

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 Durgapur 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, Bhilai 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) inadequacy of prices of coal, (iii) shortage of wagon supply, (iv) sand-stowing, especially in Jharia Coal Fields, and (v) seepage of water from Damodar Valley Corporation and other lakes; and

(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 such 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

reviewed them from time to time, as and when required. In 1947, following the Award of the Conciliation Board, the coal prices in Bengal-Bihar fields were increased by Rs. 3/8 per ton uniformly for all grades. The prices of coal in fields other than Bengal-Bihar were also increased on various dates, following the Fact-finding Committee Report of 1947 for Madhya Pradesh, Korea Award of 1947, Talcher Award of 1948, Rewa Award of 1948 and the Fact-finding Committee Report of 1948 for Assam. Certain adjustments in coal prices in the Bengal-Bihar fields were made from 1949 to 1955, for particular grades, taking into account various factors, such as, increased production and despatches; the higher profit margin earned by the lower grade collieries; as an anti-inflationary measure; the increased cost of contribution payable by the employers to the provident fund of the workers; and to compensate the coking coal collieries for the restrictions entailed by the pegging of coking coal production etc.

The prices were last revised upward in July 1956, after taking into account various factors affecting the cost of production, including the increase in operational cost and the effect of the Award of the All-India Industrial Tribunal (Colliery Disputes), published in May 1956. This upward revision in coal prices was sanctioned on the basis of the recommendations of a Price Revision Committee, constituted in 1955 with the Coal Controller as Chairman, the Chief Cost Accounts Officer of the Government of India and a Joint Secretary in the Ministry of Production, as members. This Committee made an investigation into the cost of production as it was before the Tribunal gave its award and also further went into the question of extra cost of raising coal as a result of implementing the Award of the Tribunal.

Coal prices will be kept under constant review and Government are giving consideration to a proposal to examine the entire question on a comprehensive basis.

(iii) *Wagon supply*.—The wagon supply position has shown marked improvement during 1956, as compared to the previous years. The average daily loading in all the fields during the last three years, were as follows:—

	Daily average loading	
1954 .. ..	3,948	wagons
1955 .. ..	4,045	wagons
1956 .. ..	4,246	wagons

While the wagon supply position has thus shown improvement, it is still short of actual requirements, with the result that the collieries are unable to obtain all the wagons they require for movement of their production and the coal-consuming industries are also not able to obtain coal supplies according to their needs. Restricted line capacity and junction limitations, on certain sections also operate to restrict the movement of coal from the collieries. The Railway Ministry have, however, embarked on a carefully considered plan for improving the transport position during the Second Plan period.

(iv) *Sand stowing*.—The rate of subsidy granted for stowing has been increased and the rate of depreciation allowed on stowing machinery has also been liberalised. Various measures have been taken by the Coal Board to assist the collieries to undertake sand stowing, mainly—

- (a) liberal financial subsidies are granted to collieries which undertake stowing and loans at a concessional rate of interest are allowed for the purchase and installation of stowing plants;
- (b) the Coal Board is planning Central schemes for the supply of sand for the collieries and for encouraging stowing with materials other than sand. A Committee to draw up a central scheme for the Jharia coalfield has already been set up. The question

of setting up similar committee for the Raniganj coalfield is under consideration of Coal Board.

- (c) the question of Government acquiring sand rights in rivers is under consideration.

A committee appointed by the Government to enquire into the question of sand reserves and sand replacements consequent on the constructions of dams has reported that there is no apprehension regarding the availability of sand supplies for stowing purposes.

(v) *Seepage of water from Damodar Valley Corporation and other lakes.*—Government are not aware of any complaint regarding seepage of water from Damodar Valley Corporation and other lakes, as a factor affecting the Coal Industry.

DR. RADHA KUMUD MOOKERJI: In view of the fact that to produce a ton of steel you require two tons of coal, will the hon. Minister for Production be pleased to state whether the coal industry is paid adequate attention at the hands of the Government, specially in regard to its price?

