

producing acetate rayon we do not require that much of import, at least not to that extent?

SHRI MANUBHAI SHAH: As I have just explained, that is not so. As a matter of fact, about 60 to 70 per cent, of the raw materials are common to both varieties. Some chemicals have to be imported. Referring to caustic soda and sulphur which the hon. Member seems to have in mind for the manufacture of viscose rayon, they are required only for viscose rayon and not for acetate rayon.

SHRI KISHEN CHAND: In his answer, the hon. Minister said that\* linters will be required for acetate rayon. Is it possible to get all these linters from short staple cotton or only possible to get them from long staple cotton?

SHRI MANUBHAI SHAH: Short staple cotton linters are not as useful as long staple cotton linters. So we are trying to get the production of the correct variety of long staple cotton increased in the country.

#### **OUTPUT AND IMPORT OF STEEL IN THE SECOND FIVE YEAR PLAN PERIOD**

\*28. SHRI M. VALIULLA: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) what is the expected output of steel in each year of the Second Five Year Plan;

(b) what is the extent of production in each of these years from each agency; and

(c) how much steel is expected to be imported during the Plan period?

THE MINISTER FOR HEAVY INDUSTRIES (SHRI MANUBHAI SHAH): (a), (b) and (c). A statement is placed on the Table of the House [See Appendix XVI, Annexure No. 10.]

SHRI M. VALIULLA: The statement gives the quantities to be pro-

duced and also the imports that we will be having, and I find that for the year 1958-59, the two together come to only 21,10,000 tons and during the succeeding and also the preceding years the total is more. May I know whether in that particular year our consumption is to be less?

SHRI MANUBHAI SHAH: These are figures of indigenous production and not of consumption. Actually our consumption of steel has steadily increased from 18 lakh tons to 3.2 lakh tons. What the hon. Member has pointed out is really the production in 1958-59 and the imports, which together come to about 21 lakh tons. The production as a result of the steel plants at Durgapur, Rourkela and Bhilai will increase to 2-6 million tons in 1959-60 and to 4-2 million tons in 1960-61.

SHRI M. VALIULLA: I will make myself clear, Sir. The hon. Minister in his Statement has stated that in 1958-59, the production will be 15,10,000 tons and the imports will come to 6,00,000 tons. Together, they come to 21,10,000 tons. This is less than the figures for the preceding and the succeeding years. You import only six lakh tons in 1958-59. How are you going to meet all your requirements that year?

SHRI MANUBHAI SHAH: As the House is aware, we are short of foreign exchange and we cannot afford to spend all our foreign exchange on the import of steel. So for the next 18 months, we have to economise in the utilisation of steel. Of course, when we produce our own steel, then naturally the consumption will step up very much more.

SHRI M. VALIULLA: In the statement, it is stated that in 1960-61, the last year of the Plan period, the production from Government Steel Plants will amount to 16,70,000 tons. What is the break-up of this figure of production from the Government Steel Plants?

SHRI MANUBHAI SHAH: The break-up is about 2:2 million tons, from these three plants and about 1:8 million tons from the others.

SHRI M. VALIULLA: But I want to know, how much from the Durga-pur plant, how much from Rourkela and how much from Bhilai.

SHRI MANUBHAI SHAH: Each of these plants is to produce one million tons of crude iron which means :75 million tons of finished steel.

SHRI M. VALIULLA: But what I want is the break-up of this figure of 16,70,000 tons to be produced in 1960-61. What is the break-up for these three plants?

SHRI MANUBHAI SHAH: That is exactly what I gave. Each of these steel plants will produce about a million tons of crude iron and each ton of crude iron gives :75 tons of finished steel. That is the case with Rourkela, Bhilali and also Durgapur.

SHRI M. M. SUR: But how much of it is made up of sheets, how much of structurals etc.?

SHRI MANUBHAI SHAH: Sheets come to about 2:56 lakh tons, heavy structurals 90,000 tons. I don't know how the hon. Member is interested in such a break-up Bars account for • 5 lakh tons, bolts etc. 22,000 tons and so on. In fact, every category of steel required is to be manufactured in the different components in these three steel plants.

#### DIFFICULTIES OF THE COAL INDUSTRY

\*29. DR. RADHA KUMUD MOOKERJI: Will the Minister for PRODUCTION be pleased to state:

(a) whether the coal industry is facing difficulties in regard to (i) increase of operational costs, (ii) in adequacy of prices of coal, (iii) short age of wagon supply, (iv) sand-stowing, especially in Jharia Coal Fields, and (v) seepage of water from Damodar Valley Corporation and other lakes;

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(b) if so, what remedial measures are contemplated by Government?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY): (a) and (b). Representations have been received from the Coal Industry, from time to time, on the points referred to by the Honourable Member excepting the last one. A statement explaining the position is laid on the Table of the House.

#### STATEMENT

Representations have been made by the Coal Industry, from time to time, pointing out certain difficulties experienced by it, specially in regard to inadequacy of the prices fixed for coal. The last stich representation was made in June 1956, following the Award of the All-India Industrial Tribunal (Colliery Disputes). The main points raised in this representation were: —

- (i) the need for increase in coal prices because of increased cost of production due to the implementation of the Award;
- (ii) other factors which contribute materially to reduction in profit margin in the industry and which are—
  - (a) steep rise in replacement costs of items of plant, machinery and colliery stores; and
  - (b) extra expenditure imposed on the industry by the introduction of the Coal Mines (Temporary) Regulations; and
- (iii) revision of the rules governing stowing subsidies.

(i) *Increase in operational costs*; and (ii) *Inadequacy of coal prices*.— Coal prices are fixed, as a general rule, on the basis of cost of production as ascertained by examination of the costs of production of a number of representative units. Government have been keeping a constant watch over coal prices and have