

RAJYA SABHA

Thursday, the 30th March, 1967/the
9th Chaitra, 1889 (Saka)

The House met at eleven of the
clock, MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

PLANNING COMMISSION'S SUGGESTION TO STEP UP CEMENT PRODUCTION

*169. SHRI A. D. MANI: Will the
Minister of INDUSTRIAL DEVELOP-
MENT AND COMPANY AFFAIRS
be pleased to state:

(a) whether it is a fact that the
Planning Commission has suggested
to the Cement Corporation of India
to step up cement production to one
million tonnes in the Fourth Five
Year Plan; and

(b) if so, what steps are going to
be taken by Government in pursuance
of this suggestion?

THE DEPUTY MINISTER IN THE
MINISTRY OF INDUSTRIAL DEVELOP-
MENT AND COMPANY AFFAIRS (SHRI BHANU PRA-
KASH SINGH): (a) and (b) A
statement is laid on the Table of the
House.

STATEMENT

A provision of Rs. 25 crores has
been made in the draft outline of
the Fourth Five Year Plan for invest-
ment in the Cement Corporation of
India Ltd. This will enable the Cor-
poration to set up a capacity of over
one million tonnes during the Fourth
Plan period.

The Corporation has already plac-
ed orders for plant and machinery for
setting up two units with an annual
capacity of 200,000 tonnes each in
Madhya Pradesh and Mysore. The
question of allowing the Corporation
to place orders for two more plants
is also under active consideration. The
Corporation is also carrying out sur-

veys of the available facilities at some
other places with a view to setting
up capacity for cement manufacture.

At a recent review of the growth
prospects of the cement industry, the
Planning Commission has observed
that the Cement Corporation should
keep itself in readiness to undertake
an additional production of a million
tonnes, if found necessary, to bridge
the gap between the estimated re-
quirements and likely achievement of
capacity by 1970-71 and that a firm
decision on further provision of funds
for the Cement Corporation can be
taken in 1968 in the light of the situa-
tion then prevailing.

SHRI A. D. MANI: Sir, may I ask
the Minister to give us some more
information about the location of the
two units of the annual capacity of
200,000 tonnes each in Madhya Pra-
desh and Mysore? Where are they
going to be located?

SHRI BHANU PRAKASH SINGH:
Mandhar in Madhya Pradesh and
Serum in Mysore.

SHRI A. D. MANI: What is the
capital cost of the unit to be located
in Madhya Pradesh.

SHRI BHANU PRAKASH SINGH:
That is to be ascertained and finalis-
ed; it has not yet been finalised.

SHRI A. D. MANI: Sir, I am
surprised that the hon. Deputy Minis-
ter does not know how much is
going to be the cost of the unit
which is going to be located in Madhya
Pradesh. If he does not know
that, how does he say that it has been
decided to establish a plant? Does it
mean that the Government has decid-
ed to establish the plant without
knowing what the cost would be?

SHRI K. V. RAGHUNATHA
REDDY: As far as these two plants
are concerned, the locations have been
decided. Investigations have been
conducted in relation to the availabili-
ty of raw materials and the scheme is
under investigation in relation to

investment, equipment and other matters. Therefore the hon. Members would kindly realise that the matter is under investigation so far as machinery, equipment and other matters are concerned. As soon as they are finalised, the necessary amount of capital investment can be known.

SHRI A. D. MANI: Sir, the Statement says:

"The Planning Commission has observed that the Cement Corporation should keep itself in readiness to undertake an additional production of a million tonnes, if found necessary, to bridge the gap between the estimated requirements and likely achievements of capacity by 1970-71 and that a firm decision on further provision of funds for the Cement Corporation can be taken in 1968".

Does the Minister at least have an idea of what the cost would be?

SHRI FAKHRUDDIN ALI AHMED: May I just clarify the position, Sir? So far as the production of this Corporation is concerned, formerly the idea was that about Rs. 80 crores would be invested but later on on account of the difficulty of resources the amount of investment proposed before has been reduced to Rs. 25 crores and for this amount of Rs. 25 crores we are proposing to set up units of the capacity of about 1.2 million tonnes. For that purpose six units will have to be established of 2 lakh tonnes in each place and on that basis we can work out that when the allocation is Rs. 25 crores for six units, for each unit it will be about Rs. 4 crores odd. Now, Sir, so far as the present arrangement is concerned, we have placed orders for machinery for these two units only and as soon as other things are cleared, we shall place orders for machinery for two more units, and the other expenditure will have to be undertaken after we have a clear position in 1968.

