

(b) the number of aircrafts likely to be manufactured in 1962;

(c) whether some British technicians are still in Kanpur; and

(d) the number of such technicians?

The Minister of Defence (Shri Krishna Menon): (a) and (b). Work on the 2nd, 3rd and 4th AVRO-748 aircraft is progressing satisfactorily. It is expected that the second aircraft will fly this year and the third and fourth aircraft will be near completion.

(c) Yes, Sir

(d) Four.

Shri S. M. Banerjee: May I know whether production will start in full swing in 1962 itself?

Shri Krishna Menon: Production is never in full swing. It is progressive.

Shri Nambiar: When will the maximum be reached?

Mr. Speaker: Order, order. He was not allowed to put a question

Shri Hem Barua: Is it a fact that recently negotiations were conducted with the Hawker Siddeley group for the manufacture of Avro 748, Series II? If so, may I know what is the outcome of the discussion?

Shri Krishna Menon: The agreement with the manufacturers for general manufacture of aircraft is not only for one particular type. There are several progressive types. The team now in England is negotiating with the manufacturers in regard to further models, various versions. That is probably what the hon. Member is referring to.

Shri D. C. Sharma: Is it not a fact that a team has gone abroad to exhibit this aircraft in order to get orders for them from some of the countries?

Shri Krishna Menon: That is altogether another team. We do not call it a team. The airmen who pilot

this aircraft took the aircraft to Indonesia and from there to Cambodia, Burma and Malaya and have come back. They are flight demonstrations at the request of the Governments concerned. Under our manufacturing agreement, it is open to us to sell them if we can.

Shri Sham Lal Saraf: May I know whether Indian technicians are fully versed in the manufacture of this aircraft now and also whether it is used for both defence and civil purposes?

Shri Krishna Menon: Indian technicians made them. They have come up to expectations. So they may be considered to be well versed.

Shri S. C. Samanta: May I know the percentage of parts that are being manufactured in our country?

Shri Krishna Menon: That does not come under this question. I want notice.

Shri M. L. Dwivedi: Has the team which has taken the aircraft for demonstration purposes to Indonesia and other countries done so of our own accord or at the invitation of those countries?

Shri Krishna Menon: It was in answer to the pressing invitation of these Governments.

Shri P. C. Borooah: What is the present installed capacity of manufacture of this aircraft in Kanpur and what is the rate of manufacture now?

Shri Krishna Menon: As I said, there are possibilities, at the present moment, of producing three aircraft at a time. How long each one of them will take to build depends upon the progress of production. On the whole, I think, the present arrangements are to produce 12 a year.

Rates of Royalty

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Shri Rameshwar Tantla:

Shri D. C. Sharma:

Shri Yashpal Singh:

Shri Bibbuti Mishra:

*100. **Shri Daji:**

Shri Hem Barua:
 Shri P. C. Borooah:
 Shri Ram Ratan Gupta:
 Dr. L. M. Singhvi:
 Shri Venkatasubbalah:

Will the Minister of Mines and Fuel be pleased to refer to the reply given to Starred Question No. 112 on the 23rd April, 1962 regarding royalty on Assam Oil and state:

(a) whether final decision has been taken by the Government on revising the existing rates of royalty; and

(b) if so, the details thereof?

The Deputy Minister in the Ministry of Mines and Fuel (Shri Hajarnavis): (a) No, Sir.

(b) Does not arise.

Shri Rameshwar Tantia: What are the reasons that this important question of royalty was not settled in the beginning with the Assam Government and what steps are being taken to settle this matter without hampering the progress of work of Oil India?

Shri Hajarnavis: As regards the first, there is the clause about the liability to pay royalty. We interpret it in one way and the Assam Government interpret it in another way. Till both parties have agreed upon an identical interpretation, the controversy will continue.

As regards the second question, all steps are being taken. The present position is both the Assam Government and the Government of India are determined to find an agreed solution.

Shri Rameshwar Tantia: Until this matter is settled, what is the position regarding progress of work?

Shri Hajarnavis: The Government of Assam have agreed to give us all the exploratory licence which Oil India Ltd. have asked for.

Shri P. Venkatasubbalah: May I know whether the attention of Government has been drawn to a press report which said that the matter has been referred to the Finance Minister

for arbitration? If so, at what stage does the matter stand now?

