

Calcutta to Ahmedabad, the then Railway Minister, Shri Govinda Menon, said in this House that he had read the report, that he was going to get some information and that he would inform this House. Now this is a very fit occasion to ask for the information which the honourable Minister had promised to give. My honourable friend, Shri A. P. Sharma, has now asked that that information can be given at this stage.

SHRI A. P. CHATTERJEE : Sir, I am rising on a point of order. I am not interested in the internecine duel between the two sections of the Congress. I am interested in the point of procedure only. For good or for bad or for whatever reason, you have already given a ruling that the question of Mr. A. P. Sharma cannot be allowed. You have ruled his question out of order. I can understand this procedure. But after you have ruled it out of order you are again allowing a point of order on the question whether the ruling is in order or not. I do not understand this. Will you kindly enlighten us on this procedure so that we may know where we are?

SHRI ANANT PRASAD SHARMA :
Are you not interested in getting the money back ?

MR. CHAIRMAN : I gave a ruling that the supplementary which related to another train did not arise out of the main question, and therefore, I stopped the Member from putting that supplementary. I am of the view that my ruling was final, and nothing has been said in this House which might allow me or which might authorise me to revise my ruling.

श्री राजनारायण : श्रीमन्, एक सप्लीमेंटरी है छोटा सा । आपने मुझ को कहा था ।

MR. CHAIRMAN : No more on this please. Next question.

*4. [Transferred to the 3rd March, 1970.]

*5. [The questioners (Shri N. Sri Rama Reddy and Shri Y. Adinarayana Reddy) were absent. For answer, vide cols. 29-30 infra.]

REVISION OF PRICE OF STEEL

*6. **SHRI CHITTA BASU :**†

DR. SALIG RAM :

SHRI NIRANJAN VARMA :

SHRI M. K. MOHTA :

SHRI SITARAM JAIPURIA :

SHRI M. P. BHARGAVA :

SHRI K. P. SUBRAMANIA

MENON :

SHRI M. R. VENKATARAMAN :

DR. BHAI MAHAVIR :

SHRI KRISHAN KANT :

DR. DEBIPRASAD CHATTO-PADHYAYA :

SHRI ARJUN ARORA :

SHRI SANDA NARAYANAPPA :

SHRI NIREN GHOSH :

SHRI MONORANJAN ROY :

Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to refer to the reply to the Starred Question No. 155 given in the Rajya Sabha on 24th November, 1969, and state :

(a) whether Government have since taken any decision with regard to the revision of the price of steel;

(b) if so, the nature of the decision taken in this regard and the reasons for taking such a decision;

(c) whether Government have made any assessment in regard to the impact of the decision on the industries, projects (Plan and non-Plan) and the consumer goods as a whole and the steps, if any, proposed to be taken in this respect; and

(d) whether any exemption in revised price is proposed to be given to the steel supplies for the agricultural sector ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND HEAVY ENGINEERING (SHRI K. C. PANT) :
(a) Yes, Sir.

(b) Government have permitted the J.P.C. to increase the prices of steel by an average of Rs. 77.50 per tonne effective from 1-1-70 of which Rs. 2.50 is the increased provision for J.P.C. Engineering Goods Export Assistance Fund. The price increase takes into account the uncompensated cost increases, wage increases, and the need to augment the internal resources of the steel companies to finance the replacement and modernisation programmes.

†The question was actually asked on the floor of the House by Shri Chitta Basu.

(c) The price rise will not have any serious impact on the economy. The Index number of wholesale prices of Iron & Steel Manufactures which stood at 149.3 (base : 1961-62=100) on December 27, 1969, before the price rise, increased only to 154.6 on January 3, 1970, after the price rise.

(d) No, Sir.

SHRI CHITTA BASU : Sir, there was an increase in the price of steel some time ago and it did not result in the improvement either of the production or of the quality of steel. This House took up the matter in the last session and categorically demanded from the Government to give some assurance that there would be no further increase in the price of steel. In spite of that demand in this House, the Government has, it is apparent, decided to increase the price of steel. May I know from the honourable Minister whether it is not a fact that there was a tremendous pressure being mounted upon the Government by the private sector industrialists to bring about this particular change in the price? If it is a fact, may I know why the Government has yielded to that unjustified pressure from the private sector industrialists? May I also know whether the Government proposes to take certain measures for giving some sort of relief or concession to small entrepreneurs, to industries small in nature, to agro-industries, in order to enable them to stave off certain difficulties which might be created by the increase in the price of steel?

