

SHRI S N BURAGOHAIN No specific percentage of price preference has been laid down, Sir. But in 10-12 times we have given price preference in the matter of cottage and small-scale industries to the extent of $3\frac{1}{2}$ per cent to $7\frac{1}{2}$ per cent.

PROF G RANGA Is it not a fact that before the war the price preference for Indian manufactures used to range up to $7\frac{1}{2}$ per cent to 10 per cent in regard to the stores purchased? And that was in regard to manufactures, not even small-scale and cottage industries.

SHRI S N BURAGOHAIN The percentage that I just gave related to cottage industries only, but with regard to indigenous manufactures, I have not got that information at the moment.

PROF G RANGA Is it not a fact, Sir, that it was the permanent officials at the Secretariat level who were responsible for obstructing the purchase of our indigenous products, especially of cottage industries, all these years, even as was evidenced by the hon. the Prime Minister the other day in regard to hand-made paper?

SHRI S N BURAGOHAIN Sir, I do not think that is the correct position. Actually, one of the main functions of the Directorate-General of Supplies and Disposals which is the central purchase organisation in the country, is to scrutinise all the indents of the various Ministries before they are passed on to our purchase organisations abroad, in London and Washington, and except in the case of Ministry of Defence for certain warlike stores and the Ministry of Railways for certain specialised stores, no direct indent can be placed on our purchase organisations abroad.

SHRI D NARAYAN May I know the definition of 'Swadeshi' according to Government?

SHRI S N BURAGOHAIN That means products produced out of raw materials produced in the country.

SHRI C G K REDDY May I ask the Government if they are satisfied that a price preference of $3\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent is adequate to encourage cottage industries?

SHRI S N BURAGOHAIN Every case is examined on merits. No percentage is fixed as I have already said.

METALLURGICAL COAL USED BY RAILWAYS

*341† **SHRI C G K REDDY** Will the Minister for PRODUCTION be pleased to state

(a) what are the quantities of metallurgical and non-metallurgical coal supplied annually to the Railways,

(b) what are the prices of these two grades of coal,

(c) what is the entire consumption of metallurgical coal in the country; and

(d) whether any restrictions are placed on the mining and use of metallurgical coal?

THE DEPUTY MINISTER FOR WORKS HOUSING AND SUPPLY (SHRI S N BURAGOHAIN) (a) Approximately 3.9 million tons of metallurgical coal and 6 million tons of non-metallurgical coal were supplied to the Railways in 1952.

(b) There is no difference in the prices of metallurgical and non-metallurgical coal. A statement is laid on the Table of the House showing the prices of coal produced in the Bengal/Bihar fields.

(c) Approximately 12 million tons in 1952.

(d) Certain restrictions are placed on the mining of metallurgical coal. The production of selected grades of

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metallurgical coal has been limited to 7.4 million tons in 1953, and of grades I and II metallurgical coal at the level of production in 1952. The opening of new mines producing metallurgical coal is also not being allowed.

No specific restrictions on the use of metallurgical coal have been imposed. Different grades of coal have been prescribed for supply to the various industries, but this allocation is not based on the distinction between metallurgical and non-metallurgical coal.

STATEMENT

Current Prices of Coal in Bengal/ Bihar Coalfields

Grade of coal	Prices			
	Run of Mine, Dust & Slack		Steam coal, ble coal and Smi thy Nuts	
	Rs.	A.	P.	Rs. A. P.
With effect from 23-11-1949—				
Selected Grade 'A'	15	3	0	16 4 0
Selected Grade 'B'	14	3	0	15 4 0
Grade I	13	5	0	14 6 0
Grade II	12	15	0	14 0 0
With effect from 21-4-1949—				
Grade III 'A'	11	12	0	12 12 0
Grade III 'B'	10	9	0	11 9 0

9 A.M.

SHRI C. G. K. REDDY: How does the Minister reconcile his answer to (c) with his answer to (d)? In answer to (c) he says 12 million tons, per year I suppose, and the limit that has been placed by the Coal Board is 7.4 million tons.

SHRI S. N. BURAGOHAIN: 7.4 million tons of selected grades, that is what I said, Sir. But there are other grades of coal, besides the selected grades, which are metallurgical coal.

SHRI C. G. K. REDDY: May I ask whether this 7.9 million tons which has been fixed by the Coal Board last year as a limit is two lakhs in excess of the capacity of the mines to produce in the country?

SHRI S. N. BURAGOHAIN: Actually our policy is to restrict the production of metallurgical coal and we have now pegged it at the level of 1952 production and the policy is to reduce it over a number of years.

SHRI C. G. K. REDDY: Is it a fact that this limit cannot be achieved at the present moment by the mines in India and if so, what is the seriousness in placing such a limit which cannot be attained even by the full capacity?

SHRI S. N. BURAGOHAIN: One of the consequences may be unemployment. That is why Government have to go slow in the matter.

SHRI C. G. K. REDDY: May I ask again? If the limit is 7.9 million tons and the entire production capacity of the country is only 7.7 million tons, how can that limit be placed?

SHRI S. N. BURAGOHAIN: That is a ceiling that has been fixed at the level of 1952 production. That is what I said.

SHRI C. G. K. REDDY: Sir, may I draw the attention of Government to a speech of the President of the Indian Colliery Owners' Association, wherein he says that though 7.9 million tons was fixed, it was soon found that the target was in excess of the industry's capacity to produce at least by two lakh tons? I want to know whether the Government think that this is a correct statement or not?