SHRI D. THENGARI: Sir, the Corporation is carrying out surveys at some other places. May I know the other places are?

SHRI BHANU PRAKASH SINGH: The other places are:

Katni in Madhya Pradesh; Mandhar in Madhya Pradesh; Jagdalpur in Madhya Pradesh; Gokak in Mysore; and Serum in Mysore.

Besides that, further investigation is also going on in Neemuch in Madhya Pradesh and Tandur in Andhra Pradesh. The Corporation expects to take over field work at two new locations—Alampur in Andhra Pradesh and Chittorgarh in Rajasthan.

SHRI BABUBHAI M. CHINAI: In view of the fact that there is paucity of resources—the hon. Minister has just stated that they have been brought down from Rs. 80 crores to Rs. 25 crores—may I know whether the Government proposes to utilise the existing private factories which are there for expansion purposes, because there would be less resources required for expansion and more production can be had in a very short time and if so, what steps the Government has taken in that direction?

SHRI FAKHRUDDIN ALI AHMED: We want to utilise the private sector also for the purpose of production. I do not know if the hon. Member is aware that the production, towards the close of the Third Five Year Plan, is something like over 12 million tonnes and it is our intention to increase this capacity to nearly 23 million tonnes by the end of the Fourth Five Year Plan and for that purpose it will be necessary for us to step up the production of the private sector to about 19 or 20 million tonnes by the end of the Fourth Plan. For that purpose all that is possible is being done to help the private industry to increase production. For instance, I may inform the House that we have allowed an increase in the price of cement on

the condition that whatever increase has been allowed will be utilised for the purpose of development. In the same way this has been placed in the priority list and all facilities are given to private industries for the purpose of increasing production.

SHRI ARJUN ARORA: May I know if the Government has any control over the money earned by the private sector cement industry as a result of the enormous rise sanctioned by the Government two years back and, if the Government has any control over it, may I know how the Government has exercised that control to ensure that the money so earned by the industry is really spent on development and not frittered away?

SHRI FAKHRUDDIN ALI AHMED: The matter is examined from time to time and we shall see that whatever increase has been allowed in the price of cement is utilised for the purpose of development.

SHRI M. M. DHARIA: May I draw your kind attention to the fact that when cement was decontrolled, it was assured by the Government that more and more investment from the private sources would follow in the private sector? The Government had also assured that the position would be scrutinised and examined and, if necessary, a detailed report would be placed here. May we know from the hon. Minister whether more and more private capital has been invested since decontrol whether there is any increase in production, as was assured by private capitalists and industrialists in the cement industry and, if so, what are the results? Is it not a fact that the assurance that was given by the industrialists has not been observed, as was assured in this House

SHRI FAKHRUDDIN ALI AHMED: It is a general observation made by the hon. Member that the assurances given by the industry has not been observed. But so far as the information available with us is concerned, we know that they have taken certain steps resulting in the increased pro-

duction of cement. Anyway, I shall see that the amount given to them is actually utilised for the purpose of development.

SHRI BHUPESH GUPTA: Sir, it is not a question of seeing only. This matter was raised in this House and the other House and we were given a clear assurance that in order that certain objectives specifically laid down could be fulfilled, certain concessions had been given. Later on, the Government made a statement saying that the cement industry had not behaved according to expectations. This statement came from the official sources. May I know *pro rata* in what manner, during the period of one year or so, the assurances given by the cement industry, before wresting concessions from the Government, had been fulfilled in regard to investment in regard to increased production and also in regard to prices?

SHRI FAKHRUDDIN ALI AHMED: The prices fixed by the Government so far as the industry is concerned, have been adhered to, except in one case which was brought to my notice where on account of railway freight some increase had to be given to the industry, and that matter also is under consideration. And we have seen from their various development programmes that the benefits, which they have derived from the increase in price, are being utilised for the development of this industry.

RECRUITMENT AND PROMOTION RULES OF S.T.C. EMPLOYEES

*170. **SHRI M. P. BHARGAVA:** Will the Minister of COMMERCE be pleased to refer to the answer given to Starred Question No 604 in the Rajya Sabha on 8th December, 1966 and state:

(a) whether rules for recruitment, promotion, seniority etc. have since been approved by Government; and

(b) if so, when did the Government issue its approval?