

Plants at Rourkela, Bhilai and Durgapur are the same. In agreement with the recognised Unions, the management of Hindustan Steel Limited has also constituted a Joint Standing Committee at the Company level and Joint Plant Committees at Plant levels on wage differentials based on scientific job evaluation studies conducted in accordance with an agreed Job Evaluation Manual and for the correction of any anomalies.

EXPANSION OF STEEL INDUSTRY IN INDIA

131. SARDAR RAM SINGH: Will the Minister of STEEL, MINES AND METALS be pleased to state:

(a) whether it is a fact that the West German Reconstruction and Loan Corporation have submitted a report to the Government of India making some suggestions for the expansion of steel industry in India;

(b) if so, what are the main suggestions contained in the report?

THE MINISTER OF STEEL, MINES AND METALS (DR. M. CHANNA REDDY): (a) and (b). A study on 'Development and Objects of India Iron and Steel Industry' was undertaken by Kreditanstalt—the West German Reconstruction and Loan Corporation—primarily for their own use. A copy has been received.

It has been argued in the study that in view of the large sums of foreign exchange required for importing spares, raw materials and food stuffs as well as for other urgent purposes, the earmarking of a high percentage of foreign aid to the steel sector would not appear economically justified. Accordingly, it has been suggested that the construction of new mills should be postponed and further investments should be diverted for the expansion of already existing mills, as extension of existing facilities to their final stage would lower substantially

the cost of production and improve the productivity of these mills. The other important conclusions made out in the study are:

- (i) Improvement of the raw material basis so that the use of raw materials, and thus the cost of production, can be lowered, and the quality of iron and steel production improved;
- (ii) The time required for expanding steel mills and for constructing ancillary undertakings such as dressing and sintering plants should be shortened substantially;
- (iii) Under the contemplated extension projects, priority should be given to those susceptible of the most rapid implementation and involving the relatively lowest investments, and which could improve the existing production capacities of the mills most substantially. In the flat products sectors, priority should be given to the extension of Rourkela, especially as it can be assumed that already gained know-how and experience will shorten the initial period substantially;
- (iv) Foreign operational personnel should be employed so as to shorten the long time taken in implementing the projects.
- (v) Extensive survey of abundant, but primarily low grade, raw material deposits for the iron and steel industry should be initiated immediately; and
- (vi) Export potential for Indian iron and steel industry should be promoted more intensively than is being done at present, even though this might have to be done at the expense of less urgent domestic demand. These measures could be speeded up

substantially by orienting the steel mills to an increasing degree of steel exports. For this, the potential export markets should be investigated thoroughly, especially with the object of discovering consumer requirements and of developing marketing channels.

**DISCOUNT/REBATE ON DETERIORATED
QUALITY OF COAL, ALLOWED BY
NCDC.**

132. SHRI SURJIT SINGH ATWAL:
Will the Minister of STEEL, MINES
AND METALS be pleased to state:

(a) the total amount of discount/rebate allowed and claims for reduction in bills admitted on account of deterioration in quality, on sales of coal of Grade I and above sold by the N.C.D.C. during the years 1964-66—yearwise;

(b) the reasons given by the Management for such reductions/discounts if any; and

(c) whether Government have any agency or system for verification of the reductions?

THE MINISTER OF STEEL, MINES AND METALS (DR. M. CHANNA REDDY): (a) Prices of grade I and above qualities of coal are fixed by Government under Clause 4 of the Colliery Control Order, 1945. No discount/rebate is permissible in respect of such coals except middleman's commission. Claims, however, are entertained on account of deterioration in quality/size. The amount involved on this account is as under:—

	Rs.
1964-65	1,39,000.00
1965-66	1,61,000.00

(b) According to trade practice, reductions or discounts are made whenever the grade or size of coal despatched is not according to specifications.

156RS—3.

(c) A procedure has been set up by N.C.D.C. for dealing with such complaints. Claims above Rs. 5000.00 receive the personal scrutiny of the Managing Director himself. Government have no agency or system for verification of such reductions nor is it considered necessary to have such system.

**हिन्दुस्तान स्टील वर्क्स कन्स्ट्रक्शन कम्पनी
लिमिटेड**

133. श्री राजनारायण : क्या इस्पात,
खान और धातु मंत्री यह बताने की कृपा
करेंगे कि :

(क) क्या यह सच है कि हिन्दुस्तान
स्टील वर्क्स कन्स्ट्रक्शन कम्पनी लिमिटेड
के बन्द हो जाने की आशंका है;

(ख) क्या यह भी सच है कि इस परि-
योजना को जिसे मूलतः बीस करोड़ रुपये
की लागत से आरम्भ किया जाना था, वास्तव
में केवल एक करोड़ रुपये की लागत पर
आरम्भ किया गया; और

(ग) यदि हाँ, तो इस के क्या कारण
हैं और उसे बन्द होने से बचाने के लिए सरकार
क्या कदम उठा रही है ?

†[HINDUSTAN STEELWORKS CONSTRUCTION Co. LTD.]

133. SHRI RAJNARAIN: Will the
Minister of STEEL, MINES AND
METALS be pleased to state:

(a) whether it is a fact that there
is apprehension that the Hindustan
Steelworks Construction Co. Ltd.
would close down;

(b) whether it is also a fact that
originally this project was to be
launched with a sum of Rupees
twenty crores while in fact it was
launched only with a sum of Rupees
one crore; and

†[] English translation.