

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): We shall now take up the clause by clause consideration of the Bill.

*Clause 2 to 6 and the Schedule were added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI BHAGWAT JHA AZAD; Sir, I move:

"That the Bill be passed."

*The question was put and the motion was adopted.*

**SHORT DURATION DISCUSSION ON  
THE ACUTE SHORTAGE OF STEEL IN  
THE COUNTRY AND GOVERNMENT'S  
POLICY IN RELATION TO ITS  
PRODUCTION AND DISTRIBUTION.**

SHRI ARJUN ARORA (Uttar Pradesh): Sir, recently I was in Bombay for some time. The taxi in which I was travelling passed through the area where the stockyard of Hindustan Steel is located. I asked the taxi driver what was that place. He replied: This is a gold-mine, I told him that I thought that the gold-mine was in Kolar in Mysore State. He said: "No, Sir. This is the real gold-mine these days." *यहाँ लक्ष्मी बरसती*

The terrible steel shortage in the country has really increased the scarcity of steel to such an extent that the taxi driver was correct in saying that steel today is gold. It is at least gold for those corrupt officers who are put in charge of the distribution of steel in the country. There is something fishy about the whole distribution scheme. We, in this House, have always asked the Minister during Question Hour to give us the details of the distribution scheme. The Minister has failed to give it or probably avoided to enlighten the House. He promised

to lay it on the Table of the House. It has not yet been laid on the Table of the House. What is available to the country is a Government Resolution on the system of planning and distribution of iron and steel dated the 22nd May 1970, which provides for the setting up of a steel priority committee, some indenting procedure and the Joint Plant Committee regularises it. The Joint Plant Committee has been in existence for some years. This is not all. The Government has repeatedly revised the scheme, not by a Resolution of the Government, but by the decisions of the Ministry.

There was a decision in October, There have been further changes in the scheme of distribution. Constitutionally, Sir, I would like to know whether the decisions arrived at by the Government as a whole in a resolution can be changed, altered or modified by orders of the Ministry and if the Ministry has only worked out details of distribution, why does it conceal it from the country and from this House? Why are the details not being laid on the Table of the House in spite of repeated demands and in spite of the promise to do so by the Minister concerned?

The present scarcity of steel has revived a situation in which this country; very rich in iron ore, exports iron ore and imports steel. This is what the imperialist rulers of this country indulged in. This is what the neo-colonialists wanted this country to perpetuate. We have, because of the bungling of the Ministry of Steel, come back to the same position where we started in 1947 or in 1955. We are exporting increasing quantities of iron ore and we are importing increasing quantities of steel. The Minister of Steel, for example, told a group of rerollers yesterday that the Government plans to import Rs. 130 crores worth of steel during the next month.

Sir, this country set up three big steel plants at huge expense, at more than Rs. 1001 crores investment, only to import steel and continue to export iron ore. Something is basically wrong in the whole steel policy of the Government. Sir, when under the leadership of Pandit Jawaharlal Nehru in 1955 we planned for setting up steel plants, private vested interests opposed it, and they said that there was no need to install steel plants in the country. The plan did not succeed as long as he was alive, and three steel plants were set up. We in this country set up a Heavy Engineering plant at Ranchi which was supposed to manufacture a steel plant with a capacity of 1 million tonnes every year. That plant was neglected and, if I may say so, sabotaged. The whole steel programme, the programme of setting up in the country a steel plant of 1 million tonne capacity every year, was sabotaged. The work at Bokaro was inordinately delayed leading to the present position. It is very interesting that in 1984 itself the Raj Committee recommended the abolition of the Steel Control which had functioned very well for 15 years and in 1967 the process was completed. Complete abolition of steel control took place in 1967. Within two years the fruits of that ill-considered policy was evident. In 1969 the steel prices began to rise. Iron bars called 'saria' in my area are the most commonly used commodity.

In 1963, the average price of saria iron bars was Rs. 700 per tonne. Last year it was Rs. 1,500 per tonne and a re-roller told me yesterday that within the next three months, iron bars will fetch him Rs. 2,000 per tonne. The result of the complete abolition of controls has been such an extraordinary increase in the price of steel, and a commodity which was sold at Rs. 700 per tonne is today sold at Rs. 1,500 per tonne, and the manufacturers expect it to sell at Rs. 2,000 per tonne within the next few months.

Sir, the Government has an ambitious housing policy. How and where

the houses will be built if such is going to be the price of iron bars which are an essential commodity, which are essential for any decent house-building, activity?

SHRI A. D. MANI; (Madhya Pradesh):  
Public sector buildings will be built.

SHRI ARJUN ARORA; Public sector buildings will not be built without iron bars. Your cottage will be built without iron bars, you may use bamboo.

Sir, it is strange that in spite of this extraordinary rise in the prices of steel, this extraordinary shortage of steel which will not only hinder house-building activity, which will ruin our developing engineering industry, the Government is not thinking of reimposing statutory controls. I have before me, Sir, a Press note issued by the Government in October which says: "In keeping with the Government policy to ensure equitable distribution of steel, without resorting to statutory controls." I must tell you and the country that equitable distribution of steel cannot be effected without statutory control and that statutory control, Sir, should be based on streamlining of distribution. Hindustan Steel Limited and Tatas should be asked to have stock-yards in every State, and reasonable quotas should be fixed for each State, and the lords of Hindustan Steel and the sales officers of the Tatas should not be given the freedom to run amok and ruin our economy. In each State the distribution should be effected under a method which gives a greater control and a greater say to the Directors of Industries of those States.

Sir, the distribution policy of the Government is also wrong because it does not give priority to the small-scale sector. The reverse is the position. In every scheme of distribution since the 22nd May, greater say, greater weightage and greater favours are given to the large-scale sector. As a matter of fact, the present distribution

[Shri Arjun Arora] arrangements of the Ministry of Steel, one may say, are designed to scuttle the small-scale industry. Sir, only this morning the Prime Minister paid tributes to the growth of the small-scale industry in Punjab during the Question Hour. One thing is said during the Question Hour another thing is done at all other hours. You go to Batala, you go to Julundur, you go to Ludhiana, you go to Amritsar^ and you find the small-scale industries there closing down for want of raw materials. The priorities in the distribution must be reversed and the first priority should be given to the small-scale sector and the larger ones coming afterwards. At present the tube-makers, for example, are told that in the small-scale sector the tube-makers will get only defective material, coils and scalp or whatever they are, while the perfect material would go to the large scale sector. There is absolute anarchy. Rolling mills in the country are not functioning to their full capacity. Many rolling mills are closed because billets are in short supply but new rolling mills are allowed to come up, and if you know how to pull the correct wire at the correct time, the new rolling mills will get full capacity of billets, even more...

SHRI NIREN GHOSE (West Bengal): And to grease the palms also.

SHRI ARJUN ARORA: I leave the palms and the greasing to you, Mr. Niren Ghosh. Why is the Government today allowing new rolling mills to come up when it is not able to give the existing ones even 25 per cent, of their requirements. Even in the case of rolling mills, the Government has permitted the existing rolling mills to import 50 per cent, of their requirements. Not all rolling mills are in a position to import. The result is that the policy of allowing imports is also helping the Nigger guys, the big rollers, the big merchants.

Sir, we do not want the Government to permit import for purposes of "trade. Imports of steel should not be permitted to enable traders to make

more money. If imports are necessary they should be permitted only to actual users and the Government must keep track of the movement of each ton of imported steel because there are instances where even the so-called actual users find it more profitable to pass off the material to others and make money in the process.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): How long will you take?

SHRI ARJUN ARORA: I will take about 15 more minutes.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): There are large number of speakers.

SHRI ARJUN ARORA: The rules are —

THE VICE CHAIRMAN (SHRI TRILOKI SINGH): The rule is a short statement.

SHRI ARJUN ARORA; Sir, I refer to the Government Resolution of May 22, 1970 which provides for an indenting procedure. This Government Resolution was followed by an announcement No. 54 of August 24, 1970. This provided for the indentors to deposit 10 per cent, of the value of their indent. Sir, the result has been that the small-scale sector is afraid of placing any indent because it cannot every time deposit 10 per cent. If it does so, it will have no money left. But there is a scandal which is going on under the cover of indenting. Sir, there are huge outstanding indents of the traders, the profiteers and the blackmarketeers. I am told that the backlog of these indents is such that during the next five years, no genuine indentor will get an ounce of steel. Huge amounts of outstanding indents are there and the Government has not asked these speculators to deposit 10 per cent of the value of their indents. The Ministry of Steel must adopt a rational attitude. It must discharge its responsibilities to the country, to the country's engineering industry and other industries. It

must immediately ask these indentors •also, who have booked the next five years' production of steel, to deposit 10 per cent of the value of their indents. If that is done, this speculative backlog of indents will disappear and the genuine users will have some chance of getting some steel for their genuine requirements. If the Government even now does not ask these indentors to deposit 10 per cent of the value of their indents and does not tell them that unless they do so their indents will lapse, I will accuse the Government of encouraging speculation, blackmarketing, profiteering and starving the genuinely growing industry in the country.

Then, Sir, the speculators—I have full sympathy with genuine traders—have also got another concession, that is, if they make any fresh indents, they will not be asked to make 10 per cent deposits or 15 per cent deposits—because of the case of traders, it is 15 per cent in the case of users it is 10 per cent—unless their indents exceed the average despatches to them during the last three years. So; whereas for the small-scale industry, it begins from scratch. The new indents of the speculators need not also be accompanied by deposits.

Sir, there is no effort on the part of the Government to relieve the industry of the scarcity of steel. Railway scrap is one of the most important materials for the re-rolling industry in the country. I am told that in the case of the Western Railway, there is a stay by some court on the sale of scrap. The result is, that the valuable railway scrap is available only to those who indulge in pilferage. It is not being sold; it is not being auctioned; it is not being allocated. Courts are bad but courts are not in-humane and I hope they do have some consideration for the economy of the

country. Why do not the Railway Ministry and the Steel Ministry see to it that that stay is vacated? Many rolling mills came up in various parts of the country which were based only on the railway scrap. Bh'aratpur in Rajasthan is a place, for example, where there are seventeen rolling mills and till some time back they were re-rolling only railway scrap. Now because of the callousness of the Ministry of Railways and the Carelessness of the Ministry of Steel, those Bharat-pur rolling mills are not getting scrap. The only source available to them is blackmarket. The mills are closing down. The small-scale industry is suffering and the Ministry is doing nothing. This whole procedure in the May 22 resolution has failed because the Steel Priority Committee does not meet, the Joint Plant Committee does not meet, and the plants do not listen to the Iron and Steel Controller. The Iron and Steel Controller has been re-appointed, but there are no statutory controls; he has got no powers; he has got only the powers of persuasion. But Lakshmi ji has more powers of persuasion than the Iron and Steel Controller. So the plants do not listen to the Iron and Steel Controller. Even the sales officers of the Hindustan Steel do not listen to him because he has got no statutory powers. And the Minister announces that he will import steel worth Rs. 130 crores. If that steel is imported the money will go down the drain and the steel will disappear unless there are statutory controls and unless there is adequate machinery and unless the whole policy is re-oriented. I give you a small case study which I have made. I refer to the Government's announcement on 24th August, 1970. A small-scale industry placed an indent, based on that announcement for 80 tons on the third day, that is, the 27th August, 1970. Planning by the Joint Plant Committee at Calcutta took three months. After these three months he has only been told that the letter of offer will be issued by the plant in due course..Why? Why does

[Shri Arjun Arora] the Joint Plant Committee take three months? And the plant may take as much time as it likes under the present procedure. This man will have only fifteen days to send his acceptance, and our post-office^ being what they are, the receipt of the plant's offer by the man and the receipt of his acceptance by the plant -may itself take fifteen days in transit. And suppose he is lucky, suppose the offer letter is issued promptly and his acceptance is also delivered to the plant promptly by the post-offices, then there will have to be a sales order again to be issued by the plant. When all this is done, the matter will again go back to a committee, the Steel Priority Committee. After priority is given, then (gain the despatches depend upon the plant: If the plant delays despatches for two years, all the love's labour is lost because the result of this procedural wrangle is to have a life of only two years. If the plant is unable to despatch for two years, the plant will very kindly return the ten per cent deposit to the person without interest; and he will have to marry again and try to produce fresh intents.

I refer to the description of the stock-yard of Hindustan Steel as a gold mine by a very fine taxi driver. The other day a friend of mine from Punjab came to me and asked me if I had some free time. My time is always free because I am not paid any fee for the work I do. All my time is free. He put me in a taxi and took me to the Parliament Street where at Jeevan. Akash or Megha Deep, the Sales Office of Hindustan Steel is located. I met some people there who had come all the way from Rajasthan, Punjab and Himachal Pradesh. The small-scale industries people from Rajasthan, Punjab and Himachal Pradesh have to come to Delhi and try to get steel. I asked them and some of them said that they had been visiting that office for more than three days; but they were not able to secure an interview from the Sales Officer....

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH) : On second, May I know how long will you take?

SHRI ARJUN ARORA: Five more minutes.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): The House shall then have to sit longer to dispose of this business.

SHRI ARJUN ARORA : The House is prepared to sit longer. That was decided yesterday.

I asked them and they told me that for three days they were waiting upon the Sales Manager, or the Regional Sales Manager or whatever that demi-God or tin-God is called, without securing an interview. I told them: "It is very easy to get an interview from the Prime Minister. You go to her residence at 8.30 in the morning and within half an hour your interview begins and it will be over soon. You may also get an interview from the Minister of Steel and the Deputy Minister of Steel. They are very soft and considerate people". But the Sales Manager of Hindustan Steel is a different type of excellency. Those

dealers said: भगवान के दर्शन आसान हैं,  
पटनायक साहब के दर्शन नहीं।

श्री कृष्ण कांत (हरियाणा) : कौन से  
पटनायक।

SHRI ARJUN ARORA: I do not know which Patnaik they referred to. It was not Biju Patnaik.

