

not reach the Minister. I have reproduced that.

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): Merely for my information, because what is written down here is somewhat different, would he please say if it is the same question as with regard to Sukab of Sweden?

Mr. Speaker: I have got the question. I have read that.

Shri Manubhai Shah: (a) There is no bilateral trade agreement on 'Government-to-Government' basis. However, the State Trading Corporation concluded a Link Agreement with M/s A. B. Sukab of Sweden on 7-3-1963 for exchange of goods valued at Rs. 155 lakhs each way in a period of one year, i.e. upto 6-3-1964.

(b) The following items are proposed to be imported under the STC-Sukab Agreement:—

(Rs. in Lakhs)

1. Chambal Project machinery .	35
2. Machinery including drilling equipment	60
3. Ball Bearings	35
4. Special Steel	25
Total	155

(c) Imports are arranged only after the item of import is cleared from indigenous angle by the Directorate General of Technical Development and is considered essential by the competent authorities for national economy.

(d) Does not arise.

Bokaro Steel Plant

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SNQ. 12. { **Shri Morarka:**
Shri Subodh Hansda:
Shri P. C. Borooah:
Shri Krishnapal Singh:
Shri Yashpal Singh:
Shri Brij Raj Singh:
Shri Bade:
Shri Nath Pai:
Shri Bibhuti Mishra:

Shri Daji:

Shri S. M. Banerjee:

Shrimati Renu Chakravartty:

Shri Hem Barua:

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

(a) whether the United States Government have decided to postpone indefinitely the consideration of financial assistance for setting up the Bokaro Steel Plant;

(b) if so, the reasons for the same;

(c) the reaction of Government to the above; and

(d) the steps Government propose to take to expedite the setting up of the Bokaro Steel Plant?

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

(a) to (d). On the 28th April, the Agency for International Development released in Washington a summary of the techno-economic survey report of the U.S. Steel team on Bokaro. The same summary was also released in Delhi by us. There has been considerable comment on the matter in the Indian press. This presumably is based on reports that the U.S. have decided to postpone indefinitely a decision on this project. Owing to the keen interest evinced by Hon'ble Members in this subject—this is natural because Bokaro is of vital importance to us—I would like to deal with the matter in some detail.

2. In releasing the summary to the U.S. press, the Agency for International Development said that the U.S. Government had taken no decision on the question of participation in the financing of the proposed steel mill at Bokaro and that no deadline had been set for its final determination. It also said that the report answers many questions but raises others which would require further exploration. There are, as a matter of fact, many questions raised which require examination not only by the Agency for International Development but even more by the Government of India. So far as I have been able to

ascertain from authoritative sources, there was no statement by AID that a decision on Bokaro has been postponed indefinitely, as reported or interpreted by some newspapers here.

3. The object of the U.S. Steel team's report was to assist the Agency for International Development in taking a decision on financing Bokaro. The report, in brief, has found that the demand for steel, and of the products that Bokaro will produce will justify a new steelworks. It has proposed a modern steelworks with an initial capacity of 1.4 million tonnes of ingot steel rising in two steps to 4 million tonnes. It also recommends that the raw material assumptions made by it should be rechecked and supplies ensured in time. Bokaro will be, according to the report, a capital-intensive plant, unremunerative in the first stage but profitable later. The report has emphasised the problems of training and management and suggested American direction of construction and initial operation of the plant. The report, in short, is generally favourable and provides the basic data on which the Agency for International Development can take a decision on the project. The Agency for International Development are, like us, studying the report. *Prima facie*, the estimated capital costs are high and the phasing too prolonged. These are, however, matters for which satisfactory solutions could be found after discussion.

4. As matters stand, therefore, there is no reason for pessimism. I have no doubt that with the goodwill that exists on both sides, satisfactory solution can be found for the many questions that have been, or will be, raised. In any case, so far as the Government of India is concerned, Bokaro is an urgent necessity and we have taken a final decision that the plant will be in the public sector. I hope that realising this our American friends will communicate to us very early their final decision regarding this project.

Shri Morarka: May I know whether this question of Bokaro is likely to be discussed by the hon. Minister with Mr. Dean Rusk who is presently here?