Shri Hajarnavis: That is also one of the steps contemplated. In the meantime, if there is an agreement between the Government of Assam and the Government of India and reference to arbitration may not be necessary.

Shri P. C. Borooah: What is the estimated annual loss of revenue to the Assam Government on account of the reduction?

Shri Hajarnavis: I will not be able to give the total loss. But the difference per ton is about Rs. 6.

Shri Hem Barua: May I know if the attention of the Government has been drawn to a recent statement by the Chief Minister of Assam to the effect that the issues of royalty and exploration programmes are being magnified and a fear complex is being created in the Delhi official circles; if so, whether it is not a fact that the spokesmen of the Oil and Natural Gas Commission, by issuing all sorts of nauseating statements against the State Government, are complicating the situation?

Shri Hari Vishnu Kamath: A cold war is going on.

Shri Hajarnavis: No such statement of the Chief Minister of Assam has come to my notice, nor am I aware of the statement attributed to the Oil and Natural Gas Commission.

Shri Basumatari: May I know whether it is correct that the Assam Government was not taken into confidence about this agreement for exploration?

Shri Hajarnavis: What the hon. Member has in mind is that the Assam Government did not agree to this new clarification about the liabilities; that is correct.

Shri Ram Ratan Gupta: Is it not a fact that the Planning Commission has awarded 15 per cent royalty to the State Government on the oil that may be found there?

Shri Hajarnavis: That also is one of the proposals.

Special Type of Steel

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- *101. { **Shri Subodh Hansda:**
 Shri S. C. Samanta:
 Shri B. K. Das:
 Shri M. L. Dwivedi:
 Shri Yallamanda Reddy:
 Shri Eswara Reddy:

Will the Minister of **Steel and Heavy Industries** be pleased to state:

(a) whether there is any proposal to evolve a scheme for the production of special type of steel in the **Bhadra-vati Iron and Steel Works, Mysore;**

(b) whether this was also suggested by him when he visited the factory;

(c) if so, whether any assurance was given to the factory for rendering help for this; and

(d) if so, what kind of help was assured?

The Minister of Steel & Heavy Industries (Shri C. Subramaniam):

(a) and (b) Yes, Sir.

(c) and (d). We have assured the **Mysore Works** that their proposals for the manufacture of alloy and special steels will be considered favourably.

Shri Subodh Hansda: What is the principal reason for selecting the **Mysore Iron and Steel Works** for submitting this project?

Shri C. Subramaniam: Because it is advantageously situated according to expert opinion.

Shri Subodh Hansda: May I know whether they have submitted any plan for the steel plant, and if so, what kind of steel plant do they propose to establish?

Shri C. Subramaniam: We have called for proposals, and I am expecting to get the proposals within about two or three weeks.

Shri S. C. Samanta: May I know whether we are in dire need of this

special type of steel, or most of it to be manufactured will be exported?

Shri C. Subramaniam: No, Sir. It is for internal consumption. As a matter of fact, we are importing a good deal of special and alloyed steel.

Shri B. K. Das: May I know whether there is any proposal for a steel plant in **Durgapur** also; if so, which of these two will take precedence?

Shri C. Subramaniam: Yes, Sir. The **Durgapur** plant also will be put up, and if the proposals materialise, it will be taken up at **Mysore** also.

Shri M. L. Dwivedi: May I know if a scheme for this purpose has already been prepared or is in preparation; if it has been prepared, whether the Minister would like to place it on the Table of the House?

Shri C. Subramaniam: I have already stated that I have called for proposals and it is likely to be available within three or four weeks.

Shri Yellamanda Reddy: May I know the form of this assistance, whether it will be in the form of loan, aid or subsidy?

Shri C. Subramaniam: It has not yet been decided.

Shrimati Renu Chakravartty: May I know whether it is a fact that the **Financial Adviser to the Hindustan Steel Limited** has opened that it is better to give this project to a private company, and as such there is a chance that this project at **Durgapur** will not go through in the public sector at all?

Shri C. Subramaniam: For the first time I am hearing a suggestion like that.

Shrimati Renu Chakravartty: Not a suggestion.

Shri Sham Lal Saraf: Will the steel manufactured here come under the