श्री ए० जी० कुलकर्णी (महाराष्ट्र) :  
आगे क्या हुआ उसका।

श्री अर्जुन अरोड़ा : हुआ क्या। मैंने कहा  
कि मैं पार्लियामेंट में तो कहूँगा और उनके केस  
के लिये कुलकर्णी साहब को नौकर रखूँगा।

Before I conclude, I summarise my suggestions.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): You may not do it. The Minister will remember them.

SHRI ARJUN ARORA: The Ministers' memory is short... Outside the House they do not recognise me. Sir, they must immediately impose full control on steel. They must immediately ask the backlog indentors to deposit 10 per cent of the value of their indents and, if they do not do so, cancel their indents. They must take steps to improve the working of the Hindustan Steel, remove corruption from the Sales Officers and as far as the plants are concerned, fix targets, fix responsibilities for the failures and improve industrial relations. Unless a concerted drive is made to improve industrial relations at Durgapur and Rourkela, the efforts will fail.

5 P.M.

Then, Sir, with regard to the streamlining of distribution, my suggestion is that the Hindustan Steel and the Tatars should open stock-yards in each State and the imports should only be by actual users and there should be full accountability by the importers.

Lastly, Sir, in view of this acute scarcity of steel which is endangering the whole economy, the Government must speed up the construction of the Bokaro Steel Plant and the three other steel plants which the Prime Minister has promised. Thank you Sir.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): Mr. Babubhai M. Chinal.

SHRI BABUBHAI M. CHINAI (Maharashtra): Mr. Vice-Chairman, Sir, even though I must concede that my friend, Shri Arora, has made out a good case out of the malady in which the iron and steel industry and trade are passing through, the remedies which he has suggested, according

to me, are not the correct ones. He is, as he is always, wedded to controls, whether it is steel, whether it is gold, or as a matter of fact, any other item and he has, in his usual way, today also, pleaded for rigid control. Control as such I am not against, but we must not forget and lose sight of the fact that with control so many other undesirable things crop up. Therefore, Sir, I am going to make certain observations which, according to me, may help the Steel Ministry and also the industry and trade.

I would, first of all, like to give a picture of the unutilised capacity of our different projects. In 1969-70, the rated capacity of Bhilai was 2.5 whereas production was 1.86 and the capacity utilisation was 74.4 from April to September 1970, production was 0.95 and the percentage is 76. In Durgapur, it was 1.6, production was 0.82 and the capacity utilisation was 51.3. From April this year to September, it is 0.32 and 40 per cent only. In Rourkela, it is 1.8, production was 1.10 and it came to 61.1 per cent and from April to September this year, it was 0.46, that is 51 per cent. TISCO capacity is 2 million tonnes, production was 1.71 and the capacity utilisation is 85.5 per cent. April to September, it is about 83 per cent. For IISCO the rated capacity is 1 million tonnes, production 0.57 million tonnes, capacity 57 per cent, and production 60 per cent.

You will see, Sir, that the public sector projects have not come up to our expectations for several reasons. It is not my desire to blame anybody for that because so many factors have accumulated to bring this particular type of things in the steel industry. The production of finished steel was 4.97 million tonnes in 1969-70 against an installed capacity of 6.9 million tonnes. There is an acute shortage of different steel materials required by the engineering industries. An estimate of the overall shortage of finished steel is 1.7 million tonnes.

[Shri Babubhai M. Chinai]

This means, Sir, that our engineering industry which has been picking up export will get a great setback. In order to remove that, the hon. Minister has very rightly come out with a policy of import of steel. But for that also perhaps we would be in greater difficulty. But I am very sorry to say that even though he has announced that he is going to import it the licences till the end of October were not in the hands of the people concerned. I would request him very earnestly to expedite these licences so that the much needed steel is available to the engineering industry, which helps our exports abroad.

Secondly, our re-rolling mills in the country are at present working only in one shift on account of shortage of supply of billets. It was suggested that import licences be given on capacity basis instead of on the basis of last year's consumption. Some positive steps should also be taken to increase the production of semi-finished billets for supply to the re-rolling mills.

My third suggestion is this, Sir. There was need for positive thinking in the Ministry so that the electric furnace industry which was in a position to increase its production is enabled to do so by providing it with sufficient scrap.

There are other ways of increasing the indigenous production of steel such as installation of sponge iron plant and continuous casting plant, and pelletisation of iron ore. There should not be any delay in approving applications for installation of such plants and increasing steel production in non-integrated plants.

There is another suggestion, Sir. There should be relaxation of industrial policy if this was likely to increase production of steel. Thus if continuous casting plant was expected to increase steel production and if its supply from the Heavy

Engineering Corporation was not expected within a short period, any entrepreneur who would be in a position to fabricate continuous casting plants should not be prevented from doing so.

Another suggestion of mine, Sir, is that there should be proper planning not only to supply essential raw-materials like scrap and billets, but other raw materials like graphite electrodes, magnesite, etc., should also be supplied in adequate quantities. It was suggested that the import of these materials required only marginal foreign exchange, and should be made so that the production did not suffer.

One other suggestion is that some positive steps need to be taken to deal with the industrial situation in important steel producing areas in West Bengal and Bihar where a few persons could hold to ransom many other workers in the plant. We know, Sir, the recent history of Durgapur, Rourkela and other plants as to what has happened there.

Then, Sir, my next suggestion is that as the supply position would not ease in relation to growing demand, Government should think even what may be considered "unorthodox" ways such as asking, for instance, the Japanese to put up a five million tonnes steel plant on a turn-key basis. This will speed up installation and production and to that extent save valuable foreign exchange. Here, Sir, I want to make one point clear. It is not that we do not have the know-how. It is not that we have not got the resources here. Sir Japan does not produce even an ounce of ore. They take away our ore for production of steel and they again re-export the steel here. Instead of allowing that, if we allow a Japanese firm to install a plant here making use of our ore and our own resources, I think that would be a proposition worth trying by the Ministry.

Another point in this connection, Sir. Till July, 1970. scrap used to be exported. Since then, electric furnace industry which uses scrap as raw material urged Government to ban export of scrap. This has been done and those categories of scrap are now not allowed to be exported which can be used by the electric furnace industry. It is expected that due to ban of export of scrap the production of steel by electric furnace industry will increase by about 3 lakhs tonnes within two to three years. This is a good step which the Government has now taken.

Then, Sir, Graphite electrode is an important raw material for electric furnace industry. At present, graphite electrodes are being produced by one unit in Durgapur. It has a capacity of 6000 tonnes but is faced with labour troubles. Its current production is around 4500 tonnes. The total demand of graphite electrodes has been estimated to be about 12000 tonnes. A suggestion had been made in the past that import of graphite electrodes would require only marginal foreign exchange and therefore import of this item should be allowed. It is understood that Government have allowed import of electrode to the extent of 4000 tonnes and an additional quantity of 500 tonnes were likely to be imported. This is likely to help to increase production of steel in the electric furnace industry. In order to increase steel production Government are considering granting permission for continuous casting plants, sponge iron plants, etc. This has been construed to mean deviation from the industrial policy Resolution in which iron and steel appears in Schedule A listing the industries the future development of which according to the Resolution should be the exclusive responsibility of the State. However, that Industrial Policy Resolution should not be applied so strictly and if national interest requires there should be relaxation in suitable cases. The cumulative losses of HSL

up to 31st March 1969 are about Rs. 162.9 crores against a total investment of about Rs. 11.00 crores. The loss after adjustments in 1969-70 was reported to be about Rs. 27 crores; this is now estimated at a lower figure of about Rs. 10 crores, due to certain factors like price rise, etc.

I would submit to the Minister that in all seriousness what is required is to see that the present plants which are there work to their full capacity and give us full production so that, the much-needed steel for our industrial development and export is available. Thank you.

SHRI KRISHAN KANT: I am glad that the House is discussing to-day the functioning of the steel industry, its production and distribution. The public sector, especially the steel industry and how it is functioning is a sad commentary on our public sector. If the programmes of the Congress Party to which we are wedded, the programmes of the Prime Minister for which she has tried to leap forward come to nought, it will be because of the sad affairs in the public sector especially the steel plants which always give a picture to the people that the public sector can never be efficient or be profitable. This is a challenge which should have been accepted long back but I am sorry that even till now the losses are continuing and production is falling. We want more steel plants but our management and everything is not streamlined. We are not able to give a good picture to the country that, "yes, the Congress Party has increased the public sector and nationalised in others and we can rightly go, correctly go in this direction.. If our party policy has failed today, the major culprits will be the public sector and the steel plants and the Hindustan Steel. So I want today that the Government should come out with some programme, some planning, that these will be made efficient, and some stricter measures and accountability must be introduced in the functioning of the steel plants. Otherwise, I am



[Shri Krishan Kant]

sorry you will not be able to justify yourself before the bar of public in the country. Sir, it is understood that, taking various factors into consideration, a 100 tonnes of ingot steel per man year should have been the target in India, and that was provided by the detailed project report. Though in foreign countries it is some 200 to 250 tonnes per man year, and in Japan it is 400 tonnes per man year, in India it is 67 tonnes for Bhilai, 57 to 58 tonnes for Rourkela, and sadly 47 tonnes per man year for Durgapur. Is this the picture of the socialist India that you want to create? Are you really serious about socialist programmes and the public sector? Are you really making a socialist organisation, a socialist sector? You are just making it a bureaucratic sector and an inefficient sector. I think all the people who have tried to function in this have directly or indirectly tried to sabotage the whole concept of socialist planning, the whole concept of planning the whole concept of the public sector, and have given bad reports. Mr. Vice-Chairman, Sir, I will not like to go into the details of its working, nor go into the question of distribution, to which Mr. Babubhai Chinai and others referred. I will only come to some other factors of production and other things, not to distribution to which Mr. Arjun Arora referred. Mr. Babubhai Chinai just now referred to the lack in production. Capacity and production will be there but never the targets are fulfilled. In the manufacture of excuses only they have achieved the full rated capacity. Sir, if the country today asks what is the total performance, they will say, "manufacture of excuses." But the country is not going to excuse you. This Government and this Ministry are not going to remain if they depend upon excuses. So it is time that when we discuss in this House—because we cannot discuss the Steel Ministry and its functioning as it is done in the Lok Sabha—when we probe into all the things that are happening, Mr. Vice-Chairman, if I go into details, it would

be a horrifying picture of corruption, maladministration and all that thing. I take it from the basic thing of raw material. Raw material supply was never properly planned, and to this day no effort has been made to rectify the situation. The extent of negligence could be understood from the fact that all these three steel plants never had any proper weighing facilities for the incoming supplies of raw material. Here I have got an article and these figures have been from the Committee on Public Undertakings. Arbitrary figures for progress, that is, excess or shortage, are fixed at 8 per cent for coal, 4 per cent for iron ore, 2 per cent in respect of materials, and 7 Per cent for coal which afterwards was brought down to 5 per cent in 1967. The target should have been plus and minus, sometimes more, sometimes less, but in practice we find that always there have been shortages. This report shows that the normal shortage, which is expected to be 6 to 8 per cent, should have been only of the order of Rs. 7 crores. But there were abnormal shortages and the abnormal shortages accounted for Rs. 9 lakhs more. So the total shortages of Rs. 8 crores were because of the short supply of coal. Yet to this day, excepting for complaining to the "Government" and Government putting forward 'excuses' in Parliament, no step has been taken. Let us take the case of coking coal, a matter which has been highlighted by the Pandey Committee who enquired into the Durgapur steel plant. And here is an interesting thing, what the Chairman of the plant himself has said before the Committee on Public Undertakings. When this matter came up before the Committee on public Undertaking, in early 1966, it was informed by the then Chairman that there were no satisfactory weighing arrangement at the points of despatch—that is, at the mines, that the weight was assessed on the basis of marks on the wagons, that HSL did not have inspectors at all despatch points to supervise loading, that weighing was not also done at the plant for lack of facilities and that

the losses came to notice only during the time of physical verification of stocks. However even this physical verification was being done in the absence of weighing facilities is not explained. This information is misleading; the Railways weigh every wagon at the marshalling yard before it is despatched to the customer, underloading and overloading beyond the limits set by them having to be penalised. That shows how everybody is completely in league in corruption and in making money. The Committee on Public Undertakings was informed by the Chairman that owing to lack of adequate weighing facilities shortage has become a chronic feature. And I want to know from the Minister why in spite of this state of affairs continuing for a long time no action has been taken except on paper. Worst of all, although the Parde Committee put the blame for the damage of the coke ovens in particular and the poor performance of the plant in general on the topmost management, all that was done was to dismiss the General Manager and the Coke Ovens Superintendent at the same time promoting the person in between them by the name of Mr. C.S.A. Raju to higher position as Superintendent of Coal Washeries. Although at that time he was indulging in corruption, only in the Durgapur plant now we can do it in all the three steel plants where washed coal is going.

One need only look into the organised corruption to swindle the HSL from the way it works from the time the raw coal is bought to the time the steel is produced in the plant to appreciate to grim horror of the situation. Coal supplies for the steel plants are allocated by the Coal Board which we shall discuss probably on Monday, how corruption is going on there and what is being done there. As I said, coal supplies to the steel plants are allocated by the Coal Board whose Chief Mining Engineer Mr. A. K. Mitra's name and of others have already figured in Parliament a few days ago as converting it into a citadel of corruption. The colliery owners take full

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advantage of it to sell coal to HSL and supply less quantity and poorer quality in collusion with the authorities of the HSL. This is made good in a plant like Durgapur by undercharging the coke ovens showing increased production of nut coke and in the last resort increased consumption in the blast furnaces on the pretext that the furnaces are not functioning efficiently. This is how the steel mills are functioning.