Shri C. Subramaniam: I am sorry there is no schedule for discussion with Mr. Dean Rusk, but I cannot say that this matter will not be raised at any time.

Shri Morarka: Since the team of experts has accepted the economic desirability and technical feasibility of this project, may I know whether the factors responsible for further delay are essentially political?

Shri C. Subramaniam: I do not think so.

Shri Subodh Hansda: It has been stated that the financial participation has not yet been finalised. Is it due to the fact that the US firm wants to bring pressure on Government to set this up in the private sector?

Shri C. Subramaniam: I do not think so. That matter has been settled, that this Bokaro plant is going to be in the public sector. Therefore, it is with reference to that that we have to take a decision.

Shri Nath Pai: The US Ambassador to India has as late as 12th April stated publicly that the Bokaro plant will be erected. Then an event has taken place, that is, the Clay Commission's Report. Will the Minister tell us whether the Clay Commission's hesitation to offer aid to any public sector project may have something to do with the postponement of this scheme?

Shri C. Subramaniam: My own reading of the situation is that the recommendations have nothing to do with that. I am assured by the American Ambassador that this matter is being urgently considered at Washington and therefore, I do not think the Clay Commission's recommendation or any such thing is standing in the way of getting an answer for this.

Shrimati Renu Chakravartty: Is there any connection between the US's putting off a decision on Bokaro and certain slashing attacks which have been made on the three public sector steel projects yesterday in the biggest circulated paper in Bengal, that is, the *Anand Bazar Patrika*? Is there an attempt to really turn this over into a private sector project?

Shri C. Subramaniam: I have not seen what has been published in the *Anand Bazar Patrika* or *Amrita Bazar Patrika*, whatever it is. But I do not see any connection between the two. As I have already stated in my statement, the report is under study and as soon as the study is over, we hope to be able to get the reaction of the American authorities.

Shri Hem Barua: In view of the fact that the USA has proposed a ten-year American management as a pre-requisite to the attainment of full capacity, may I know how Government propose to fit this proposal into the pattern of our public sector?

Shri C. Subramaniam: These are matters of detail, what should be the sort of management, how long it should be etc. These will have to be discussed later . . .

Shri Hem Barua: They have stated 'ten years'.

Shri C. Subramaniam: . . . and decisions arrived at. The first thing is that a decision will have to be taken whether American assistance will be available for Bokaro as a public sector project. The others are matters of detail to be discussed later.

Shri Daji: Is it a fact that this condition of 10-year management has been placed by the AID as a condition precedent to the aid? If so, what is Government's reaction thereto?

Shri C. Subramaniam: No such condition has been laid down by AID.

Shri S. M. Banerjee: Do Government still maintain that this plant will be in the public sector, whether US aid comes or not?

Shri C. Subramaniam: I have given a categorical answer with regard to that.

श्री यशपाल सिंह : क्या मंत्री महोदय यह बतलाने की कृपा करेंगे कि रूस ने भी कोई फॉर्मल या इन्फॉर्मल ऑफर बोकारो प्लांट के लिए किया है ?

Shri C. Subramaniam: I do not think the hon. Member should press this question at this stage.

Shri H. N. Mukerjee: May I know if Government's very rightful insistence that Bokaro shall be in the public sector does not necessarily presuppose that the direction and the management in the essential phases cannot possibly be in foreign hands, whatever the personnel might be as far as the technical activity in connection with this project is concerned?

Shri C. Subramaniam: These are matters of detail which will have to be discussed later. I do not think I can give any answer with reference to that now.

WRITTEN ANSWERS TO QUESTIONS

मोटर साइकिलों का निर्माण

*११५३. श्री विभूति मिश्र : क्या इस्पात और भारी उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पोलैंड के सहयोग से भारत में मोटर साइकिलों के निर्माण के लिए फरीदाबाद में एक कारखाना खोले जाने की आशा है ; और

(ख) यदि हां, तो उसका व्योरा क्या है ?

इस्पात और भारी उद्योग मंत्री (श्री चि० सुब्रह्मण्यम्) : (क) और (ख.), जी हां । सर्वश्री एस्कोर्ट्स लिमिटेड, नई दिल्ली, को उद्योग (विकास और