SHRI K. C. PANT : Sir, may I remind the honourable Member that the steel industry as it is today, has the private sector as the junior partner and the public sector as the senior partner? Production in the public sector is more and any impact by the increase in the price of steel results in a larger earning to the public sector as compared to the private sector. All the three steel plants, whether they are in the private sector or in the public sector, sent proposals to the Government for an increase in the price of steel. These proposals were considered not only by this Ministry but also by the Finance Ministry, by the Economic Secretaries, and then the Government of India as a whole took the decision, and there is no question of taking

the decision under pressure. It was felt that in order to preserve the health of the steel industry this was a necessary measure, and that is why it was taken. So far as the agricultural sector goes, we have provided for the Steel Priority Committee to make certain allocations for the agricultural sector as also for the small-scale sector. The real problem arises when the consumer has to buy in the open market. If the consumer could today get all the supplies at the increased price, I think there will be no hue and cry. It is because of the higher open market price that all the hue and cry arises, not because of the increase in the steel price.

SHRI CHITTA BASU : I want to know whether the Government has considered the demand of the steel workers for higher wages in view of the increase in the steel price justified. If it has considered the demand justified, what steps has the Government so far taken for the increased wages demanded by the steel workers in the country?

SHRI K. C. PANT : Sir, this matter of wage increase is under negotiation. But in a broad way I can indicate that some provision was made in this price increase and the interim settlement of wage increase of Rs. 33 has not only eaten up this provision but has exceeded it.

DR. BHAI MAHAVIR : Sir, if, as the honourable Minister just hinted, one purpose of allowing the steel plants this rise in the price was to make their working profitable so that they can turn out a larger volume of various materials and bring the prices in the market to a lower level, may I know if the honourable Minister is aware that in the prices prevailing in the market at the present time there is a margin of Rs. 700 or Rs. 800 per ton over and above that which the producers charge and that it is this high price which is taking the life out of many small industries and small consumers? This is happening because the supplies are not coming to the market and all the supplies that are there are controlled by the stock-yards of the producers which charge exorbitant prices and release stocks only to certain pet or favourite middlemen of theirs and the ordinary genuine consumer suffers. There has been complaints about that prior to this also. If that is so, I would like to

know from the honourable Minister whether any action is being taken to stop this mal-practice on the part of the stock-yards. I would also like to know whether it is a fact that the producers are arbitrarily raising the prices of defective materials. In some cases the prices of defective materials have been brought on a par with those of perfect materials like black-sheets, plates, ingots, moulds, etc. I would like to know whether there is any check on the producers. The J.P.C. does not control them. I want to know whether the Government has any check on the producers for preventing them from raising the prices of defective materials arbitrarily and endlessly.

SHRI K. C. PANT : Broadly speaking, there is no control on the price of steel today. Steel had been decontrolled five years ago, in 1965. There is an informal arrangement under which the J.P.C. does lay down the price. The J.P.C. is a body presided over by the Iron and Steel Controller and the steel producers as well as the railways are represented on this body. So far as the supplies under the J.P.C. scheme of distribution go, these supplies are made at the J.P.C. prices, and the producers have adhered to these prices and so far as the stock-yards go, since scarcity has increased, we have asked the H.S.L. stock-yards to issue their steel materials against certificates from the Directors of Industries in order to avoid all kinds of situations as mentioned by the honourable Member. I am glad to inform him that the private sector stock-yards have also agreed to this arrangement.

DR. BHAI MAHAVIR : What about the prices of defectives ?

SHRI K. C. PANT : I do not know exactly which particular defective he has in mind. If he lets me know it, I can say something about it.

SHRI KRISHAN KANT : May I know from the hon. Minister whether it is a fact that the balance-sheets of the TISCO and IISCO show profits and to cover up the losses in the public sector HSL the price has been increased ? In view of the new theory of the Government of India, is the Government of India considering to increase the prices by Rs. 200 within the next six months so that the public sector can show profits within one year itself ?