I have given you the table and a glance at those figures will show that in Durgapur alone there are no abnormal shortages unlike Rourkela and Bhilai because this type of adjustment becomes easy here. In the case of Rourkela and Bhilai this manipulation is done in a more ingenious way that the recovery of washed coal is less due to the inefficient functioning of the washery and of course manipulating the supplies to the DVC's power stations where middlings should go. But the middlings are sold to the people and nut coke is given to the powerhouses and that is why our pipe lines are choked. Dr K. L. Rao has made a suggestion that this erosion in DVC's boiler plants requires a research by IIT. I say it does not require any research by IIT but it requires research by the CBI which can find out how the middlings are being sold to the people and the nut coke is going to the power houses.

Next to coking coal iron ore is the most important raw material. Unfortunately the familiar excuse of pilferage cannot be given in relation to this because iron ore cannot be consumed anywhere excepting in the steel mills. So underweighting has been one method by which payment is made even after non-receipt of material and the difference is explained as due to losses in fines. This is one excuse which has been given. Bhilai and Durgapur have their captive mines. Yet periodic crises are created to provide an excuse for making emergency purchases from the private sector collieries. A few years ago a similar purchase was made from Mr. Biju Patnaik's mine at a higher price when

[Shri Krishan Kant] it was available at a cheaper rate from the other private sector mines. All this was discussed in this House and the other House also. The Committee on Public Undertakings also looked into it and made strictures. This year it has been the fate of Bhilai to purchase the ore from the private mines of Bihar and Orissa and transport it all the way to Madhya Pradesh. In the case of Durgapur the mine is managed by Bird and Company, when there are other public sector mines operated by NMDC. Apart from Rourkela and the Barsna mines, why should Hindustan Steel, after investing such a huge amount of money in Bolani in Bihar, leave it to the management of Bird and Company, complain that the supplies are poor and yet continue to patronise this private sector concern, unless it be that there are other ulterior reasons for it? There is a complete chain of corruption from mining to the making of steel. I do not know why it has not been done, but the time has come when the Committee on Public Undertakings should go into this. It is a fit case for an enquiry into the working of the whole Hindustan Steel and all the different public sector steel plants and see how corruption is rampant, how they are making money at the cost of the public exchequer to which the common man pays as taxes.

SHRI BABUBHAI M. CHINAI: Give the management to the private sector and see the result in two years.

SHRI KRISHAN KANT: Mr. Babu-bhai Chinai, I agree with you that production in the private sector is 80 to 90 per cent. I agree with you, but what I am saying is they are culprits before the people of India. When the idea of the public sector was put forward, why is it not being properly worked? That is what I am saying. The Government, the officers, the Secretaries of the Ministry of Steel and those who were Chairman of these steel plants earlier are responsible. These are the persons who should have been brought before the bar of

the public. They should have been shot dead by the workers instead of going on strike. Workers in Hindustan Steel instead of going on strike for a pay rise should have exposed how corruption is rampant there from top to bottom and- should have done something. They should catch those people. If you had done that, people would have been with you, because you are trying to modify it. The working of Hindustan Steel is not for their personal purposes. They are the culprits and they must be victimised. They must be thrashed in public.

HSL at present is composed of three steel plants, one alloy steel plant and the Central Engineering and Designs Bureau. What is the justification for all these to be part of one huge empire under one Chairman? Here I would like to refer....

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): Kindly conclude early. The hon. Member must have some consideration for other Members also.

SHRI KRISHAN KANT: I want some consideration from the House and from you, Sir, also. You will agree that the whole policy of the public sector, the whole socialist programme of the Congress Party, is going to be judged by how Hindustan Steel functions. Babus and bureaucrats have been created in Hindustan Steel. Housing colonies have been constructed at much public expense. Mr. Skatchkow, the Russian expert and Minister who came here, criticised the functioning of the public sector steel plants. Here I would refer you to the Harvard Business Review, which many of our people and even Mr. Tandon had to study. Here it says how they live and how they manage, and how the housing facilities are there in communist China. I am not saying it. It is an American who is saying it. It says here:—

"At Chinese enterprises there also seem to be no really very substantial differences in the housing condi-

tions of (managers, technicians, Reds, or workers. Top managers, lower-level managers, engineers, technicians, party cadres, and workers are all integrated in the apartment houses for which a nominal monthly rent is paid."

Here our Hindustan Steel Chairman is considered to be a management expert. Our bosses are there. See how the persons who manage the factories there in China function. I am quoting again from the American writer:—

"I was introduced to the director who was cooking dumplings in the kitchen. He was doing one of his two days a week of physical labour. I soon learned that all enterprise directors, vice-directors, party secretaries and trade union-leaders spend from one to two days each week in physical labour. So when I later saw the director of the Tienstin Watch factor »• cleaning up a shop, and a vice director of Shanghai Steel No. 3 working on a machine, I was no longer shocked"

"For example, when I was at the Shanghai Truck factory, there were three managers from the Shanghai Bureau of Transportation and Communication working in the shops."

That is how our public sector managers and top people have to function. This is how participation takes place when the managers, the General Managers and the Managing Directors work along with the workers in the factory, in the various shops. The feeling of equality is there.

"Management participation in labour at Chinese factories appears to have some favourable effects. It seems to create a type of cohesive team spirit, and to enable managers to observe and keep in close touch with concrete operating conditions and problems in their enterprises."

When we compare Indian managers and people with the Chinese, it is very interesting because; use many of our peo-

ple have been sent for management training to Harvard:—

"Many Indian managers I have met seem to know more about managerial techniques. ..."

That is, like our Chairman of the Hindustan Steel.

"... than most of the Chinese managers do. The former often read the Western management literature, and many have even attended formal management education programs. Chinese managers, on the other hand, may read purely technical literature and undergo technical training, but are not generally exposed to much management literature or formal management training. However, perhaps because of a relatively low achievement drive, the Indian manager frequently does not apply much of his potential know-how effectively in practice."

Then he goes on to say:

"The Chinese manager is typically more pragmatic, inventive, flexible, action-oriented, and interested in improving performance and results. He learns much through trial and error and persistence."

This is how, if you want to make the public sector function properly, the whole thing should be done.

Mr. Vice-Chairman, what is our Chairman of the Hindustan Steel doing? He wants to expand his empire and he is not satisfied with that. He wants to look after other aspects also. He wants to take upon himself the export and import of steel and internal distribution which really should have been the business of MMTC. He wants to become a charterer of ships, and possibly owner of ships, on the pretext that the Hindustan Steel Limited are to import and export a large amount of steel. One can understand an industrial empire like that of Henry Ford investing profits back

[Shri Krishan Kant]

so that they can compete with other lords of industrial empires.

Mr. Vice-Chairman, I want to come to some of the very important points which are not being looked after. Firstly, the labour trouble. There is a Director of Personnel who has come from the Tatas. May I know how many reports on personnel management and labour relations have been received by the Ministry of Steel? In the reports which are sent to them no truth is given. Is this the way how personnel management and labour relations are to be managed? There are some basic defects. I do not go into the whole thing.

*(Interruption)* I do not know why they are not producing refractories. There is no planning for producing refracto-

-ies. The private industry is much cleverer. They have their own re-

sources for having refractories. But we have to import and take from others, which are not of good quality. May I know whether any action has been taken against those people who are not functioning properly? Some four or five or six smaller people should have been suspended, but no action has been taken.

Regarding the Durgapur Alloy Steel Plant, we sent some of our people for training to Japan. They are paid high salary. When the transformer there broke down three months back, nobody could open the transformer. We had to requisition experts from Japan. Why are you keeping those who have learnt nothing? Then you keep the Japanese themselves here. It means the whole functioning, the present planning is very bad. Another thing is, everybody is fighting. The General Manager and the Chairman are at loggerheads. I asked the Minister of Steel that question and he refused. I know it for a fact. Is it not a fact that the General Manager of Bhilai Steel has written and has told the Government of India that the Chairman has effected transfers without consulting him? Because of that the programme of production and other

things have been affected. And all the General Managers are unhappy with the way the Chairman is functioning with them I do not know whether the Chairman<sup>1</sup> is available now. Has he come to India? Has he?

THE MINISTER OF STEEL AND HEAVY ENGINEERING (SHRI B. R. BHAGAT): He is in India.

SHRI KRISHAN KANT: When is he going abroad? The Deputy Minister ....

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): The hon. Member should confine himself to the subject-matter. He is not expected to go into the entire steel production policy. This is not the proper occasion.

SHRI KRISHAN KANT: You know, Sir, that in the Rajya Sabha we never discuss the Steel Ministry. This is the only time, when we discuss it, when we can raise these points. May I know for how many days the Chairman of HSL was at Ranchi? I want the Minister to tell me. How many days did he spend at the steel plant? For how many days was he in Delhi and abroad? I want these figures to be given by the hon. Minister.

Now, about spare parts. It takes two or three years to get them. Have we any inventory of all the spare parts. And some of the spare parts have attained junk value because hundreds of crores worth of parts have become obsolete. I do not know whether there is proper planning. I hear that at Calcutta Port more than one thousand tonnes of equipment and machinery from Bhilai are lying unclaimed. Mr. Minister, I would like to know from you: Is it a fact that at Calcutta Port more than one thousand tonnes of equipment and machinery from Bhilai are lying unclaimed and that the Port Trust Authorities there are going to auction these materials? Is this not a deplorable state of affairs, the way the whole thing is being planned?

I would not like to go into the distribution part because I know how the whole distribution of billets at the

stock-yards is being done. The Government is favouring the re-rollers, by allotting the billets at a price to the re-rollers who in turn re-roll them into bars and rods and other sections, and they have absolute liberty to sell this high-demand public consumption commodity at exorbitant prices. How can they sell these billets at such a price? But they are free to sell them at any price they like. Another very important point is that the Government has no control over that thing. Besides, special quotas are given to four or five re-rollers to roll tor (twisted) steel. It is true that the introduction of tor (twisted) steel would considerably save iron consumption. But the privileged few re-rollers like Mukands, Rathas, Calcutta Steel, etc. are selling the bars and rods at Rs. 1,700 or Rs. 1,800 per tonne, whereas the billets which are supplied to them by the Government are at Rs. 800 per tonne. This public loot is not only permitted but condoned by the Government. May I know whether they have become a party to that?

I would say that the time has come when it must be looked into. This whole thing is going to lead to an inflation in price of steel in this country. The price structure of steel in this country will get so much inflated. IDPL is one unit where the cost of production is high, I was told by an expert. Here is another Russian plant where the cost of production is much more and you will not be able to resist the increase in the price of the steel produced by it. So much warning has been given by the Committee On Public Undertakings in their Report. May I know what they have done about it? For this tragedy of steel, this tragedy of the implementation of the programme, you, the Government, are charged. Something should be done.

I think the labour there should take up the cudgels and see that they do not fight merely for wages. Sir, in India the wage ratio is 1 to 30; in the Soviet Union it is 1 to 4. I do not

want to go into that. But I have got a vast number of journals to show that in America in the steel industry the minimum to maximum is 1 to 10. You should fight for this. The labour should fight for this and see that the racketeers, the profiteers and those corrupt people in the steel plants are brought to book. That is the way of labour relations and not merely fighting, having inter-union rivalries. Sir, in the end I thank you and I hope the Government will order an enquiry at the earliest possible moment; otherwise they will be charged for negligence.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): Mr. Niren Ghosh.

SHRI AKBAR ALI KHAN (Andhra Pradesh): I hope he is the last speaker.

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): No. There are many more.

SHRI NIREN GHOSH: Sir, I would not take much time. I will be very brief. Mr. Arjun Arora has made out a good case and Mr. Krishan Kant also has inside knowledge and technical expertise, I can say. But there is Mr. Babubhai Chinai who spoke for big business as well as an idiomologue of the Japanese co-prosperity sphere.

Now, Sir, I would like to say that the country's economy works on two things, steel and electricity. In steel we were generally more advanced compared to China. We gained our independence in 1947 whereas the Chinese got their independence in 1949. Somehow or other they are treated as an enemy country. But suppose you have to learn lessons from one whom you treat as your enemy, how will you do that? Sir, within twenty years they produced at least one crore and eight million tonnes of steel. That is the assured figure even if we reject other claims, and we who were advanced produced only 6 million tonnes or 60 lakh tonnes. Now, Sir, how did this come about?

[Shri Niren Ghosh']

In the case of Durgapur and Reurkela at least the whole project agreement has been defective. It has been a turnkey project, entailing a heavy loss. As far as Durgapur is concerned, Shri Krishan Kant would be interested to know—he is not listening to me —

THE VICE CHAIRMAN (SHRI TRILOKI SINGH): He is going away.

SHRI NIREN GHOSH: He should not go away. When Shri T. N. Singh was the Minister of Steel, the Pande Committee went into it and suggested how the machinery was being destroyed or damaged deliberately time and again. We did a bit of labour but the press did not take it up.

Leave that alone. In these turnkey projects some obsolete machinery was given. At least in these two projects we are responsible. The Government should make a thorough probe whether the Germans and the British have fulfilled their agreement, the collaboration agreement they entered into. At least about Durgapur I can speak to you with some inside knowledge that the Britishers have sabotaged the Durgapur Steel plant by their designing, by the second-hand machinery, by overcharging and things like that. Mr. D. J. Bell, the then General Manager, within a month tried to shoot up the production in spite of the workers warning that the machinery would not bear the strain. They advised him to do it in stages. But in spite of them he did it and damaged a major part of it. That is on record. I do not know whether this Government will pick up courage to have these matters sorted out with the British and the Germans. There they develop cold feet. But they are on strong feet when they deal with labour, when they deal with the people of this country. That is the difficulty.

