

MR. DEPUTY CHAIRMAN : I owe an explanation to the House. During my regime as Deputy Chairman, I have tried to take all the sides with me and give equal opportunities to all the Members of the House. When I promised that I would allow some questions, three Members put as many as four questions each and as many as twelve questions have been put. The Bill has been debated during the last three days here, while the House of the People took only two days for the general debate. Three Members have put twelve questions and it is perfectly within the discretion of the Chair to hold that sufficient questions have been put and that sufficient discussion has taken place. If the hon. Members on this side misconstrue these things, they are perfectly at liberty to do so, and I am not responsible for their act. The Chairman has certain powers of control in Parliamentary practice; it is there in the Rules. When one hon. Member said that the debate would be prolonged, I reminded him of the powers that are there under the Rules framed by the Rules Committee of the House. As far as possible, I have been trying to take all sides with me and it will be my constant endeavour to take all sides and not to treat any Party or any Member with any favour. I shall try to discharge my duties to the best of my ability.

Now, clause by clause consideration of the Bill will be taken up tomorrow.

There is a half-hour discussion by Mr. Reddy.

HALF-AN-HOUR DISCUSSION

MATTERS ARISING OUT OF ANSWERS TO QUESTIONS NOS. 5 AND 7 ASKED ON 24TH NOVEMBER 1952 *re* EXPORT OF SCRAP IRON

SHRI C. G. K. REDDY (Mysore): Mr. Deputy Chairman, the discussion that I wish to raise arises out of the answers given by the hon. Minister for Commerce to questions Nos. 5 and 7 on the 24th of this month. Sir, I am aware that the hon. Minister may

not be, at the time of giving the answer, aware of the conflicts that he creates between one answer and another. I am aware also that he does not cull the information himself but I expect the hon. Minister and every other Minister to check the answers which the Secretariat gives them before answering a particular question in the House. In this case in answer to a question by Mr. Sobhani the hon. Minister said in reply to part (c) of question No. 5 that the quantity used in India was about 8 times that exported. But on the other hand in answer to a question by me he said that a total of 1,46,506 tons during the six months ending September 1952 were exported. In part (b) of answer to question 5 he says that the consumption in India by the furnaces converting the scrap iron into mild steel or alloy steel is about 29,200 tons per month. For a moment I thought that I might have forgotten how to multiply a certain figure by 8 but I tried my best to do so the whole of yesterday and tried to find out if I was wrong but I am told by friends who know a little more mathematics than I do, that 6 times 29,200 is 1,75,200 tons whereas the figure exported is 1,46,506 tons and I also firmly believe with the limited arithmetical knowledge that I have, 8 times 1,46,506 tons is not 1,75,200. In fact it is not a multiple at all. Therefore I should like clarification from him—that is point number one.

Number two is—in answer to a question by me arising out of the answer he had given to Mr. Sobhani—I would like to read it out. I asked . What is the method of finding out whether the scrap iron that is being exported could not be used by our own factories? What I mean is before giving the export license does the Government examine the quality of the scrap iron that is proposed to be exported? The hon. Minister's reply to that denoted the non-existence of any method to check whether the scrap iron that is intended to be exported is found to be usable in the country itself. Perhaps I thought that this scrap iron which is about to be exported or which is likely to be exported may have some sort of

an automatic selective device so that from the scrap iron that is used in the country it will be able to differentiate itself and then allowed to be exported out of the country.

My third point is from the figures he has given the value of mild steel per ton that we import is Rs. 886 whereas the scrap iron price is Rs. 60—the controlled price and I am told that the export price varies between Rs. 110 and Rs. 150. The hon. Minister will agree with me when I say that for every ton that we export and get back in return—and I find that we get back about half the scrap iron that we export—we are losing about Rs. 700 per ton. Now, this is definitely a national waste of wealth. Therefore the point in asking these two questions, as the hon. Minister should have inferred was that we should stop the indiscriminate export of scrap iron and find out ways and means of using it inside the country, when we ourselves need the processed scrap iron by way of mild steel, special alloy steel and such things. Therefore, in raising this discussion I want first of all to clear up these figures. I want to know whether these figures are all wrong or whether some of them are wrong. Secondly, I want to know if there is an automatic selective device for the scrap iron that we are exporting, and if not, whether he would devise a method and also make the method effective, in order to see that whatever scrap iron we export is first checked by the export control authorities, so that the scrap iron that we can definitely use in this country may not be exported.