SHRI K. C. REDDY: I could not understand the question quite clearly. The hon. Member referred to the quantity of coal that will be required and said that two tons of coal will be required to produce one ton of steel. But the subsequent portion of the question I could not hear very well.

SHRI KISHEN CHAND: May I know, Sir, whether any steps are being taken in regard to the seepage of water from the Damodar Valley and other lakes in the neighbouring area which may reduce the production of coal from our mines?

SHRI K. C. REDDY: As I have already stated in the Statement attached to the answer, so far no such

complaint has been received from the coal industry. Nor is the Ministry aware of any such difficulty so far experienced by the industry. But in the light of this question, we will make further investigations to find out if there are genuine difficulties and if any are brought to our notice, we shall meet and solve those difficulties.

DR. RADHA KUMUD MOOKERJI: With regard to the proposition to fix coal prices on a higher level, will the hon. Minister be pleased to state how so far coal price has been increased by only 15 per cent. as against an increase of 130 per cent. allowed to steel and why there is this step-motherly treatment to coal?

SHRI K. C. REDDY: Sir, my hon. friend is a very distinguished economist also. It is not only the aspect which he has just pointed out which will have to be exclusively taken into account. The overall picture has to be seen and all the factors have to be taken into account before arriving at a reasonable price for coal. The Government is always keen on reviewing the position from time to time and taking all factors into account before arriving at any decisions.

SHRI KISHEN CHAND: May I know from the hon. Minister if it is a fact that stocks of coal are accumulating on account of the shortage of wagons?

SHRI K. C. REDDY: No, Sir. The facts are otherwise. The stocks have actually gone down. In 1955, the pithead stocks were about 3.6 million tons, and in 1956, they have been 2.7 million tons. So, the assumption that the pithead stocks have increased is not correct.

DR. RADHA KUMUD MOOKERJI: Admitting that the pithead stocks are decreasing will the Minister for Production be pleased to consider what this accumulation of stocks means in terms of capital? I find that

the accumulated stocks of 3·6 million tons are valued at Rs. 5½ crores.

**SHRI K. C. REDDY:** Sir, I will have to work out the figures carefully before I can venture to answer that question.

**SHRI M. VALIULLA:** In the First and the Second Five Year Plans, Sir, we are talking of 38 million tons to 60 million tons, whereas the Railways have given an increase only to the extent of 6 per cent. in transshipment. May I know, Sir, whether there will be about 60 per cent. increase in the railway traffic?

**SHRI K. C. REDDY:** Sir, that is for the Railway Ministry to answer. But all the requirements necessary for handling the increased stock of coal production are constantly kept in view by both the Railway Ministry and the Production Ministry. The two Ministries act in co-ordination with each other.

**PANDIT S. S. N. TANKHA:** The hon. Minister has stated that the quantity of coal at the pitheads is now less than before. May I know if this is due to shortage of production or due to a greater quantity being lifted by the wagons?

**SHRI K. C. REDDY:** It is not due to shortfall in production, Sir. The production has increased in 1956. The production in 1955 was 38·23 million tons and in 1956 it has been 39·42 million tons. The production has increased, the stocks have decreased, and the Railways are constantly endeavouring to make available as many wagons as possible.

**PROF. HUMAYUN KABIR:** If the production has increased from 38 and odd million tons to only 39 and odd million tons in one year, how do the Government propose to push up production to 60 million tons in another four years?

**SHRI K. C. REDDY:** We are opening up new mines in various places. There is a plan to achieve the target.

We are starting new mines in various places.

**PROF. HUMAYUN KABIR:** Would the hon. Minister give us an idea about the total net increase during the last year of the First Five Year Plan?

**SHRI K. C. REDDY:** I have given the total production figures. In 1955, it was 38·23 million tons and in 1956, it is 39·42 million tons. I do not know what more the hon. Member actually wants.

**PROF. HUMAYUN KABIR:** The hon. Minister said that this figure was only with regard to the operation of the old mines and new mines would be opened up during the rest of the Second Five Year Plan.

