

Shri T. N. Singh: During the last 1½ months we have been taking special care to understand the problems and remove any of their grievances wherever we have noticed them. The problem there is that the labour union is split up into three parties. (Interruptions.)

Mr. Speaker: Order, order. Fire is there but the extinguishing apparatus is inadequate. I cannot keep order. . . (Interruptions) I am talking of this atmosphere.

Shri T. N. Singh: There are three factions in the labour union there. Not only that. One of the factions has gone to the High Court and got a writ suspending the operation of the other. This is our problem. Without an organised labour union functioning in full force, obviously there are difficulties.

Shri Hem Barua: May I know if the attention of the Government has been drawn to the following press report which says as follows:

"The judicial probe is also understood to have made severe comments on the conduct of certain trade unionists as also the inclusion of State power politics in the trade union field. It also sharply pin-pointed the existence of factional forces and intrigues at the executive level in the HEC set-up."

If so, may I know what the Government have to say in the face of this statement?

Shri T. N. Singh: Obviously the reference is to whatever has already been stated in the judge's report. All action that we can possibly take is being taken. I can assure the hon. Member of that. But in regard to certain things which are of a long-duration nature, long-term action is to be taken and that will produce results only after a time. Some immediate action such as taking disciplinary action against individuals, etc. is being taken.

Mr. Speaker: Next question.

Some Hon. Members rose—

Shrimati Tarkeshwari Sinha: May I know . . .

Mr. Speaker: Order, order. I have called the next question. The lady should not enter into the fire!

Bokaro Steel Project

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*536. { **Shri Ramachandra Ulaka:**
 { **Shri Dhuleshwar Meena:**

Will the Minister of Steel and Mines be pleased to refer to the reply given to Starred Question No. 898 on the 3rd April, 1964 and state:

(a) the stage at which the negotiations with Dastur and Co. about the consultancy fee and the scope of consultation about the Bokaro Steel Project stand at present;

(b) whether the terms and conditions of the consultancy agreement have been finalised; and

(c) if so, the precise nature of the agreement?

The Minister of Steel and Mines (Shri Sanjiva Reddy): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

In reply to Starred Question No. 898 on the 3rd April, 1964, the former Minister of Steel, Mines and Heavy Engineering had stated that the terms and conditions of the consultancy agreement were in final stages of negotiation with Dastur and Company and that they were expected to be finalised very shortly. In reply to one of the supplementaries, the Minister had stated that an estimate of the total amount of fees to be paid to Messrs Dastur and Company for the work, had been made, but it was under negotiation, and that as soon as negotiations were over and the agreement finalised, he would be able to give the information. This assurance was given by my predecessor in the light of the then existing circumstances.

With the announcement of Soviet aid for the construction of Bokaro Steel Project by the former Minister of Steel, Mines and Heavy Engineering in the Parliament on the 1st May, 1964, the position with regard to the proposed agreement with Messrs Dastur and Co. had to be reviewed.

The position which has emerged now is that the Soviet authorities are keen to assume responsibility for plant design and supervision of construction. This is mainly due to the fact that they feel that even though Bokaro will provide for the fullest utilisation of Indian capacity for the manufacture of equipment, under the present conditions it has necessarily to be engineered to suit equipment of Soviet design and their latest manufacturing technique. Indian design and engineering capacity will also be associated with the project. The exact responsibilities of Dastur and Co. have still to be finalised with the Soviet authorities.

Shri Ramachandra Ulaka: May I know, after the announcement of Soviet aid for the construction of the Bokaro Steel Project, whether any tenders have been invited and, if so, how do they compare with that of Dastur and Co?

Shri Sanjiva Reddy: We have not yet finalised the whole thing.

Shri Ramachandra Ulaka: May I know the total amount proposed to be given to the consultants and the amount that has already been spent on consultancy?

Shri Sanjiva Reddy: As I said, the consultancy has not yet been finalised.

Shri Alvares: The design for Bokaro was made by Dastur and Co., at the invitation of Government. The Russians have jettisoned that design. With this precedent, it is likely that the American team coming today, for the fifth Plant, may want to have its design. They will come and say so. How do the Government propose to utilise the services of Dastur and Co., in future, since they have developed an expertise of international reputation?

Shri Sanjiva Reddy: It is too long a question, but still . . .

Shri Alvares: It is a short one.

Mr. Speaker: It may be short for one and long for the other.

Shri Sanjiva Reddy: About consultancy for Bokaro, it has not been finalised yet. It has been under discussion with Dastur and Co. The Russian technical team which has come here is also assisting us; we have to negotiate with the Russian Government, and they want to draft a separate report. And now, the Consortium people—the Anglo-American Consortium—are coming today. I cannot say anything in advance before I talk to them and the Government come to certain terms.

Shri Alvares: My question was, how do they propose to utilise the services of Dastur and Co.

Mr. Speaker: He said that a team is coming today and they will have discussions as to how it can be done etc. Shrimati Tarkeshwari Sinha.

Shri Alvares: How do the Government propose to expedite this thing in view of its national importance . . .

Mr. Speaker: Order, order. I have called Shrimati Tarkeshwari Sinha.

Shrimati Tarkeshwari Sinha: May I know whether any preliminary report was submitted by Dastur and Co., before the consideration of the countries from whom participation is expected and, if so, whether a copy of that preliminary report was given to the United States and whether, in view of the fact that the Soviet Union also has expressed its willingness, may I know whether a copy of that report has also been given to the Soviet Union for their consideration?