Thirdly, he should also see, as he has already given in a roundabout way, that every facility is being given to increase the installed capacity of furnaces which convert scrap iron into mild and alloy steel; I would like to know what these facilities are and also whether Government should not take steps immediately to make a beginning to see that scrap iron that could be used by us is completely used by us. I may digress here a bit and say that no elaborate method is needed for the conversion

of scrap iron into mild steel. It can be done by simple methods. Therefore I should like to know from Government whether they would consider taking steps to see that the scrap iron that is being exported in such vast quantities are used usefully by us in this country, thereby saving something like Rs. 700 to Rs. 750 that we pay to foreign countries for the processing of the scrap iron we send out. And also we will be able to save something like Rs. 6,82,00,000 every six months.

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR) : Any other observations from any other hon. Member?

MR. DEPUTY CHAIRMAN : No.

SHRI D. P. KARMARKAR : Sir, two questions have been raised by the hon. Member. Regarding the first one, about the figures, I am very sorry that this should have caused him worry for a whole day and had I anticipated this I would have tried to avoid it, and taken greater care. But in fact, it is not a very material question. Ultimately it is a question of calculation. The proportion between the scrap iron exported as compared with the total scrap available naturally varies with different periods. I find that the answer given was correct with reference to the period between March and September 1952. So I will not use up the time of the House on this, as the hon. Member will agree that ultimately all these figures are there and the House also will see that there has been no attempt at evading any answer or at deliberate inaccuracy. I find on reference that the figure is perfectly correct so far as the limited period is concerned. I do not want to take up more time of the House on that.

I am grateful to the hon. Member for having raised the general question regarding testing the scrap iron and the desirability of permitting these exports.

Now, Sir, we find that my hon. friend was right in respect of the prices

[Shri D. P. Karmarkar.]

Regarding scrap export, the position is, while the present indigenous scrap consumption is limited to about 29,200 tons per month, naturally there is no target for export, the policy being to allow export only of such varieties as cannot be consumed by the factories under the present circumstances. Sir, prior to 1948, there were no scrap exports from India and, even in 1948, I find that the quantity exported was nothing considerable. The scrap arisings, which are estimated to be about between 175,000 and 200,000 tons per year were being dumped all over the country, including uneconomically distant places like Assam. In some parts of the country, scrap was used to fill up land holes and, my hon. friend will be interested to learn that they have literally been dug up because there was demand for scrap iron which was mostly dumped. It was due to the Korean War, when it reached its peak, and consequent on the re-armament programme which resulted in increased demand. Still, anyway, there was no demand for Indian scrap at that time and it is only since the beginning of 1952 that scrap exports have increased considerably.

Now, just to invite the attention of the House to the factual position regarding that, we find, for instance, that the total exports during 1949-50 were in tonnage, 242 and in value, it was Rs. 31,688. In 1950-51, the tonnage was 2,072 and the export earnings were Rs. 3,59,060. Then, we find during 1951-52, the period that I referred to, there was heavy demand for the scrap which was 46,055 tons the value of it being Rs. 74,57,180 and I find from the chart before me that we had also dollar earnings to the tune of Rs. 46,64,769 out of the total of Rs. 74 lakhs and odd. Now, from April 1952 to September 1952, exports have been to the tune of 146,506 tons, the value being Rs. 2,76,59,887. Out of this quantity, Sir, I find that a large amount of scrap has gone to Italy. Out of the Rs. 276 lakhs worth of scrap exported, Rs. 113 lakhs worth has gone to Italy. The demand was fairly heavy from United States of America

in 1951-52 due to re-armament and other things; then came Japan, and, third, came U. K. and, then, came the rest. One of the sizable quantity exported was to Belgium which was to the tune of Rs. 19 lakhs and odd. So, Sir, this was not as if it was scrap taken out from what was required for the furnaces of the country. In fact, it was far far in excess of the requirements of our present furnaces and unless the capacity to utilise this scrap is increased, there is no use for this scrap. In fact, we thought—as there is a saying that you must make wealth out of waste, here is an instance as to how scrap was being wasted, it was thrown anywhere, in some places it became a nuisance really and, out of that nuisance, if some earnings could be got, it would be good. We have been able to earn part of it in dollars and part of it in other currencies.