Then, Sir, there is an alloy steel plant in Durgapur. You will be as-

tonished to hear that the entire plant has been designed to produce only up to the first stage of alloy steel. The final sheets are not produced there; for that no machinery is there. These products are exported to Japan, they make them into fine sheets and sell them to India at 500 per cent profit. Can you imagine the public sector designing a plant on that basis? How could such a sabotage be allowed is a wonder. That machinery which would make the plant meaningful is totally lacking. In fact, it has been functioning up till now as a subsidiary industry to the mother industry in Japan.

Then, Sir, I would come to the JPC. How could the Government think at all that the Tatas, the Sir Birens and the bureaucrats of the HSL will sort out things and make proper distribution of steel at controlled prices to the users? Neither the Tatas nor the hardened bureaucrats can even do that. And what has been the result? The General Manager of TEXMACO, a Birla concern told me that while the price of steel plates has been fixed at Rs. 1,000 per tonne, he was purchasing it in the blackmarket at Rs. 3,000 per tonnes in order to keep the wagon-building going. I do not know whether the other wagon builders do so in Bengal because 70 per cent of the wagon building capacity is located there. So, who is responsible for this? The Tata representative or the HSL representative or the top bureaucrats. We know how much steel is produced in the country, there is an inventory. How is that steel finding its way to the blackmarket and is being sold at 300 per cent profit? So, this is the position that we have come to in the matter of steel. The employees of the Iron and Steel Controller's Office in Calcutta, those who have 25 years of grounding in the business, kept an account of the steel produced and allocated it to different parts of the country for 20 years. It was the lower echelons of the employees who were doing it, not the top people, not the Steel Control-

ler. They came to us again and again and said, "We have developed expertise in this matter. This work we can do. The JPC cannot do it. But we are being retrenched. We are not being given jobs because we are the very people who unearthed these scandals in the Steel Controller's Office." Some time or other, it came in the Press and it was debated on the floor of Parliament. They did it in the interest of the country. What was the reward they got? They were sacked and the entire allocation and distribution was handed over to the JPC, to the representatives of private business and the hardened bureaucrats.

I will tell you another instance also. Some time back I went to Bhilai. At that time, the Chief Engineer was the General Manager of the plant. The workers told me, "Because he is a technical man, at least he understands some of our problems. At least he does not adopt that much 'high and mighty' attitude in relation to the workers." Wherever you go, you will find a military General or an ICS man. What does he know of steel? How can he develop steel, production? That General Manager told me, "Look here, I have grown with this Bhilai Steel Plant for five or six years and I know every scrap of it. I have developed an interest in it. I fully know what the workers' difficulties are so that I can seek their cooperation in order to maximise production." But you see in all the steel plants all top bureaucrats are there and their favourites have been posted in high places. For every three workers there is one officer. How can you explain this? How can you explain the existence of almost 1500 gazetted officers in the Durgapur plant? It is simply a proliferation of their looting the property, their passing on steel into blackmarket, their sabotaging production. And this entire management is anti-production, anti-labour, and this is the state of affairs in the public sector steel undertakings as far as the management

is concerned. How can you expect the steel plants to achieve greater capacity under these conditions? How can you? When the labour puts forward its case, makes suggestions for improvement, these suggestions go unheeded and are treated as an affront to the superiors. The ICS officers, the military Generals, earning Rs. 4,000 or Rs. 5,000 salary and also filling their pockets with bribery and corruption and what not—that portion is not revealed—are all in collusion with Babubhai Chinai ...

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): Why do you say that? Why do you take his name?

SHRI NIREN GHOSH: I say it only as a symbol. I have not said it against Mr. Babubhai Chinai personally, not in a personal way.

THE CHAIRMAN (SHRI TRILOKI SINGH): But why do you have to bring in his particular name?

SHRI NIREN GHOSH: No, I did not mean him. He is not a symbol of corruption. He is not there at the moment. I say a majority of them are with such people. A majority of them are their proteges. They see to it that the private sector is catered to, their profits are maintained, they also share in the loot and they also become booming capitalists in the market. That is the position now. What do you expect from this public sector with its turnkey projects, obsolete machinery and black management, top heavy management, ignorant management? How can you expect the public sector projects to achieve their rated capacity? I must say it is a wonder that it is achieving so much capacity despite all these things. And for that perhaps the workers have some role to play. I do not say that the workers are all angels. Nobody will say that. They might commit some errors for their demands, for this and that thing. It is all there. It is a part of the bargaining. It is there in Tatas. It is there in every country, in the capitalist countries at least.



[Shri Niren Ghosh]

Now, as regards re-rolling, one industrialist, in Bengal, of course, came to me. Of course, he belongs to your party, the Congress (R). At that time the U.P. regime was there. So he unburdened his complaints to me. He is not getting matching steel. I think Mr. K. G. Pant was the Steel Minister at that time. I wrote a letter to him. But nothing happened. That "man showed me facts and figures I wrote a letter. Nothing was done. Then he said, "Look here, if we press for this publicly, if we publicly ventilate these matters, then whatever small steel I am getting, I will not get even that. I will not get even that small steel." There is favouritism in the allocation of steel to the re-rolling mills, favouritism from concern to concern. He gave me the figures. For that the Minister is responsible. The entire small scale industry located in Howrah, I may say, is called the Sheffield of India. Huge numbers, if not a lakh of workers, at least 70,000 to 80,000 workers are there. All these units are going down. They do not get licence, they do not get raw-materials. Still, nothing is heard from the Ministry, though umpteen times they have complained again these.

Regarding the Railways, Shri Arjun Arora said that they used to give scraps at fixed prices to the small-scale units. How they have abandoned it and scrap is now going to pilferers. This is what the Railway Board led by Shri B. C. Ganguly is doing and I do not know what gains they are making. Shri Nanda is busy with Bharat Sewak Samaj and I do not know whether he looks into these things. The scrap is being auctioned and it is going to the pilferers when the mills are closing down for want of scrap.

Now about HEC. Sir, how can we get over steel shortage, if we have to import parts and components even after 20 years? Why was it not made a condition in the collaboration agreement that we develop our own ancil-

lary industry to feed the steel plants with spare parts and components? Workers are complaining about this, not the management. Spare parts and components are a crying need of the hour. But months have passed and years have passed without spare parts and components. That is the position. In importing them there is bungling all along the line. How can you expect production to go up in such a situation? How is that even after 20 years of public sector in steel, we do not have ancillary industry and we have to import things? I do not know whether we import from Soviet Union. But why should we do it. In the collaboration agreement, there should have been a provision to set up subsidiary shops here to feed Bhilai steel plant or a central or single shop to feed the entire steel plants. Now the entire production is sabotaged. Into the bargain, a perennial market is created for the foreigners who loot our country. This is the bungling that we are doing here.

Lastly, the engineering industry and the wagon building industry is going to dogs. This is due to the strange ways of working of the Railway Board and the utter inefficiency of Shri A. K. Chanda, the Chairman of the Jes-sops, a government-controlled concern. This concern, with its 50,000 workers, may blow up any moment. That is the position to which it has come. Your Ministry, this Railway Ministry and to some extent the Industrial Development Ministry are responsible for this. The wagon building industries say that they do not get matching steel and they buy it from the black-market. The Railway Board does not place the orders in the proper time ...

THE VICE-CHAIRMAN (SHRI TRILOKI SINGH): You have already taken 20 minutes. Will you conclude now?

**श्री शेरखां : (मंसूर) हाउस कब तक  
चला रहे हैं साइब ।**

THE VICE-CHAIRMAN (SHRI TRILOKI  
SIN3H): Till seven we can finish earlier i Iso.

6 P.M

SHRI NIREi GHOSH: I suggest that the JPC should be wound up and fullest possible steel control should be established. All those employees who a e there should go back to their jobs. That is one thing. The entire management of the public sector steel plants should be overhauled and all anti-democratic elements weeded out. Those who are really the technical people, those who really know the tnings, those who really can cater to the needs of production, should be kept there and they should adopt a pro-labour attitude. We should take up also the question of the Germans and the British. They have done these projects, Rourkela and Durgapur, by the supply of machinery and erection and design. That should also be gone into. This Ministry should make it a point to see that HEC i ets up one steel plant with one-million capacity and this target is completely fulfilled—otherwise, what is he use of having the HEC here?—so that we need not go in for other collaboration agreements at all. They must see that the steel distribution ani allocations are properly controllec and proper advice is taken in this regard.

Thank you, Sir.

**श्री बालकृष्ण गुप्त (बिहार) :** उप-सभाध्यक्ष महोदय, मुझे तो बड़ी शरम आ रही है जब मैं हिन्दुस्तान के अंदर इस्पात की दशा देखता हूँ । जापान में हर साल 1 करोड़ टन का उत्पादन बढ़ता है और 5 साल से लगातार बढ़ रहा है, और 2 करोड़ टन के उत्पादन में पहुँच गया है । जापान हिन्दुस्तान से, ब्राजील से, आस्ट्रेलिया से, और दूसरे मूलको

से आइरन ओर ले जाता है, उसके पास एक छटां: भी आइरन ओर नहीं है, उसके यहां कोयला भी नहीं है, । हिन्दुस्तान में कोयला, भी, आइरन ओर भी दोनों प्रचुर मात्रा में मौजूद हैं, पर हमारी सरकार कच्चा लोहा कभी पोलैंड को भेज रही है, कभी फ्रांस के तलवे चाट रही है, कभी जापान की खुशामद कर रही है अपने स्टील प्लांट के वास्ते । आप देख हो चुके हैं, हिन्दुस्तान स्टील के 3 प्लांटों में 1100 करोड़ से 11 अरब रु० लगा हुआ है और अभी तक, बाबूभाई चिनाई कह रहे थे कि 168 करोड़ रु० का घाटा हो चुका है, अभी मेरे पास हो साम्यवादी सदस्य बैठे हुए हैं, वह भी कहते हैं कि पिछले साल 40 करोड़ रु० का घाटा था । यह क्या हो रहा है । एक तरफ तो 1000 रु० प्रति टन का स्टील 3000 रु० टन में बाजार में बिक रहा है और एक तरफ इन स्टील प्लांटों में घाटा पर घाटा हो रहा है—70 लाख टन की कैपेसिटी का स्टील प्लांट कुल 37 लाख टन उत्पादन करता है...!

**उपसभाध्यक्ष (श्री अकबर अली खान)  
पीठासन हुए)**

और रूस में जब मैं गया था 1932 में तो उत्पादन टारगेट से बेशी हुआ करता था । हमारे हिन्दुस्तान के पब्लिक सेक्टर की यह अवस्था है कि आज हमारे सहपाठी डा० गोपालदास ने लिखा है कि रूसी लोगों ने पूछा कि तुम्हारे पब्लिक सेक्टर की यह क्या हालत है वहां वर्कर्स काम क्यों नहीं करते हैं । यह सब मैनेजमेंट में जो गड़बड़ी चल रही है उसके बारे में कृष्णकान्त जी ने कहा, अर्जुन अरोड़ा जी ने कहा, नीरेन घोष जी ने कहा मैं वह सब बातें नहीं कहना चाहता । मैं तो यही कहता हूँ कि दुनिया में हम 55 करोड़ की आबादी का देश हैं सब से बड़ा आइरन ओर का भंडार होते हुए हम आधा परसेंट भी दुनिया के स्टील प्लांटों का मुकाबला नहीं करते और हमारे देश के अन्दर स्टील

[श्री बालकृष्ण गुप्त]

की इतनी शार्टेज हो रही है। यह बड़ी भयंकर चीज है इसको देख देख कर तो मुझे लज्जा लगती है। यहां की प्राइम मिनिस्टर आज की यूनाइटेड नेशन्स में स्पीच देती है और 30 लाख रुपया एक स्पीच में खर्चा होता है। हमारे दोस्त राम मनोहर लोहिया कहा करते थे कि जिस दिन हिन्दुस्तान 100 करोड़ टन लोहा बनाएगा उस दिन उसकी स्पीच सुनी जाएगी। जब तक हम साठ सत्तर लाख टन के बीच में पड़े रहें और आबादी 55 करोड़ की रहेगी तब तक हमारी स्पीच कोई सुनने वाला नहीं है। न आपकी विदेश में कद्र होगी न आपका डिफेंस ठीक होगा क्योंकि स्टील बेसिक रा मैटिरियल है और जिस तरह से कुप्रबन्ध हमने किया है 1500 करोड़ रु० एक स्टील प्लांट में लग रहा है। रूस भी आपको चीट कर रहा है। यहां हिन्दुस्तान स्टील में 1 लाख 20 हजार आदमी काम कर रहे हैं जब कि जापान में 2 करोड़ टन लोहा बनाने में कुल 4 लाख आदमी काम में लगे हुए हैं और अमरीका में 16 करोड़ टन लोहा बनाने में कुल द्वाइ लाख आदमी लगे हुए हैं। लेकिन हमारे यहां हिन्दुस्तान में क्या हाल है। अमरीका जिस काम को डेढ़ घंटे में करता है उसी काम में यहां तीन घंटे लगते हैं। यह है हिन्दुस्तान की तरक्की और यह है हिन्दुस्तान का हाल। यह सब क्यों हो रहा है और कैसे हो रहा है? पब्लिक सेक्टर के बारे में लेक्चर दिया जाता है और प्राइवेट सेक्टर को गालियां दी जाती हैं। अभी टाटा और इसको की जो हालत है वह हिन्दुस्तान स्टील से लाख दर्जे अच्छी है (ये दोनों कारखाने जिन जगहों पर हैं वहां पर लेबर ट्रावल रहती है फिर भी इन की हालत इनसे बढ़िया है। आज हम क्यों पब्लिक सेक्टर के पीछे पागल हैं और आज पब्लिक सेक्टर में क्यों इस तरह से लाखों रुपये का घाटा हो रहा है। पं० नेहरू ने कहा था कि जब स्टील प्लांट लग जायेंगे तो एक ही साल में वे हमें नफा देने लगेंगे। इधर हैवी इंजीनियरिंग का जो कारखाना

