, Revenue Receipts, 1970 and the Report of the Comptroller and Auditor General of India for the year 1969-70, Central Government, Revenue Receipts relating to Other Direct Taxes.

**RE. ARREST OF SHRI O. P. TYAGI,
MEMBER, RAJYA SABHA**

MR. DEPUTY CHAIRMAN : I have to inform Members that the following telegram dated the 28th August, 1972, has been received from the Magistrate First Class, Saharanpur :—

**"SRI OMPRAKASH TYAGI
MEMBER RAJYA SABHA FROM
UTTAR PRADESH ARRESTED AT
SAHARANPUR IN COLLECTORATE
COMPOUND AT 3.30 P.M. ON 28-8-72
UNDER SECTION 180 IPC FOR CON-
TRAVENING ORDER UNDER SEC-
TION 144 CR. P.C. BAIL NOT OF-
FERED HENCE SENT TO DISTT.
JAIL SAHARANPUR. FORMAL LET-
TER FOLLOWS"**

SHRI BHUPESH GUPTA (West Bengal) : Sir, Prof. Nurul Hasan is here. Just give your permission for me —

MR. DEPUTY CHAIRMAN : You should have taken it from the Chairman.

The House stands adjourned till 2 P.M.

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

**THE ANTIQUITIES AND ART
TREASURES BILL, 1972**

THE MINISTER OF EDUCATION,
SOCIAL WELFARE AND CULTURE
(PROF. S. NURUL HASAN) : Mr. Deputy
Chairman, Sir, I move :

'That the Bill to regulate the export trade in antiquities and art treasures, to provide for the prevention of smuggling of, and fraudulent dealings in, antiquities, to provide for the compulsory acquisition of antiquities and art treasures for preservation in public places and to provide for certain other matters connected therewith or incidental or ancillary thereto, as passed by the Lok Sabha, be taken into consideration.'

Sir, this House and the other House have correctly reflected the sentiments of our people throughout the country that our art treasures should not be smuggled out. Various reports have been pouring in day after day, and concern has therefore been rightly shown by the hon. Members of this august House and the other House and by various scholars as well as the general members of the public. The law that had been enacted did provide for the control of the export of antiquities, which was passed in 1947. The Treasure Trove Act, the Ancient Monuments Preservation Act, the Ancient Monuments and Archeological Sites and Remains Act and the Customs Act, all these did succeed to some extent in stopping and checking large scale thefts and smuggling of art objects through the years. However, it was felt that the existing law had many lacunae, which needed to be plugged