Now, Sir, regarding examination, I understand that the Iron and Steel Controller examines at a certain stage, that is, at the time of the export and only such scrap is permitted to go outside the country as would not in any manner be useful, that scrap which is entirely surplus to the requirements of our furnaces here.

SHRI C. G. K. REDDY : Is the quality checked?

SHRI D. P. KARMARKAR : In Madras, for instance, nothing is allowed to be exported until Iron & Steel Works in Mysore certify that they do not require that scrap iron and Sir, it is not only the Iron and Steel Controller but all the manufacturing concerns inside the country, all the principal iron and steel concerns come in and only after they say that this cannot be utilised by the manufacturers, it is allowed to be exported.

SHRI C. G. K. REDDY : On the question of utilisation, does it mean that the quantity is in the excess, or the quality is not suitable?

SHRI D. P. KARMARKAR : In quality it is not enough and in quantity it is in excess. I am prepared to take

that also, apart from the discussion, because time here is necessarily restricted, otherwise, I should have liked to read out the whole statement regarding this matter to the House, but, I am quite sure that the House will find, the hon. Member will find, that we have not allowed an ounce of scrap to be exported where it can either be utilised, so far as we can see, or required by the factories. It was far in excess of the demand. And I can tell my friend that literally dung-heaps had to be dug up and this scrap had to be obtained from them. Regarding block scrap, only such items as are superfluous, as are not required, are allowed to be exported. There are certain types of scraps which our factories cannot process. They have not the means to process them. Of course the ideal thing would be to turn out something from this scrap. But that requires equipment, that requires large capacity, that requires larger furnaces. And certainly Government intend to do all that is possible, but only that which is possible. But till then it is no use holding on to this waste, this dirt as it is now, in anticipation that some time in the appreciable future, something will turn up. But we do not permit the export of scrap iron which can be utilised here. Nor is it possible for us to permit it. Scrap which can be used in the country itself is not allowed to be exported. I hope that this explanation satisfies my hon. friend as also the hon. Members of this House.

SHRI C. G. K. REDDY : Just one point of clarification. Maybe, I misunderstood the hon. Minister. I want to know whether the quality is checked by the Iron and Steel Controller, because in answer to a supplementary question on the same date, the hon. Minister said that they did not find that possible in the case of scrap iron that was lying in dumps, and that they allowed it to be exported to the extent to which it could be exported. I want to know whether the quality is checked, and if it is possible for the hon. Minister to tell us what are the

criteria by which this quality is tested. Is it with reference to the furnaces that we have, which convert that scrap iron into usable steel ? Again, I also raised another point which he has not answered: whether Government would take adequate steps to see that in future, in order to obviate the indiscriminate export of scrap iron, they would give facilities that would be necessary to increase the installed capacity of furnaces and also in other ways assist the smelting industry to use up as much scrap as we possibly can get.

SHRI D. P. KARMARKAR : On the first of the points I will give a brief reply, and on the latter, my hon. colleague will speak a little more in detail than I can. As I said, the export of scrap iron should in no way be construed to mean that Government are exporting it without reference to indigenous requirements. They are permitting export of only such scrap as cannot be consumed in the country, such as waste or damaged or unusable parts of old machinery, rusty scrap, rusty mild steel scrap, scrap of condemned motor parts, damaged parts of aeroplanes, etc. Only these are permitted to be exported. All scrap offered for export is inspected by the Iron and Steel Controller ordinarily at site, but without exception at the docks, and shipment is permitted only if it is certified to be unusable in this country. There is, however, no quantitative restriction or control over the export. That is the position regarding the method of permission being granted for export of scrap iron. Sufficient precautions are taken to see that usable scrap is not exported. It is not in our interest. It is not in the national interest. It is not in the interests of the smelters themselves, because they would object if, for example, export of usable scrap were allowed. It is obvious that they would object because they are interested in it, naturally. So, the export is permitted in full consultation with the parties, in regard to the use of such scrap for processing purposes here. I could not usefully

[Shri D. P. Karmarkar.]

add anything more. I cannot say whether what one calls scrap is scrap. It ultimately depends on the judgment of the Iron and Steel Controller and also on the judgment of those people who actually are engaged in the manufacture of iron and steel. Their judgment would be the correct judgment. If their interests are sacrificed, they would feel sore about it. Till now we have not received any protest in regard to this. In these circumstances I think that sufficient precautions have been taken. Unless my friend suggests that every piece of scrap that is dug out in our country should be subjected to some chemical process, I am not aware of any such process. There is no complaint from anyone that we have exported scrap which could be used in our own country. Apart from the objection which my hon. friend appeared to take earlier, I appreciate very much his views because they have enabled me to study the subject deeper and deeper. And I find that the Government are satisfied, we are satisfied that we have not exported any scrap which could be utilised here.