रांची में रूस और चेकोस्लावाकिया की मदद से बनाया गया था जिसको हिन्दुस्तान के गल में डाल दिया गया उसमें हर साल 40 करोड़ रुपये का नुकसान हो रहा है। वहां पर एक मिलियन स्टील बनने की कोई संभावना नहीं है। यहां पर जो साम्यवाद और समाजवाद का लेक्चर दिया जाता है वह इन स्टील प्लांटों में लागू नहीं होता है। वहां पर जो नीचे के कमचारी हैं उनकी तनख्वाह तो केवल 60 रुपया माहवार होती है और जो ऊंचे आफिसर होते हैं उनकी तनख्वाह सात हजार के करीब होती है। उनको हर तरह की सुविधा दी जाती है रहने के लिये रिहायशी भकान दिया जाता है और तरह तरह की सुविधाएं दी जाती हैं जैसी कि न अमरीका में न चीन में और न ही रूस में ही दी जाती है। श्री कृष्ण कान्त जी ने इस चीज के बारे में अभी सदन को सब बातें बतला दी हैं। मैं बार बार इन चीजों को दोहराना नहीं चाहता हूँ।

मैं आपका विशेष समय नहीं लेना चाहता हूं परन्तु जो बेसिक चीज है बुनियादी चीज स्टील और इस्पात है उसकी पैदावार हमने बहुत ही नीचे घटा और गढ़े में डाल दी है। मैंने इसके बारे में कई मिनिस्ट्रों से बातचीत की। मैंने पंत जी से, श्री पुनवा जी से, श्री भगत जी से बातचीत की लेकिन सब परेशान हैं और उनको कोई उपाय सुझाई नहीं देता है कि किस तरह से इस स्थिति को ठीक किया जाये और क्योंकि ठीक किया जाय।

आज नेपाल के साथ ट्रेड की बातचीत चल रही है और स्टेनलेस स्टील भी एक आइटम है। दुर्गापुर में स्टेनलेस स्टील का कारखाना भी बना है। जापान में स्टेनलेस स्टील के दाम 10 रु० किलो है और वही यहां पर 40 रु० किलो में बिकता है। जापान से नेपाल के ट्रेडर्स हिन्दुस्तान का पास माल भेज कर उसके बदले में वे मंगाते हैं और इस तरह से 50 प्रतिशत एक्सचेंज राजा

नेपाल रख लेता है। इस तरह से उसने 100 करोड़ रुपये का एक्सचेंज इकट्ठा कर लिया है और स्विटजरलैंड के बैंकों में जमा है। इस तरह से बाहर का स्टेनलेस स्टील यहां आकर बिकता है और इसी वजह से नेपाल के साथ ट्रेड पैकट में साइन नहीं हो पा रहे हैं। क्यों नहीं हम स्टेनलेस स्टील का एक मिलियन टन का प्लांट हिन्दुस्तान में बनाकर डाल दें। क्या हो रहा है और क्या नहीं हो रहा है? किस तरह से इस देश में इस तरह की हालत चलेगी। यहां पर बड़ी बड़ी बातें की जाती हैं मगर होता कुछ भी नहीं। रात दिन आप देखेंगे कभी किसी का लेक्चर होता है कभी किसी की फोई कान्फ्रेंस होती है कभी कोई सेमिनार होता है कभी कोई टेक्नोलाजी के सम्बन्ध में कंवेंशन होता है लेकिन हिन्दुस्तान के कारखानों की हालत दिन प्रति दिन खराब होती जा रही है उनका प्रोडक्शन नीचे गिरता जा रहा है और चीजों के दाम बढ़ते ही चले जा रहे हैं। नासिक के प्रिंटिंग प्रेस में नये नये नोट छापे जा रहे हैं और रोजाना महंगाई बढ़ती ही चली जा रही है। इसलिये मैं क्या कहूँ, क्या न कहूँ लोगों ने तो बहुत टाइम लिया, लेकिन मुझे ज्यादा टाइम नहीं लेना है। इस चीज को सुधारना ही होगा, इसमें सब को लगना होगा और जब तक हम सब लोग इकट्ठा होकर चाहे सरकार हो, चाहे पार्लियामेंट के मेम्बर हो, जब तक हम सब लोग मिल कर कुछ नहीं करेंगे तब तक यह देश धीरे धीरे गर्त में डूबते ही चला जायेगा और यहां पर नक्सलिज्म फैल जायेगा।

SHRI A. G. KULKARNI: Anyway, Sir, I have to put some matters for the small-scale sector before the Minister and the Government otherwise I will be failing in my duty. The point is, the problem of steel production, distribution, haulage and all these other types of difficulties which we are facing have been accentuated actually by the shifting policies and shifting of emphasis on the type of steel policy and perspective planning for steel, and the entire blame lies on the Steel Ministry of the Government of India and the Planning Commission. Sir, I do not want to take more time on the planning and production side because so many of my friends have spent more of their time in pointing out and highlighting production problems. Here also will be failing if we do not say that the main culprits for the slow economic growth are the vacillating policy and the *ad hoc* decisions taken by the Steel Ministry. The entire economic growth and export programme of the country have been halted because of steel shortage. Why I say *ad hoc* decisions and vacillating policy is because at the time of recession there was a panic in the minds of the Steel Ministry and the Planning Commission as to what would happen to this country.

Sir, droughts and shortages always occur but the Government must have a strong will to redraw its own perspective planning and if they had done it in those years these present conditions would not have come.

I also do not want to go into comparisons of our productivity. Our steel plants are absolutely low grade in all types or in all comparisons connected with the measuring up of the efficiency of other steel plants in the whole world. But I do not blame the persons who are there. I am a man who believes that autonomy must be given to all public sector units and we must give all free latitude to the young technocrats who want to achieve success. But autonomy also has

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Mr. Kulkarni.

SHRI A. G. KULKARNI: Sir, I won't take more time of the House. I know that people are losing interest . . .

SHRI BHU ^ESH GUPTA (West Bengal): After some time you will see that the Chairman also has left the House.

[Shri A. G. Kulkarni.]

certain limitations. I am not going into shortages and all those things. They are for the auditors and the Steel Ministry to go into.

My basic difficulty is with the Steel Ministry on the policy of distribution of steel. Ultimately the entire image of the Ministry and the Government is damaged because of the varied distribution system and the rampant corruption at every level in the policy that has been and that was working up till now and I do not know whether this new policy is going to achieve any miracles. Previously, that is, since 1944, the Government had one Iron and Steel Controller when controls were clamped. Then one Raj Committee was appointed which had highlighted certain matters. Further, the small-scale industries boards and other industrial organisations also had highlighted the weaknesses of different policies. The Government then appointed the Luther Committee and that Committee also had gone deeply into the distribution system. I do not know what has happened to the report of the Luther Committee, whether it had seen the light of the day, whether it is in the archives of the Steel Ministry or which department it is lying with. I do not know. But the small industrialists had much hope in the findings of the Luther Committee which had studied in depth the problems of supply of iron and steel to the small-scale sector.

Before going into the distribution system as such I also want to get a clarification from the Government. I have read in certain papers that in the new distribution policy very little has been left for the traders because it was found that the traders are a class which has exploited the iron and steel control and distribution system to the maximum benefit. I want to know whether it is a fact or not. I read that Mr. Bhagat went to Bombay very recently—within the last fortnight; I stand corrected. I do not allege anything—and inaugurated some

trade seminar organised by the iron and steel distributors' association or some private traders' organisation there. I was trying to find out the cutting wherein it was specifically mentioned that Mr. Bhagat promised them certain materials and certain favourable treatment in the steel distribution policy. I would like to know whether it is not a fact. Let the Deputy Minister clarify because I am told that the Minister has left for some other engagement—might have been a more pressing engagement than being present in Parliament. I wanted to tell Mr. Bhagat that traders have no place in the distribution policy at all. It is for the Government to deny it. The distribution system lags in various ways. I am not going to completely denounce the Government but I know there are some welcome features and the Government has realised the important place that the small scale industries occupy in the country's engineering and other type of iron and steel based industries. Having said this, I would say that only yesterday Mr. Bhagat inaugurated a re-rolling seminar in Delhi and there the leaders of the Federation of Small Industries' Association and the Re-rollers' Association charged the Ministry of callousness on the part of the Government in giving discriminatory treatment to the part of the Government in giving discriminatory treatment to the small scale re-rollers, who require billets or a certain type of scrap. I am not going to develop this because Mr. Bhagat assured them that he would consider the matter but the callousness stands for a fact that a Committee was appointed to assess the position because the re-rolling business in this country is to be condemned at the highest level. There are only 25 to 40 re-rolling mills that are supposed to be recognised by the Government who are getting the cream of the entire billets available in the country and the decentralised re-rollers that have come up, in the wake of the Government of India's policy of

centralisation of industries, in the backward regions are not recognised by this registered Re-rolling Mills Association and the new incumbents are about 300 or 400. I think it was highlighted that at these small re-roll-mg mills are at the mercy of the registered association. This Government which professes so much of socialism from house-tops must come out and see that there is no monopoly of these 40 re-rolling : amilies in this country and that all the billets available are distributed pre-rata as per the recommendations of the State Government. I can understand that the new capacity has been developed without reference to the State Director of Industries or the Ministry of Steel but on the one side you want employment and you want to see that the industry must go to the backward regions and on the other hand you want to kill the industry for the benefit of these 40 houses. Mr. Qureshi will do good if he thinks about the logic and rationale when we say that these big industrial houses control the economy of the country. I am told that the Luther Committee made some recommendations. I was discussing this matter with the Chairman of the Small Industries Association of Maharashtra State. [I was told that some differential price policy was enunciated. There is a logic why a differential price policy has to be accepted. In this country during the last 15 or 20 years we have found that whenever controls are clamped, corruption starts and controls are clamped when shortages are there. In the new steel policy you are again bringing in controls. If you introduce differential price policy scheme just as in the Coal industry or the organised DGTD sector and the cooperative sector, the bulk of the stock would go at the market price so that the Government will not lose money; otherwise, the entire difference between the second column and the market rate is pocketed by the middleman, the officers and the bureaucracy. I do not want to mention the higher-ups. One can know who they are. Sir,

why I wanted to say this is because the small-scale industries association has particularly raised four points only highlight, and then I have done. One of the points was that the new distribution policy is based on the best year's production of 1967-68, 1968-69 and 1969-70. You know, Sir, the ancillary character of the small-scale industries and that these were organised immediately after the recession. So, Sir, the small-scale industries have demanded that a period of five years should be taken into consideration while fixing their capacity for consumption, and it is a small matter and Government can go into it, and they should immediately agree that the period of five years right from 1967 would be taken, so that some justice could be done to their requirements. Then the second point was that there is some earnest money required to be deposited with the producers. Here, Sir, because the big industries in the organised sector are paying 10 per cent, you say that the small-scale industries should also pay 10 per cent. The small-scale industries, as you know, Sir, are very much starved of credit. So, if you give them a concession up to 5 per cent, that will also work. Another difficulty, which is a workable difficulty and which perhaps the Ministry will appreciate, is that for the entire financing of this iron and steel it takes about a year, six months, eight months, two years and sometimes five years. Here, Sir, the State Bank of India usually wants a small-scale industry to open a letter of credit, the order being in the name of the small-scale industry. The State Bank of India will issue the guarantee for 90 per cent of the money provided that, if the material is not supplied, the State Bank of India should get the money from the Hindustan Steel directly, because it is a risk without any commensurate guarantee from the small-scale man. It is just a practical difficulty of the State Bank of India. Why the Steel Ministry is not responding to such a small suggestion, I do not understand, Sir. That also requires

[Shri A. G. Kulkarni.]

consideration. Another two points. It is very good now-a-days that in the matter of consumption certificates the Ministry has decided to recognise the consumption certificates by the mechanical engineer or some such authority. It is quite a nice thing. Now the last point about the stock-yards. The stock yards are charging heavily as my friend, Mr. Arjun Arora, has said. About the stock-yards and the officers managing them, the less said, the better. I do not want to use very very strong language. I can use it, I am competent to use! so many harsh words but, Sir, to say the least, they are the most corrupt people, and the corruption breeds there. I wanted just to give you an example. I told Mr. Bhagat a suggestion when he came and asked what I wanted to say.

SHRI M. V. BHADRAM (Andhra Pradesh): Also use those strongest words.

SHRI A. G. KULKARNI: It is left for you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Your turn is coming now for you to have your say.

SHRI BHUPESH GUPTA: Corruption in some quarters breeds contribution to the election fund.

SHRI A. G. KULKARNI: This may be the reason also. Sir, what I wanted to say was this. Here is the present distribution system. We were demanding from the Government and the Steel Ministry that the Small-Scale Industries Corporations of the various State Governments should be recognised. They have recognised them now. All well but do you know, Mr. Qureshi that the Small-Scale Industries Corporations are paying 'on money' to the Hindustan Steel, to the Joint Plant Committee

and even to the despatchers at the yard-level. This complaint was made when Mr. Pant was the Minister in the Ministry. Then, Sir, my complaint was, unfortunately, sent to the Hindustan Steel. Then that big boss sitting there thought that "here is some Member of Parliament who thinks much of himself, and he has complained against us." He stopped the entire supply to the Maharashtra State Small-Scale Industries Corporation. Then, Sir, those people, whose cause I espoused, came to me and said, "For heaven's sake please save us from our friends and please do not espouse our cause in Parliament. Be done with it. Otherwise, we will not get goods for another two years." Now Sir, the State Government are paying 'on money' to the Hindustan Steel. There are others. What of the small-scale industries? What are we talking of? So this is the condition of corruption. The pest of corruption, the den of corruption is the Hindustan Steel and the Hindustan Steel is a corrupt affair, nothing else. I have done, Sir.