Secondly, may I know whether the Government will ensure that the increase in prices will be utilised not for dividends, etc. ? What guarantee is there ? Thirdly, the argument of the Government seems to be very funny that the cost has increased. May I know from the Government as to how many recommendations of the Mahatab Committee for cost reduction have been implemented ? That is very important. My information is that nothing has been done up till now. Fourthly, may I know from the hon. Minister whether the Chairman of the Hindustan Steel Limited, Mr. Chandy, increased the prices in the stock yards on his own before the Cabinet accepted the increase to be effective from 1st January, 1970 ? There is a general feeling in the country that Mr. Chandy is working as an agent of the Tatas to get the price increase for them so that they can make profits. What is the profit the TISCO and IISCO will be making after this price increase ?

SHRI K. C. PANT : Sir, the first question was whether the price has been increased so as to increase the profit of the public sector. I have already indicated in my reply the consideration that led to the price increase. The health of the steel industry is at the moment known to the House. TISCO has had to draw on its reserves in order to maintain its dividends. HSL has been making a loss of about Rs. 30 or Rs. 40 crores and IISCO is weaker than the other two undertakings; it is making a slight profit but it is in a weak position financially. Considering all these things and in order to preserve the health of the steel industry, if there is a price increase, I think that should be understood by the hon. Member in the totality of the circumstances that prevail today.

So far as the question of frittering away this increase either in inter-company investments or increase in dividends is concerned, an undertaking has been taken from the steel plant that this will not be done and the Steel Secretary who is a Member of the Board has been specifically advised to keep a watch on them so as to see that these replacements and modernisation programmes are put through.

So far as the Mahatab Committee's recommendations about cost reduction are concerned, the hon. Member had raised this issue some days back and I had made

enquiries into this matter. I am told that very many of the recommendations of the Mahatab Committee have been implemented.

So far as the stock yards' increase is concerned, HSL did not need to refer this matter to the Government but since this has been brought to our notice, we shall look into this question whether the steel plants require to refer this matter to the Government.

Then, Sir, I strongly repudiate the suggestion of the hon. Member that the Chairman of the HSL is working as an agent of the Tatas.

श्री राजनारायण : यह किस आधार पर मंत्री जी रिपुडियेट करते हैं।

SHRI K. C. PANT : The Chairman of the HSL is occupying a highly responsible position and nothing should be loosely said to damage his credibility in the eyes of the public.

So far as the three companies are concerned, the TISCO will realise Rs. 11 crores, the IISCO Rs. 5½ crores and the HSL Rs. 25 crores.

श्री निरंजन वर्मा : क्या श्रीमान यह बताते का कष्ट करेंगे कि अभी आपने बताया है कि पब्लिक सेक्टर सीनियर पार्टनर है और प्राइवेट सेक्टर जूनियर पार्टनर है तो क्या यह बात सही है कि जैसे ही प्रेस को यह मालूम पड़ा कि कुछ मध्यवर्ती भाग के देश भारत-वर्ष से लोहा खरीदने को तैयार हैं तो इस खबर के उड़ते ही प्राइवेट सेक्टर वालों ने अपने भाव ऊंचे कर दिये और प्राइवेट सेक्टर भाव को ऊंचे बढ़ाने के बाद आपने कोई ऐसा यत्न नहीं किया जिससे कि लोहे के भाव जो कि ऊंचे जा रहे हैं, आसमान को छू रहे हैं, वह कम हो सकें और क्या इस कारण से देश में किसानों के काम में आने वाला लोहा भी बराबर महंगा होता जा रहा है और उस विषय में भी आपने कोई निर्देश नहीं दिया ?

SHRI K. C. PANT : Sir, as I have already stated, so far as the steel producers are concerned, they cannot increase the

prices unilaterally. If there is a diversion of a part of these exorbitant profits, when the prices are higher in the open market, from the middleman to the primary producer, I think that is a healthy development which should be welcomed. So far as the impact of this price increase is concerned, taking the Calcutta open market, there has been no impact in fact in the fortnight before the price rises were introduced and after the price rises were introduced. I can give a few examples, for the fortnight ending 30-12-1969 for bars and rods Rs. 1100 as against Rs. 1100 and for joists it is Rs. 1300 as against Rs. 1300, wire rods also Rs. 1300, and so on.

DR. DEBIPRASAD CHATTO-PADHYAYA : Are the Government aware that unless the cost of steel production is reduced, the benefit of the steel industry will not reach the poorer sections of the people for whose benefit we are introducing socialism ? Secondly, are the Government aware that the price rise will make further difficult the maximum utilisation of the production capacity of the steel plant ? Will the Government think of giving some relief to the farmers and small-scale industrialists, necessitated by the recent steel price rise ?