Then with regard to developing the means of using the scrap, my esteemed colleague will give him an adequate reply.

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI) : Sir, I would like to express my gratitude to the hon. Member for drawing Government's pointed attention to this matter because I am myself confused that my mind has been running in the same direction. As I have been seeing statistics in regard to export of scraps, I have also seen in certain iron and steel works what are called skull scraps which cannot be made use of and which were more than a ton, and for the breaking of which we have no machinery in this country. I felt that Government ought to devise ways and means to utilise this scrap and I had a discussion with my colleague the Minister for Production

and we felt that the proper time to use it will be when we have a larger amount of electric power available. One of the drawbacks in not being able to utilise what we now call an unserviceable scrap is that we have not got the amount of electric power that is needed for starting electric furnaces. And when Bhakra-Nangal and Hirakud come into play, we shall probably have a fair amount of surplus power. If the hon. Member would go to Tatanagar even for that matter, he will find enormous quantities of skull scrap which these firms want too, because that is a dead capital on our hands.

I have here a list of 13 items which are classified as scrap iron for which export licences are issued. They are :

1. Rusty de-tinned scrap.
2. Rusty bulk production cuttings and punchings, including unserviceable rusty jerricans, in loose condition.
3. Cast Iron scrap, each piece weighing more than one ton.
4. Auto scrap, excluding loose bolts and nuts and parts of chassis made of structural steel, Angles, Channels, Springs, Clamps and connecting rods.
5. Condemned old and broken machine parts, weighing more than 15 cwts.
6. Cast Iron Chilled Rolls.
7. Cast Iron Ingot Moulds and Skull Scrap and Bottom Plates.
8. Salamander Scrap.
9. Broken Steel Rolls, weighing more than 10 cwts.
10. Old and Unserviceable Wire Ropes.
11. Stainless Steel Scrap.
12. Rusty and Dust Borings and Turnings.
13. Rusty fused bullets.

Sir, the one point which my hon. friend and colleague made here was about the matter of inspection. While undoubtedly it is true that the inspection is being conducted under the aegis of the Iron and Steel Controller, to a very large extent, the nature and the quantum of inspection is determined by

those people who make use of the scrap. As my hon. friend mentioned in Madras the charge is left to the Mysore Iron and Steel Works and I get repeated telegrams at 11 and 12 o'clock in the night, saying something about inspection and the ships going without loading, resulting in a heavy loss to the people there. So the hon. Member would find that we have entrusted a proper agency to each State. But I do concede that even this scrap can be used provided we get big machines for breaking up the scrap which is more than a ton. The drawback at the present moment happens to be electric power and I am glad the hon. Member has drawn Government's pointed attention to this.

SHRI BASAPPA SHETTY (Mysore):
Can we not get that machinery from outside India ?

SHRI T. T. KRISHNAMACHARI :
Everything can be done. But power is one factor.....

SHRI BASAPPA SHETTY : Power is plenty in Mysore.

SHRI T. T. KRISHNAMACHARI :
But power is not adequate for the

development of the Bhadravati Iron and Steel Works. They had an expansion programme and they have stopped it because they wanted 8 crores of rupees for an additional power unit to be started which is not available. So, all the popular conceptions that in Mysore there is plenty of power or somewhere else there is plenty of power, are all wrong. Our power supply today is extremely limited and is narrowing down and unless Bhakra-Nangal, Hirakud and some of the hydro-electric schemes come into operation, we cannot have any surplus power. In the South we have almost reached the saturation point in regard to hydro-electric power. That is the limitation. Once again, let me tell my hon. friend that we are grateful to him for drawing our attention to this and we will try to do our best.

MR. DEPUTY CHAIRMAN : The House stands adjourned till 10-45 A. M. tomorrow.

The Council then adjourned till a quarter to eleven of the clock on Thursday, the 11th December 1952.

*Editor of Debates,
Rajya Sabha Secretariat,*