SHRI M. V. BHADRAM: Mr. Vice-Chairman, Sir, the other day the Minister was replying to questions saying that the rated capacity of the steel mills is 9 million tonnes whereas we are producing only 6 million tonnes and the existing demand is not meet the demand of the country the capacity of the existing steel plants will be expanded and also new steel mills will come into being. Although it is envisaged that a target of 19 tonnes will be reached, we have to remember that steel in a developing economy is a basic raw material and

the whole economic development depends on the steel that is available in the country. But the Ministry or the Government has not taken serious note of, or shown serious concern about, this thing. The Government is committed to socialism and unless the whole country is industria-

Used the aspirations or the motives behind the object of socialism cannot be achieved. What are they doing to achieve them?

First of all let me say that each public sector undertaking has become a private estate of some of the officers and in t us case an ICS officer who does not know the ABC of the Steel industry is the supreme authority there to decide everything. In this connector I would like to mention one fact. When the British were ruling our co intry they created the Indian civil service and they were supposed to be servagnas They were supposed to k iow everything on the face of the earth and they could handle any portfolio on the face of the earth. But in these days the Government's mtire function was to govern and no other activity was there. The en;ire administration was law and order oriented. After independence the functions of the Government have multiplied. It has become industrialist, it has become businessman and what not but the legacy which we hav? inherited from the British is still with us. Instead of the ICS we have mw the IAS the Indian Administrative Service and they have become sarvagnas today. An IAS officer means, ie can be a Finance Secretary, he can be a Managing Director of a steel plant, he can be the Chairman of a Port Trust and what not. And this is creating a serious problem. After all, the administrative officers 'an interpret the rules and by tact run the Administration. It does not require any technical knowledge in he sense that if one wants to becon e an engineer he has to study the subject for five or six years and then after he has to gain experience in l uilding up industries or whatever it ;s he wants to put up. In our country because of the British legacy the clasj I citizen is the IAS officer, not the ngineers or the technical men. Thi order should be altered. Technical people, whether civil engineer 01 mechanical engineer, - whoever it may be, should be given priority in this hierarchy in adminis-

tration. Thus has to be changed. Whe<sub>n</sub> these industrial plants are managed by the IAS and ICS officers there is severe heart-burning because over the chief Engineer who constructs the plant the decisions are taken by the Administrative Officer. This should be altered; otherwise our country cannot advance.

Secondly, the IAS officers who are in the plants do not know how to deal with the workers. Personally I have been in the trade union movement for the last 30 years and I am finding it difficult to deal with the young worker who is coming up now. He is a different type of worker and I cannot deal with him as I have been dealing with the old type of workers already there. A bureaucrat going from Delhi or any other place cannot deal with the workers. They are highly technical, highly skilled people and to deal with them is a problem. So the foremost consideration for any officer to be posted in an industrial undertaking should be whether he can successfully deal with labour and have good industrial relations. This is the sort of problem that has cropped up in Bhilai, Durgapur, Rourkela and other public sector undertakings. This is the malady before us. If you want socialism—let alone socialism, if you want industrial development—these things should be rectified. It is not a question of autonomy; it all depends on the officer who mans the whole thing. If he is a good officer it will run; if he is not a good officer and if as someone said he is greasy, the whole thing will go to dogs. In this connection I would like to point out one or two cases. There is an example in my own place. There is one factory called the Andhra Steel Corporation Rerolling Mill. That factory has one MLA and one MP on its board of directors. It is running not only one shift, but two shifts. Not only that. He is setting up new plants one in Hyderabad and another in Madras, but his balance-sheets always show either a loss or a



[Shri MT V. Bhadrarcf)

nominal profit. I do not know from where he is getting money, but I can say that he is a man with tact and he knows how to manage people at various levels. This is *the* whole secret of it. That gentleman has his office in Calcutta. He has one unit in Vizag and another in Hyderabad, but incometax he pays only in Calcutta. Those people have nothing to do with these units and they do not know anything about these.

I would like to point out one example to show how a public sector plant of Hindustan Steel is being managed. There were 1216 cases of cargo consisting of machinery for the Bhilai steel plant. They were imported from the Soviet Union. They arrived at the Visakhapatnam port. I will give you the dates on which each cargo arrived. There is a senior shipping officer a hundred yards from the port. The port trust authorities gave notice to him. He did not care to reply to the notice. It was about to be auctioned and sanction was about to be given on the 25th of last month. It means 1216 cases of machinery belonging to Bhilai steel plant. What is this officer, who is only a hundred yards from the dockyard, doing? He did not reply to the port authorities saying such and such were the difficulties and so he could not do it. I will tell you the secret of it. It will be auctioned. A man like me or somebody who is interested in the auction will purchase it and sell it to the Bhilai steel plant at a higher price. He will thus make money. In this the auctioneer and the senior shipping officer are in league to cheat the public and cheat the Government and the plant. The machinery cannot be used elsewhere. I will just quote something and finish. It so happened, being a member of the board of trustees, when it came before the board, I said that being a public sector undertaking it should not be auctioned. I said the whole matter should be deferred and that the managing director or whoever may be the officer concerned should

be addressed demi-officially about the cargo. Then, other things followed. The particulars are:—

16th March	..	9 cases
7th April	..	18 cases
27th April	..	73 cases
10th May	..	178 cases
12th June	..	62 cases
13th July	..	220 cases
3rd August	..	301 cases
29th August	..	355 cases
Total		1216

This is all machinery for the steel plant. This was about to be auctioned. Who is going to pay for this? I would like to ask the Minister why the officer-in-charge, next door, did not take care at least to take permission from the port authorities to delay the matter because of some other difficulty. He must be sacked immediately. He must be sacked immediately otherwise you cannot remove corruption. The second thing is, if there is any difficulty in getting delivery, what an officer can do is to execute an indemnity bond and take delivery of the whole thing. Why this simple thing is not being done? This is the way the steel plants are being run. The Ministry should take serious note of all these things and weed out the corrupt officials wherever they are. Thank you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): There are three more speakers. May I request them to take five minutes each? Mr. Raju.

SHRI V. B. RAJU (Andhra Pradesh): Mr. Vice-Chairman, there is not much to say. It will be a mere repetition. I would not take much time. A minute or two I will take. One thing I would like to bring to the notice of the Minister, the requirement of the rerolling mills from the Railways. It has been already com-

merited upon i nd criticised. It was being given at a fixed price for being allotted. Why should the Railways auction? In this auction what happens I hope the Minister knows. If he does not know, he must at least try to know how it takes place. A few bidders join in o a cartel. They come from different jarts of the country. A few bidders particularly who have lot of black mone; manage to purchase in the auction. They keep it. They would not even distribute it. They would not sell it in the open market unless they get a good price, and it is such a racket hat is going on which the Railway Minister and the Steel Minister have to make some enquiry into, because it has been reported to me and it is subject, to correction.

The progress of a country is judged by two particular achievements, that is, the indices in respect of utilisation of electrical energy and the consumption of steel. These are the two things. I need not actually take the time of the House, the House is so thin during discussion of such an important subje:t as this, but on other occasions we fit d the House full. Unfortunately in oar country such things happen. Now o actually lift ourselves up by the bootstrap? It is a challenge to the Ministry, to the Government, to the n: tion. I read in some news item that Japan has added 14 million tonnes in one year to its installed capacity, and it is said it is going to exceed 100 million tonnes. We have been struggling for 10 million tonnes. We h<- ve hardly reached 9 million tonnes installed capacity. When the production is converted into finished steel, it comes to 5.6 million tonnes, and the gap between demand and supply is ; reat.

The greatest danger to democracy in this country, as I understand, is not Naxalites, i I not anybody, is not any political party. It is black money. Unless democracy destroys black money, bl ick money is going to devour democracy. That is going to happen in this ountry as I see with

1594 RS—9.

my 34 years' experience in public life. What is happening? Scarcity and shortage in the market lead to accumulation of black money. The Ministry must feel its responsibility. Production, it cannot be achieved in one moment. Durgapur is the sick child of our steel industry. It has been said very well by Members who spoke earlier—I need not go into those matters. It is in the best interests of the Ministry, if they allot a day for a debate on this. It is worthwhile because in this House we get educated. And really you get educated from the experience of the different Members and from the information they gather. It is really an education. By merely reading the newspapers or the Administration Reports, we do not get this kind of knowledge of things. It is a challenge now particularly to the person of the Minister, to the Ministry and to the Government, whether they can actually make any improvement in the steel industry.

As I promised earlier, I am not going to take much time; but I would say a word about the stockyard business about which much has been said. The stock yards are set up especially in the metropolitan towns by the producers, and it is said that a higher freight has to be borne, from Rs. 60 to Rs. 100 per tonne, by the consumer. Then the stockyard remuneration comes to Rs. 100 or Rs. 150. Now those particular re-rollers who have the privilege of getting the billets, get them at Rs. 729 per tonne f.o.r., whereas this scrap has to be paid for at the rate of Rs. 1,000 per tonne. Now, how can the small re-rolling industry develop. So, I would like the Ministry now to concentrate upon removing the evils in distribution, and I would very earnestly plead for a reimposition of controls, whatever may be the difficulties that may arise out of this new approach. Sir, it is necessary. It was a great mistake that was done in the abolition of control—control of movement, control of stock, control of prices.

[Shri V. B. Raju]

Then, another thing that is to be taken note of is that steel should not be used for non-essential purposes. It has now become a scarce commodity. It should not be put to non-essential use. Therefore, a lot of study has to be made. It is not merely a debate about the steel problem or how the Government understands the House or how the House understands the Government. As I said, the success or failure of the steel industry is going to decide the future of democracy.

THE VICE-CHAIRMAN- (SHRI AKBAR ALI KHAN): Mr. Mallikarjunudu.

SHRI CHITTA BASU: What about me, Sir?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Then you can speak. His name was struck off earlier.

SHRI V. B. RAJU: This bloc is a responsible bloc, Sir.

SHRI K. P. MALLIKARJUNUDU (Andhra Pradesh): Sir, I am thankful to you for giving me this opportunity even at the fag end of the debate. Sir, Mr. Arora while speaking described steel as gold under the present circumstances. I would like to describe it in a different way. I should like to say that steel is the seal of civilisation, much more so, of modern civilisation. Unless the steel industry is developed, no nation can call itself civilised or modern. You know, Sir, that Britain became one of the leading countries of the world after the Industrial Revolution because of the development there of the steel industry. Hence, it is necessary that if any country wants to become an advanced country and a modern country, it has got to develop its steel industry. From that view of the matter, we are trying to build up the steel industry to the best of our ability. But, Sir, as already pointed out, our rated capacity is 9 million tonnes and

the actual production is only 6 million tonnes. There is a gap of 3 million tonnes. One thing that we have got to do is to bridge that gap. We must see that production approximates to the rated capacity. Unless we do that, there is no way out of the situation. Everybody feels that there is a tremendous shortage of steel at present. I know from my personal experience that there is such a shortage. I may tell you that at Masulipatnam; my town, there is a college called the Hindu College which has been given a grant of one lakh and twenty thousand rupees by the University Grant Commission for the construction of a physics laboratory. We have been trying for the last so many months to get RS. joints. We are unable to procure them so far because of the scarcity found in the steel market. It has been stated, Sir, that there is acute shortage of sheets, plates and certain non-flat products like billets and wire rods. It has also been stated that shortages are felt in things like bars, rods, joists, etc. In all these things which are required by the industry feel acute shortage. You know, Sir, that for purposes of defence, for purposes of the Engineering industry and for purposes of other industries also steel is required. When acute shortage is felt in such an important sector, then it is a matter for rethinking. The real remedy lies in increased production.

Sir, it has been estimated that the demand of finished steel by 1973-74 will be 7.12 million tonnes. How can it be met unless that much of finished steel is produced? It is not possible to meet the demand and the Government hopes to raise the capacity from 9 million tonnes to 12 million tonnes by the end of the Fourth Five Year Plan. How it is possible I want to know. When we look at the Bokaro steel plant the construction is delayed inordinately. We are told that by the end of 1971 the first blast furnace will go into operation, but we are not sure whether it will go into operation by that time. If it is delay-

ed where is the remedy for increasing production? Unless production goes up to the extent of 12 million tonnes we cannot satisfy the demand of the people, even the domestic demand, let alone the demand of exports. Under these circumstances the Government should try to the best of their ability to expand the existing steel plant and to see that the requirements are met.

Sir, in order to meet the demand of stainless steel sheets and plates for the transformer industry new projects at Durgapur and Bhilai were contemplated. I wish to know from the Government how far these projects have made progress. Have these projects reached the stage of development?

Besides, Sir, it has been said that billet production will be given to the private sector. If it is a fact, I wish to know how much progress has been in that direction. These are certain things which the Government has got to address itself.

Then, Sir, with regard to distribution much has been said. I do not want to repeat the same points. But in this connection I want to congratulate the Government on the freight equalisation scheme. It has a good scheme which tries to secure uniform rates at the railheads. On that score I should thank the Government for introducing such a good scheme.

With regard to prices, Sir, one thing I might say. There has been an increase from the 1st of January, 1970. After that, recently there was some wage increase in the steel industry. If the wage increase is to be carried out I want to know whether it is possible to see that steel prices do not increase. I would urge the Government to see that in spite of the wage increase, the steel prices do not go up and they are maintained at least at the present level.

Finally I would like to summarise the points which I wanted to present. First, production should match the

installed capacity as far as possible. As I have already stated, there must be the closest approximation of production to the rated capacity. Secondly, the annual loss on Hindustan Steel must be reduced. The annual loss on Hindustan Steel has been stated to be Rs. 40 crores. It is not my figure; it is not the figure of an Opposition Member, it is the figure given out by the Government itself. Unless this loss is reduced, the steel industry or Hindustan Steel cannot prosper. So, they must take steps to reduce the loss incurred by Hindustan Steel. Thirdly, the prices of steel must be kept in check. Fourthly, better industrial relations should be ensured. Fifthly, the work of setting up new plants should be proceeded with in right earnest. Sixthly, there should be a proper distribution mechanism. Lastly, priority should be given to the small-scale industry and the agricultural sector. With these few words, I conclude.