**SHRI K. C. REDDY:** Yes, Sir; that is so. New mines are being opened up.

**SHRI BHUPESH GUPTA:** May I know, Sir, whether the new mines that are being opened up are under the public sector exclusively or they are also under the private sector?

**SHRI K. C. REDDY:** Sir, I have answered this question earlier on the floor of this House. Out of the 22 million tons of additional production during the Second Five Year Plan, subject to correction, about 12 million tons are proposed to be produced under the public sector and 10 million tons are proposed to be produced in the existing mines or in the areas contiguous to the existing mines.

**SHRI BHUPESH GUPTA:** That is not my point, Sir. I know all these figures. But they do not show whether they relate to the public sector or to the private sector. May I know whether the new mines that are going to be opened up—not production—are exclusively under the public sector, irrespective of their production?

**SHRI K. C. REDDY:** Yes, exclusively under the public sector.

**DR. RADHA KUMUD MOOKERJI:** What is the extent of the losses being incurred by Government in the working of its own collieries?

**SHRI K. C. REDDY:** There have been no losses. Taking all the collieries together, there have been overall profits.

**PROF. HUMAYUN KABIR:** Is the hon. Minister satisfied that the allocation under the Second Five Year Plan is adequate to reach the target of 60 million tons in 1961?

**SHRI K. C. REDDY:** There is no limit to one's satisfaction, but we have to.....

**PROF. HUMAYUN KABIR:** It is not a question of your satisfaction. Are you satisfied that the provision is adequate? I understand that, so far as coal mining is concerned, there is a definite ratio between the money you put in and the amount of coal you lift. Are you satisfied that the provision in the Second Five Year Plan will actually give you 60 million tons?

**SHRI K. C. REDDY:** It is only a provisional allotment that has been made in the Second Five-Year Plan. If the hon. Member refers to the Second Five Year Plan, it is said there that if and when additional funds are required, it will be considered.

**MEETING OF INDO-PAKISTAN SENIOR POLICE OFFICERS TO DISCUSS ANTI-DACOIT OPERATIONS ON RAJASTHAN BORDER.**

**\*30. SHRI TAJAMUL HUSAIN:** Will the PRIME MINISTER be pleased to state:

(a) whether senior police officers of Rajasthan and West Pakistan were scheduled to meet to discuss law and order problems of common interests, especially the anti-dacoit operations along the 400-mile Rajasthan-Pakistan border; and

(b) whether such discussion actually took place and if so, with what result?

**THE PARLIAMENTARY-SECRETARY TO THE MINISTER FOR EXTERNAL AFFAIRS (SHRIMATI LAKSHMI MENON):** (a) Yes, Sir.

(b) The Police Officers of Rajasthan and West Pakistan met at Jodhpur (Rajasthan) on the 21st and 22nd January 1957, and reviewed the general law and order situation arising from the raids and incidents on the Indo-Pakistan border including activities of transborder dacoits, prevention of smuggling, restoration of stolen cattle and property.

**SHRI TAJAMUL HUSAIN:** May I know, Sir, whether there has been any improvement in the situation since the officials of the two countries met?

**SHRIMATI LAKSHMI MENON:** Sir, they met only in January 1957 and certain decisions were taken. We propose to implement those decisions. We have naturally to wait and see whether there is going to be any improvement in the situation.

**SHRI TAJAMUL HUSAIN:** May I know, Sir, whether the Government are aware that these Pakistanis are instigated by Pakistan to go to Rajasthan, commit dacoities and run away just across the border?

**SHRIMATI LAKSHMI MENON:** Sir, both the Indian and Pakistani gangs are involved in these raids, cattle-lifting and dacoities etc., and since crimes and criminals have no frontiers, it is difficult for us to say whether they are instigated by their Governments or not.

**SHRI TAJAMUL HUSAIN:** Is it not a fact, Sir, that after the dacoity is committed by the Pakistanis in India and when they cross the border, they are protected by the Pakistan Police?

**SHRIMATI LAKSHMI MENON:** That is a matter for the Pakistan Government to answer.