SHRI S. N. BURAGOHAIN: I am not aware of that particular statement. If that is the position taken up by the industry, certainly Government will take count of that and correspondingly reduce the production.

SHRI C. G. K. REDDY: Did not the Coal Board find out the entire capacity of the country before they ventured to put a restriction on the production of coal?

SHRI S. N. BURAGOHAIN: They worked on the figures and the statistics available to them.

SHRI C. G. K. REDDY: What is the estimate of the Coal Board of the entire capacity of the country at the moment?

SHRI S. N. BURAGOHAIN: I said, Sir, approximately 12 million tons of all grades of metallurgical coal.

SHRI C. G. K. REDDY: No, Sir. That is consumption. What is the estimate of the Coal Board of the production capacity of metallurgical coal in the country per year?

SHRI S. N. BURAGOHAIN: I think it may be slightly higher than 12 million tons. I have not got the exact figure.

SHRI C. G. K. REDDY: I think there is a mixing up of figures. 12 million tons is the consumption of all grades of coal. According to the hon. Minister 7.4 million tons has been the ceiling fixed by the Coal Board. I want to know whether this 7.4 million tons falls short of the production capacity of the country or is really in excess?

SHRI S. N. BURAGOHAIN: The capacity of all grades of coal is somewhere about 34 million tons. 12 million tons is the figure of metallurgical coal of all grades, including the selected grades, grades I and II.

MR. CHAIRMAN: You proceed to some other point.

SHRI C. G. K. REDDY: This is a very important thing, Sir. I want to know whether Government subscribes to the statement that the capacity of A and B grades of coal in the country is 2 lakhs short of the target fixed by the Coal Board. If so, what is the meaning of that restriction when the 30 CSD.

capacity of the country falls short of it?

SHRI S. N. BURAGOHAIN: There can be no shortage of metallurgical coal, Sir. The reserves have been estimated at 2,000 million tons.

SHRI C. G. K. REDDY: But that is reserves. I know that the reserves are estimated at 2,000 million tons. I am asking about the production capacity. Anyway I will leave it at that.

SHRI B. K. P. SINHA: Is it not a fact, Sir, that the target has been fixed in view of the expanding consumption of metallurgical coal in this country?

SHRI S. N. BURAGOHAIN: That is correct, Sir. We have to export also metallurgical coal to other countries.

SHRI GOVINDA REDDY: Does not the Government think it desirable to restrict the use of metallurgical coal?

SHRI S. N. BURAGOHAIN: That is the policy which is being pursued and that is why we passed a law last year.

SHRI V. K. DHAGE: To which countries are these exports made?

SHRI S. N. BURAGOHAIN: Export is made to Japan, to Australia, to Egypt and to our neighbours.

SHRI C. G. K. REDDY: May I know what is the effect of the restrictions which have been placed under the Act during the last two years?

SHRI S. N. BURAGOHAIN: One of the steps is to peg the production of metallurgical coal to the 1952 level and to reduce its production over a number of years.

SHRI C. G. K. REDDY: What have been the results since the restrictions were placed?

SHRI S. N. BURAGOHAIN: The legislation was passed only a year ago, and the Coal Board has only been functioning for a few months.

SHRI C. G. K. REDDY: May I know to what extent the restriction has worked during the last one year compared to the previous year?

SHRI S. N. BURAGOHAIN: My hon. friend's own information is that it has not reached the ceiling fixed.

SHRI B. K. P. SINHA: Is it not a fact that importing countries like Japan, Australia, etc. demand high grade coal and not inferior coal?

SHRI S. N. BURAGOHAIN: Yes, Sir.

PROF. G. RANGA: Is it a fact that metallurgical coal is specially useful for smelting scrap iron, and that we are exporting metallurgical coal as well as scrap iron to Japan?

SHRI S. N. BURAGOHAIN: Yes, it is used in iron and steel works. Our consumption might go up when we put up the new steel plants and when the expansion programmes of the present companies are under way.

SHRI C. G. K. REDDY: May I know why the railways use about 40 per cent. of their entire coal consumption by way of metallurgical coal?

SHRI S. N. BURAGOHAIN: This has been going on for a number of years, and that is precisely why the law has been passed and powers taken by Government.

SHRI C. G. K. REDDY: What is the reason for their going in for metallurgical coal when it is a well known fact that the reserves of metallurgical coal in the country are extremely limited and at the rate at which we are going we would probably finish them in a hundred years?

SHRI S. N. BURAGOHAIN: It is not admitted that the reserves of metallurgical coal are extremely limited.

But certainly they are limited, and that is why these conservation measures have been devised.

ESTABLISHMENT OF A MILL TO PRODUCE CIGARETTE PAPER

*366†. **SHRI C. G. K. REDDY:** Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether a mill to manufacture cigarette paper has been established in India; and, if so, when;

(b) whether the mill has commenced production;

(c) what is its rated capacity and when it is likely to reach this; and

(d) who are the managing agents of this mill and what is the composition of its directorate and share-holders?

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI): (a) Yes, Sir, in 1950.

(b) Yes, Sir.

(c) The rated capacity of the Mill is 3,000 tons per year and this target is likely to be reached by the middle of 1954.

(d) A statement is laid on the Table of the Council.

STATEMENT

Mill to Manufacture Cigarette Paper

Name of the Mill.—Messrs. Tribeni Tissues, Limited, Chandrabati, District Hooghly.

Managing Agents of the Mill.—Messrs. Balmer Lawrie & Co., Ltd., 21, Netaji Subhas Road, Calcutta.

†Postponed from the 10th April 1953.