SHRI CHITTA BASU (West Bengal).

Sir, I will be very brief: I do not like to take much of the time of the House.

Sir, we are all acquainted with the steel map of our country to-day and it has been very elaborately discussed in this House not only to-day but on other occasions also. It has been stated by the Government that the total availability of steel in 1975-76 will be 8.45 million tonnes against the anticipated demand of 10.5 million tonnes. Sir, there are certain figures which I do not want to refer to now, but the saddest part of the story is that actual production during the first six months of the current year has been well below 50 per cent of the programmed production for the year. This I say from one of the replies given to us only a week or two ago. This is the state of affairs with regard to the production programme of our steel mills.

Now almost on all the occasions it has been said that the industrial relations are very much responsible for the fall in production. Sir, I do not

[Shri Chitta Basu] agree, and I wish to contest that point. And in order to contest that point and point out that it is not the industrial unrest only which is responsible for the fall in production, I want to refer to the much-maligned Durgapur Steel Plant. I have mentioned in this House many a time that in 1964-65, the Durgapur Steel Plant made a profit of Rs. 50 lakhs, but in the next year, the Plant incurred a loss of Re. 2 crores. The highest loss was Rs. 17 crores, in the year 1968-69. Sir, I agree that there has been much labour unrest, I do not want to discuss it in my present speech. But nothing has been said about the working of the Durgapur Plant itself. Sir, in 1967, there was a Committee called the Pande Committee and the Pande Committee made certain observations and certain recommendations. I shall refer to only two or three.

"This heavy loss, according to the Pande Committee, was due to the near disaster that overtook the coke even which resulted in the sharp drop in coke and CO. gas production which again slowed down the production in all the departments.

The report further stated that in all 27 equipments and attachments were out of commission or were lying idle in March 1967 in the Plant."

Sir, you can understand what the actual condition of the plant there is.

"The management under Mr. D.J. Bell totally neglected the maintenance of coke even, blast furnace, and open earth furnace of the steel melting shop. Of the four blast furnaces in the plant, only two are working.

It is also reported that the construction and design which was entrusted to ISCON, a consortium, were defective and the ISCON supplied certain substandard equipment and machinery."

Because of all these things the production of the Durgapur Steel Plant could not reach its rated capacity. But

all the while it has been saying that all blame should be put at the door of the workers. If you permit me to mention, Sir, some time back I referred to the question of expanding the Durgapur Steel Plant and the entire House burst into laughter as if the very demand for expansion of the Durgapur Steel Plant is a moon-shire. Unless you expend it, unless you remove the maladies, unless you correct the defects now prevailing within the plant, you cannot reach your targets, you cannot reach the rated capacity of Durgapur, and we cannot afford to ignore it all the while. In 1965 another British consortium called the Brisel offered pound, 80 millions for the expansion of the Durgapur Plant, but unfortunately neither the State Government nor the Centre took the initiative to finalise the idea. Both the State Government of West Bengal and the Centre did not agree to accept the offer of that project. Therefore, it is not only the workers who are responsible but I say from my personal experience that there is a section of high-placed officials who are out to sabotage the entire plant while, of course, there are other sections where there are responsible officers who are really interested in building up the plant.

Without discussing much of these things I want to place certain suggestions. A committee should be set up jointly by the management and the workers to review the production performance monthly and, if not monthly, quarterly. It will create a good climate for picking up production in the Durgapur Steel Plant. Another machinery should be introduced independent of the Durgapur Steel Plant and the HSL. to look into the purchase and sale aspect. At present there is a Joint Plant Committee through which certain quality goods are sold. But if an inquiry is held, it will be found that the bulk of sales of the DSP are done through the HSL's sales machinery. And according to knowledgeable sources the losses which being incurred by the Durgapur Steel Plant might not have been so had there been an inde-

pendent machinery to conduct the sale and purchase for the Durgapur Steel Plant.

Therefore, before concluding I say that without throwing the blame on the workers, without unnecessarily creating bad blood, it should be the duty of the Government to create a climate congenial for the picking up of production. And for that matter there should be workers' participation in the management. Unless that is assured, unless the industrial relations, which are very unsatisfactory today in the steel mills under the public sector, are improved, the Durgapur Steel Plant is not going to achieve the objective for which it has been set up. I want to appeal to the government to have a new outlook without resorting to stereotyped and old methods of dealing with production programme and industrial relations. Therefore, a new, progressive and radical outlook should be there, particularly to ensure the workers' participation in the management of the public sector steel industry.

7 P.M.

SHRI CHOUDHARY SUHRID MULLIK (West Bengal): There is no quorum in the House and therefore I move that the House be adjourned.

THE DEPUTY MINISTER IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS CSARDAR RAGH-BIR SINGH I ANJHAZARI: After 5 o'clock, there is no question of quorum.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I call the Minister to reply to the debate.

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND HEAVY ENGINEERING (SHRI MOHD. SHAFI QURESHI): Mr. Vice-Chairman, I am extremely grateful to the hon. Members.....

SHRI BHUPESH GUPTA: Before you adjourn..

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): I am not adjourning. The Minister is speaking.

SHRI BHUPESH GUPTA: After his speech, you will go away. Before that, I want to say that we have been getting letters and telegrams from Banda district in U.P. where members belonging to the Jadav families are being killed and shot at by the police and a number of officers like the Dy. S.P. and others are involved in this. Tomorrow the government should make a statement on this. I must say here that according to our information, telegrams have come to members of the other House and they indicate that the local ruling party members are now engaged in this killing in U.P....

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI OM MEHTA): Are they ruling party of the U.P.?

SHRI BHUPESH GUPTA: Not the ruling party in U.P. today, but the party to which Shri Om Mehta belongs. I will hand over to you this telegram which is addressed to Janeshwar, MP, saying: "Ramdayal Akbarpur Murdered—Come Soon—Devidayal Banda". One Shri S.K. Singh, Dy. S.P. is involved in this with the help of goondas and the ruling Congress members are helping them. One Shri Abdul Sattar Ansari, S.P.O., the O.C. of Pahari, Durbhavi Singh, O.C. of Kanasin and other O.Cs. are involved. All that I will request you is not to treat it as a State subject because under the Constitution when Harijan community is attacked in this manner it is the duty of the Central Government.....

AN HON. MEMBER: Jadavs are not Harijans.

SHRI BHUPESH GUPTA: Other communities are there. I hope that Shri Om Mehta will bring it to the notice of the Home Minister so that when we come here tomorrow we can expect a statement from him on these

[Shri Bhupesh Gupta]

killings in which the police and the members of the ruling Congress in district Banda are involved.

SHRI OM MEHTA: I will bring it to the notice of the Home Minister.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): The Minister will resume his speech.

SHRI MOHD. SHAFI QURESHI: I was really delighted to see the interest taken by the hon. Members in tabling this particular motion. I wish they could have retained this interest for a few more hours to listen to what I have to say.

The points raised by some of the hon. Members who have participated in the discussion vary from production to distribution and some points have been raised with regard to the functioning of the public sector plants. Broadly speaking, Sir, we have to deal in this debate with two aspects, the aspect of production and the aspect of distribution. Whereas the House is aware—and it has been revealed in the House many a time—that our steel plants have not as yet achieved their rated capacity, Mr. Chitta Basu said that every time we try to blame the labour, the labour troubles in Durgapur, the labour trouble in Rourkela or in Bhilai. It is true that labour is also to some extent responsible for not achieving the rated capacity in these plants. But we do not completely say that the management is not responsible for it, I will give the details, Sir.

I will give the details of each unit wherein I will be able to satisfy the House that besides the labour problems, there are other problems some of which are hampering the production in the steel plants.

Sir, we have at this stage the rated capacity of 8.9 million tonnes of ingots. Against this rated capacity, production has been 6.19 million tonnes of ingots. That means, about 4.8 mil-

lion tonnes of finished steel. Sir, a Steering Group of Iron & Steel has submitted a report on our steel demand up to 1970-71 and 1973-74. But, Sir, now we have entrusted the study to hp NCAER and they have estimated the demand for steel upto 1980-1981. Sir, it is expected that the demand will go up from 9 million tonnes to 19 million tonnes by 1980-81. Now, Sir, in order to meet this increased demand in our country, we have added certain capacities to our existing units. Bhilai Second Stage would add 1.7 million tonnes of steel; Bokaro, First and Second Stage, 4 million tonnes; IISCO is expanding by 0.3 million tonnes and the additional capacity of the two new steel plants will add 4 million tonnes, and in the plant at Salem, a special type of steel will be produced. In order to meet this growing demand in the country, our first effort is to see that we achieve the rated capacity in our steel plants. There have been difficulties and as I have said earlier, each plant has its own difficulty.

Sir, before I go to the question of the plants. I would like to refer to what Shri Babubhai Chinai said today. He tried to compare the public sector with the private sector and said that the Tatas and the IISCO have been able to achieve a higher rate of production than what we have been able to. Sir, he is, to some extent, correct. But, to say that there is a wide gap between the private sector and the public sector is not correct. Sir, I have the figures here with me. The rated capacity of Bhilai is 2.5 and the production has been 1.86 in 1969-70. that means that the production capacity is working at 74.4 per cent. Unfortunately, in Durgapur because of re^tei". problems of labour and management, production has been at a very low rate. 51.36 per cent: in Rourkela plant, production has been at 61.1 per cent, as compared to TISCO's 85 per cent in the same period and TISCO's 75 per cent of the same period. At present from the figures, it is seen that during the year 1969-70, all the three steel plants, put together had produced near about 70

per cent of the rated capacity: TISCO<sup>B</sup> with 86 per cent, Bhilai with 74 per cent and IISCO with 70 per cent. Here again Sir, if we compare Bhilai with IISCO, Bhilai is higher by 4 percent. So, it is not > orrect to say that all the public sector units are producing below the capacity at which the private sector is producing.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): How long will you take to ever up the loss?

SHRI MOHD. SHAFI QURESHI: I feel, Sir, if conditions improve. Sir, much depends on how the conditions improve—we will be able to achieve a break-even point when we produce about 4.5 mill.on tonnes of steel in the Hindustan Steel. That is the breakeven piont. And from that time we shall start ma dng profits.

Sir, it woulc be seen further that the ingot production in relation to the rated capacity has declined in the first six months of 1970-71 as compared to the previous year, as has been pointed out by Mr. Chitta Basu, in all the steel plans, both in the public sector and pm ate sector. The production in the firs! six months of the year is only 64 per :ent of the rated capacity as compa ed to the 70 per cent during the pre ious year. This decline has been due o the capacity utilisation going down in Durgapur, Rour kela, IISCO aid TISCO. Only the Bhilai Steel Plant has shown a small increase in tb rate of utilisation of capacity. So what Shri Babubhai Chinai pointed out—and the way his mind is work.ng—that public sector projects are net coming up, I am afraid is not orrect.

Now, Sir, each unit has got its own problems. For instance: IISCO have their own problems. In their Report they have said: "The labour trouble persisted witho.it abatement throughout the twelve months of the year ended 31st Mar^h, 1970, and continues to date.

In the case, of TISCO, their Report has clearly mace out, Sir:

"The operations of the company's works suffered a setback during the year (1969-70) due to the deterioration in the conditions of the older Coke oven batteries which are due for re-buiding, resulting in a dec-crease in the production of coke, iron and ingots".

Sir, this is how the two private-sector plants have suffered, so far as production is concerned. Sir, I do not want to conceal anything. I will give the details also about our public sector plants.

In Bhilai, our major problem has refractories. What happened at a particular time was that the indigenous manufacturers tried to take the entire order of refractories. They have failed us both qualitatively and quantitatively. The result is that the new pogrammes which we wanted to launch in Bhilai could not be introduced on account of the critical refractories. Oxygen lancing a, a regula, measure could not be introduced on account of critical refractories position, which would have become worse had the Oxygen lancing been started. This would give us more production, but because of refractories we were not able to proceed in this direction. The steel production during 1970-71 is expected to "be about. 2.10 M.T. which is equivalent to 80 per cent of the capacity. Sir, the production programme for 1971-72 for Bhilai has been kept at 2:3 million tonnes in the hope that there would be some improvement in the refractories position and the Oxygen Lancing could be tried out in some of the furnaces.

Sir, in Rourkela, besides the labour trouble last year, we have certain technological problems which we are trying to aolve. Sir, one of the problems in Rourkela is the modifications to 3 LD converters. The modifications to these converters were completed in July 1969 January 1969 and in July 1970. During the modifications Sir, one converter at one time or the other had to be put off. This re-



[Shri Mohd. Shaft Qureshi]

duced the effective capacity. The second item is conversion of dolomite calcining kiln to lime burning klin. This is expected to be completed only towards the end of 1970-71. The third item is the hot and cold slab transfer system at the Slabbing Mill whose installation has been completed only recently.

So these are the problems which the Rourkela steel plant is facing. Sir, besides, there are many other minor problems also which are being tackled at the managerial level, and we hope that if the conditions remain as they are, we will be able to complete all these repairs and renovations in time, and see that the plants achieve their rated capacity.

Sir, about Durgapur there have been many discussions here. I do not want to repeat the whole thing again. But the fact is, Sir, as pointed out by Mr. Chitta Basu, that it was in the light of the recommendations made in the Pande Committee Report that the equipments considered necessary for attaining the rated capacity at 1.6 million tonnes had been sanctioned. These are expected to be commissioned by 1972. There has been some delay in commissioning this ....

SHRI CHITTA BASU: But all the trouble b not due to the labour.