SHRI K. C. PANT : So far as the first two questions are concerned, if we do not allow a price increase, the steel industry would be in trouble. By the price increase they will not only be able to carry out their modernisation and replacement programmes but they will also be able to reduce the costs. (Interruption) You have seen what is the condition of the jute industry and the sugar industry. I hope you do not want the same thing to happen in the case of the steel industry.

श्री राजनारायण : कौन सा यह सिद्धान्त है। ऐसे उत्तर की पन्त जी से उम्मीद नहीं थी। श्रीमन्, ऐसे उत्तर की पंत जी से उम्मीद नहीं थी। अगर गुजराल साहब ऐसा उत्तर देते तो ठीक होता। इनसे यह उम्मीद नहीं थी।

श्री सभापति : ठीक है, आप बैठिये।

श्री राजनारायण : एक असत्य को छिपाने के लिये कितना असत्य बोला जा रहा है।

SHRI K. C. PANT : So far as the socialistic nature of this measure is concerned, may I again remind the hon. Member that steel is going to be expanded in the public sector and the benefits of all these price increases will in future flow to the public sector ?

MR. CHAIRMAN : The Question Hour is over.

SHRI NIREN GHOSH : This question is very important. We should have a half-an-hour discussion on this.

श्री राजनारायण : श्रीमन् यह इतना महत्वपूर्ण सवाल है कि आप देखें कि इस पर करीब 15 आदमियों के नाम हैं। इस पर एक डिसकशन होना चाहिये, कम से कम ढाई घंटे का।

SHRI MULKA GOVINDA REDDY : Better we have a half-an-hour discussion on this.

SHRI BHUPESH GUPTA : This affects the steel economy. This is a subject for a half-an-hour discussion or short duration discussion.

श्री राजनारायण : नहीं 5 घंटे का होना चाहिये।

MR. CHAIRMAN : You move in the ordinary manner and I will consider it.

WRITTEN ANSWERS TO QUESTIONS

POSTPONING OF BYE-ELECTIONS TO PARLIAMENT AND LEGISLATIVE ASSEMBLIES

*5. **SHRI N. SRI RAMA REDDY :**
SHRI Y. ADINARAYANA REDDY :

Will the Minister of LAW AND SOCIAL WELFARE be pleased to state :

(a) the reasons for postponing the bye-elections to Parliament and Legislative Assemblies of the States which ought to have been held during the period from November, 1969 to February, 1970; and

(b) the number of bye-elections which have been so postponed and the time by when they are likely to be held ?

THE MINISTER OF LAW AND SOCIAL WELFARE (SHRI P. GOVINDA MENON) : (a) and (b) In view of the

revision of electoral rolls, the Election Commission decided not to hold a few bye-elections during the progress of such revision.

The electoral rolls in respect of all the constituencies in the country, including those in which bye-elections are pending, have been revised and finally published on 15-1-1970; the pending bye-elections will be taken up and completed as early as possible.

COLD ROLLED GRAIN ORIENTED STEEL PLANT

*7. **SHRI M. V. BHADRAM :**
SHRI BHUPESH GUPTA :

Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to state :

(a) whether Government have any proposal to set up a cold rolled grain oriented steel plant in the Rourkela Steel Plant with Japanese know-how; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND HEAVY ENGINEERING (SHRI K. C. PANT) :

(a) Yes, Sir. Hindustan Steel Limited have submitted a proposal for taking up the production of cold rolled grain oriented sheets at Rourkela with Japanese collaboration.

(b) The proposed plant is expected to have a production capacity of 24,000 tonnes of cold rolled grain oriented sheets and 36,000 tonnes of cold rolled non-grain oriented sheets per annum.

SUPPLY OF STEEL TO THE EXPORT SECTOR

*8. **SHRI A. G. KULKARNI :**
SHRI KRISHAN KANT :
SHRI G. R. PATIL :

Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to state :

(a) whether it is a fact that serious bottlenecks have been created in the supply of steel endangering the export of engineering products; if so, the items of steel which are in short supply; and

(b) whether Government propose to study the requirements of steel items for the period of next 15 years and if so, what action Government propose to initiate in