SHRI MOHD. SHAFI QURESHI: I did not say that. But the major trouble is because of labour. In consequence of this damage suffered by the coke oven at Durgapur, it has been found necessary to take up the renovation of the three coke oven and rebuilding of battery No. 1 is currently in progress and is expected to complete by the end of 1971-72. Besides these things, there is now a regular plan so far as production is concerned. We are trying to see that every effort is being made that the plants reach the rated capacity but I have tried to give the facts to the House without concealing anything and not blaming every time the labour problem in every plant. Now,

the question is, how do we meet the shortage. The fact remains that we have come out of a recession. Our economy has broken the shackles of recession and it is now moving forward at a great pace but our steel production unfortunately is not keeping pace with the growing demand of the steel industry and in order to meet the gap between the demand and supply there are two measures—the short-term and the long term. For the long-term I have already stated that the Government is putting up new steel plants. Every year our demand for steel will go up by 1 million tonnes. It means every alternate year we will have to put up a 2 million tonnes steel plant.

Some Members made a comparison of India with Japan. We are nowhere near Japan so far as production of steel is concerned. Japan has converted a visible disadvantage of neither having coke nor having iron ore nor having dolomite nor having limestone into a viable and visible advantage by being one of the leading producers of steel in the world. Japan is producing 80 million tonnes of steel as compared to 4.6 or 5 million tonnes which we are producing now. In the next 3 or 4 years Japan is expecting to go up to 100 million tonnes and we are thinking that in 1983 we will be going up to 30 millions but we cannot make a comparison between our working of the industry here and the working of the industry in Japan. My friend was talking about Durgapur. A plant of 1.6 million tonnes in Japan needs hardly 10 or 11,000 workers while we have 27,000 workers in Durgapur for the same capacity. It means naturally higher costs. If you develop ourselves technologically, then we can think of becoming another Japan in Asia.

SHRI BHUPESH GUPTA: Competition is not the point. Nobody is asking you to compete. About the target of Japan everybody knows but the explanation is needed here as to

why your rate! capacity is not being reached. Apart; from that of course we need expansion.

SHRI MOHE SHAFI QURESHI: I quite agree there can be no excuse from anybody for not achieving the rated capacity but I have tried to be very frank with the House and the Members by giving the short-comings that we are facing and suffering from and we are trying to see and trying to push the matter forward to see that our plants achieve the rated capacity.

I will now come to the distribution system. There was a time when there was possibly no demand for bars and rods, as my friend said, "Sariya" it was called. There was recession and secondly there was no construction activity going on in the way it is going on now. So there was little demand for steel. At that time steel was categorised under two heads—scarce and non-scarce but the time came when we found everything had become scarce in steel, not only the flat products like sheets and plates but even the ordinary bars and rods which are used for construction purposes. So we have evolved a new distribution policy which is consumer oriented and keeping in view also the shortages which have developed in the production of steel, we found it very necessary and important to devise an equitable system of distribution because when shortages arise and demand goes on increasing, it is the distribution system ultimately which matters. It is true that previously the stockyards were governed by their own main plants. TATAS and IISCO, they have their own stockyards and we had no control over them. But now, Sir, we have seen to it that, whatever material goes from the main plants to the stockyards it comes under one distribution system. So, whatever distribution system applies to HSL stockyards will apply automatically to the stockyards of TATAS and IISCO. Now, Sir, the main emphasis in the new distribution policy has been consumer oriented.

As Mr. Kulkarni rightly said, that some material was leading out to the trade and that only those people, who can deposit huge amounts with the main plants, can get the maximum quantity of this raw material, and this raw material definitely carries a premium this time. Plates carry a premium of Rs. 2,000 per tonne. Even bars and rods carry a premium this time. So it is a fact that certain people made huge profits. In order to see that this raw material, which has become scarce, reaches the actual consumer, we have now devised a policy by which out of the entire material, hardly, I should say, 1 per cent or 1½ per cent would go to the normal trade channels, but the first priorities will be given to the operational defence, then to exports, then to the engineering industry, then to the small scale industries, and the small actual consumers, who want a tonne of steel or two tonnes of bars, steel or bars and rods. So, even in stockyards, whatever material will now go to the stockyards, 20 per cent of it will go to the small-scale sector, and it will be given to the small-scale sector on the recommendation of the Director of Industries. Twenty per cent will be reserved for the Government, that is, for the use of the municipalities and municipal corporations and the Construction Divisions of the Government, so that the Government can take this material and use it for their own purposes. Then, Sir, those people—and there is quite a large number of such people—whose requirements are very small for the construction of their houses, we have seen to it that every such person will now be given the required raw material from the stockyard as and when he produces his own plan of construction and the permission from the State Government, or whatever authority there may be.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Have you made this arrangement in every State?

SHRI MOHD. SHAFI QURESHI: In every State we are trying to have it. We have got thirty stockyards

[Shri Mohd. Shaft Qureshi]

this time and we are trying to open stockyards in every State. Not only one everywhere, In bigger States we may have more than one stockyard.

Now, Sir, much has been said about the rerolling industry. It is true that (here are certain rerollers, which are fed on billets. There are other re-rollers which are being fed on scrap.

SHRI A. G. KULKARNI: Not even scrap.

SHRI MOHD. SHAFI QURESHI: I can understand their difficulty, but I hope you will appreciate whatever I have to say. Sir, these rerollers, they went on adding to their capacity without taking permission from the Government, and a stage was reached When it become quite uncontrolable. It was becoming well night impossible for the Government to control the expansion of these rerollers. So a technical committee was appointed. And the technical committee went into details to see as to how many people had exceeded their licensed capacity. So they froze the capacity on a particular date, and since that date we were not allowing any expansion in the rerolling industry. It is true that the small rerollers^ which are called the unregistered rerollers, are not getting any billet quota. This is a matter which is being considered by the Ministry at this stage and we are trying to see that a system is evolved by which the small reroller doe, not suffer, and if there is any discrimination between the large rerollers and the small rerollers, that is done away with. Then Mr. Raju raised a very important point here with regard to the railway scrap. Sir, after the decontrol the railways have been auctioning their rails, and they were free to auction them to anybody they liked. We found that, whenever there was the auction by the railways, certain people, who were just to work as middlemen, who were not the actual users, they used to pocket the entire stocks by purchasing it at the railway auctions and then iselling

some material at exorbitant rates to the actual users. Being aware of this situation, we have been very careful in seeing that the vast majority of the rerollers, which are fed on scrap, that they would get this railway scrap for their own units. So we had discussions with the Railways, and the Railways have agreed that they will sell in small lots so that the small reroller can purchase these used rails.

SHRI V. B. RAJU: Why can't it be properly distributed to the consumers to the rerollers? The Steel Ministry can make some arrangements with the Railway Ministry to see that in a certain proportion and at a certain fixed price these used rails are distributed to the rerollers. After all, the number of rerollers may not be more than 300 to 400, and it is not a very big job. Why do you allow this corruption to come in and allow the black money to grow in the hands of those corrupt people whom you have taken note of?

SHRI MOHD. SHAFI QURESRI: We have also made a suggestion to the Railways that they should auction these used rails only to actual rerollers so that nobody from outside can compete at a high price and grab the entire stock. But my hon. friend, Mr. Raju, possibly knows that during the last one and a half to two years sale of used rails all over the country has been held up because of a high Court injunction. The Railway Board is trying to have the injunction vacated and as and when the injunction is vacated the Steel Ministry will step in and see that the Railways dispose of these used rails in a way that those people who were using railway scrap for rerolling purposes can get the material in adequate quantities.

Sir, about the traders Mr. Kulkarni said that Mr. Bhagat has made a statement somewhere in Bombay saying that the traders will get their normal quota, whatever they used to get, of iron and steel. Sir, I wish to make it very clear that our new policy is absolutely consumer oriented and it will be given to the actual user but we cannot close the channels of trade

altogether because after all the trade has also to play its role in catering to the requirements of small people in far off village-s and places but we will see that only a fraction of what goes to the stock; ards goes to the trade. As I said, it is not Government's policy to altogether stop the traders from doing business but we shall see that nobody takes advantage of these shortages and tries to make exorbitant profits because of scarcity conditions.

Sir, I hope there is no other point which...

SHRI A. G. KULKARNI: There is the larger point of corruption but who can stop it?

SHRI MOHD. SHAFI QURESHI: There are other matters which have been raised all out the working of the HSL, about the Chairman going abroad, about certain people indulging in corruption and so on. All these have been taken note of and I can assure the House .....

SHRI BHIPESH GUPTA: One point is there. Steel is our biggest public sector industry. Unfortunately we do not have a proper labour policy and that is at the root of all the trouble in any cases. We proceed from hand to mouth without having a clear proper labour policy which would see that industrial unrest is minimised and normal industrial relations would be there. Practically in all the steel plants we do have troubles. What is your Ministry going to do about it? Are you going to evolve at least for the steel plants in fact it should be for all the public sector units and steel has a big part in the public sector—a proper labour policy? Up till now there is nothing of that sort. And sometimes we feel a little upset when we read in the papers that you take the higher personnel from the private sector. For example, you appointed Mr. Billimoria as the Chief Personnel Officer of the HSL. He comes from the Tatas. Now, was it necessary to appoint him? Could you not find somebody else who had grown up in the tradition of the

public sector? We have been having this public sector for some time now. *(Time bell rings)* Sir, this is a very important matter and You are ringing the bell. You have seen in Durgapur 18 people have been sacked. Today one Paul is gone. What steps are You going to take? Has the Ministry advised the HSL at least to have a proper labour policy thrashed out?

श्री नेकीराम (हरियाणा): उपसभापति जी, बिलमोरिया साहब घाटा दिखा कर तो नहीं आये हैं ।

उपसभाध्यक्ष (श्री अकबर अली खान): आप बैठ जाइये ।

SHRI MOHD. SHAFI QURESHI: As and when we take some persons from the private sector, it is only on the basis of their merit and qualifications that we do so. As my friend Mr. Bhupesh Gupta, knows, the Tatas have been free from labour troubles. We thought we could utilise the services of Mr. Billimoria by bringing him on to the public sector, so that he could solve our problems. This is a problem which needs a solution. A proper atmosphere has to be created conducive to producing the rated capacity in our steel plants and for that labour relation is one of the major factors. We have tried an experiment in Durgapur. Not only we are having weekly meetings, but we have created some associations at the shop level also. In the steel melting shop, in the rerolling shop, in the slab mill, in the blooming mill and in every other section we have tried to have small unions. There we tackle the intricate and delicate problems down to the smallest shop and there we have tried to discuss all these problems. It requires patience on both sides, patience from the side of the management and patience on the part of the labour unions. I am sure once we take the political elements out of the labour relations, there will be no problem which cannot be solved.....

SHRI BHUPESH GUPTA: What do you mean by political elements?

SHRI MOHD. SHAFI QURESHI: I did not mention any political party.

SHRI BHUPESH GUPTA: This is what I am asking...

*(Interruptions)*

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): He is not naming any political party.

SHRI BHUPESH GUPTA: It is wrong to say that. Surely you know that there are unions in the country manned and run and in many cases led by people who are associated with politics. Now, take INTUC, for example. Dr. Maitreyi Bose has been the President. Similarly, HMS, AITUC, UTUC. Therefore, I do not understand what he means by political elements. Do they want company unions, i.e., unions obedient to the company? The issue is not that political elements are there. The issue is normal trade union activities. The issue is labour relations. The issue is proper treatment and respect given to the trade unions. Obviously in all the countries it is done. The British Government is run sometimes by the Labour Party. It was in power by its trade union activities. The big labour leaders are trade unionists. Now, this is the Billimoria mentality.

SHRI CHITTA BASU: This is the most anti-labour attitude of the Government.

SHRI BHUPESH GUPTA: This is the Billimoria mentality. You cannot imagine a situation in India when the trade unions will not have among their office-bearers and others, people who are otherwise not involved in politics altogether. Can you imagine that?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): But he was referring to the rated capacity.

SHRI MOHD. SHAFI QURESHI: I do not think there is any reason for Mr. Bhupesh Gupta to get provoked. The Steel Ministry has recently entered into an agreement with the steel workers whereby we have fixed Rs. 2401- as the minimum wage. This shows how earnest we are to improve the labour-management relationship. He talks of normal trade union activities. Murdering an officer in the office is not a trade union activity...

SHRI BHUPESH GUPTA; Who said so?

SHRI MOHD. SHAFI QURESHI:  
Abusing anybody is not a normal trade  
union activity. Cutting down produc  
tion is not a normal trade union acti  
vity -----

**SHRI BHUPESH GUPTA:** Surely murder is not a trade union activity, but equally bribery, corruption and stealing are not the activities of management. The management in Durgapur has also been responsible for murdering workers. Who does not know that the Tatas, about whom you speak, employ goondas to terrorise workers? Who does not know it? Therefore, let us not talk about murders. Nobody is talking about murder. It is not a trade union activity, but please remember that the private sector is trying to sabotage it. By taking people from the private sector and placing them in high positions in the public sector industries, you are placing the elements of sabotage, saboteurs, potential and actual, and it is they, because of their hostile attitude towards the working-class, who very often create labour problems. Let us not forget that aspect and bring in other issues

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Now, have you finished?

SHRI MOHD. SHAFI QURESHI: I have nothing more to add. Only I hope that the situation as it exists today will improve. The Steel Ministry is doing its level best to see that all the important sectors of our economy, which are facing shortage of

steel, do not face shortage in future. I do not go into the details. About the short-term measures we have taken some steps, but I can assure Mr. Kul-karni, who is very particular about the small-scale sector, that we have, in our liberalised import policy, allowed Rs. 10 crores worth of imports for the small-scale sector alone. Hindustan Steel has also bulk imports and link deals with Japan, by exporting pig iron and getting flat products. We will see that the exporting engineering units and our own small-scale units, whether in Punjab, or any other

place, are properly helped and that their requirements of raw materials are fully met. Thank you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at thirty-five minutes past seven of the clock till eleven of the clock on Friday, the 4th December, 1970.