Shri Sanjiva Reddy: About Bokaro, they prepared a project report. It was given to the Russian Government; they have studied it and want to rewrite. About the other projects, different consultants drew up tenta-

tive reports. Dastur and Co. was also one. They studied Hospet—Goa; Hindustan Steel studied Visakhapatnam—Bailadilla. Dastur and Co. studied Neyveli—Salem. Some one will have to give us the equipment and the finances; these will have to be taken into consideration; In a consideration of the project reports, we have to see whether they fit the type of machinery that they are going to supply, etc. These can only be finalised after detailed consultations.

श्री जगदेव सिंह सिद्धान्ती : बोकारो इस्पात परियोजना को कार्यान्वित करने में भारत सरकार द्वारा रखी गयी शर्तों में एसी कौन सी विशेष शर्त है, जिस के कारण विदेशी कम्पनियां इस काम में सहयोग देने से हिचक रही हैं ?

इस्पात और लान मंत्रालय में उपमन्त्री (श्री प्र० चं० सेठी) : कोई हिचक नहीं रहा है। रशिया से नैगोसिएशन पूरे हो गये हैं और उनकी टीम आ गयी है।

Shri Nath Pai: May I draw the attention of the Minister to an announcement made in this House by his worthy predecessor that an agreement was initialled between Dastur and Company and the Government of India, i.e. the Steel Department? May I know whether the Government to-day is resiling from this agreement to hand over the preparation of project report and engineering to Dastur and Company because of some pressure? May I know whether because we are to get machinery from abroad, we are to resile from this promise to Parliament? May we know if the Government is resiling from this assurance, because handing over a contract to an Indian firm of engineers is a landmark in the history of India's technological development?

Mr. Speaker: How can a question be answered when there are so many "whethers" in it?

Shri Nath Pai: The principle involved is a simple one. Shall I make the question a simple one, Sir?

Mr. Speaker: The hon. Minister has followed it, I suppose.

Shri Sanjiva Reddy: Yes, Sir. When my predecessor made a statement in this House, the agreement had not been signed.

Mr. Speaker: When he is answering, he should not be interrupted in the middle.

Shri Nath Pai: I said 'initialled'. There is difference between signing and initialling. It is a question of the privilege of the House.

Mr. Speaker: It is also his privilege to answer the question.

Shri Sanjiva Reddy: I will state the facts as they are, whatever inference hon. Members may draw from them. It was under discussion still; there were some points which were to be discussed depending on the amount of work that was likely to be given to Dastur and Company. It had not been finalised.

Meanwhile the expected American assistance did not come. Naturally we had to go to the other countries. Bokaro is now being assisted by Russia. The project report which has been prepared by Dastur and Company and handed over to our Government has not been accepted by the Russians. They are making modifications, because they say, this would not fit in with the equipment and machinery which they are likely to supply. Therefore, they say, instead of correcting the report here and there, they would like to re-write it. Unfortunately, this has delayed the project by another nine months or so. Technicians from the U.S.S.R. are here. They have gone round for a month. They have studied the coal, water and other things necessary for the project. They are going to re-write the report. In view of this, the scope for Dastur and Company will be restricted; not that they are going to be taken out, but it will be restricted. What amount of work the Russians will take and what amount of work Dastur and Company will be given will have to be arrived at in consultation with the

Russian Government. That is the stage now and no more details can be given by me.

Shri Ramanathan Chettiar: May I know if this information is correct, whether the Russian experts have expressed displeasure at Dastur and Company continuing as consultants for the Bokaro scheme and, if so, may I know whether the Government are seriously considering the question of dropping Dastur and Company as far as Bokaro project is concerned?

Shri Sanjiva Reddy: No, Sir; we would like to make use of Dastur and Company also, but not in conflict with the Russian Government which is helping us to construct this project. We would like to divide the work between the two—Dastur and Company and the Russians. That is what we are trying to do now.

Shri Joachim Alva: There has been a report in the press that Dastur and Company want their services to be within the public sector, namely, they want to become part of the public sector. After our experience of nearly four steel mills, may I know whether Government are still unable to build a unit of their own within the Hindustan Steel, who shall be our exclusive consultants and we will not have all this trouble of going here and there?

Shri Sanjiva Reddy: Our engineers are associated with every steel plant and a large number of our young men are very well trained. But still, we would like to take advantage of highly qualified technicians from other countries also. There is absolutely no conflict between the two.

Shrimati Renuka Ray: What arrangement did the Government have for other public sector steel plants like Durgapur? Did they base it on Indian skill, Indian engineering and capacity mainly or did the foreign collaborators insist on their own designs?

Shri Sanjiva Reddy: No, Sir, we have a Design organisation which is slowly growing.

Shrimati Renuka Ray: My question was different. I want to know what you did in regard to Durgapur. Was it an Indian design or was it done with foreign collaboration?

Shri Sanjiva Reddy: Originally it was all done by foreign collaborators—Durgapur, Bhilai and Rourkela. Now, with our experience, we have built up a Design organisation which is growing and in course of time we will be able to construct steel plants ourselves.

Shri Indrajit Gupta: Has the Minister's attention been drawn to the report, when this team of officials of the Steel Ministry visited Moscow about a month ago in connection with discussions regarding finalisation of the project report, that they on behalf of the Government of India are reported to have themselves taken a very lukewarm attitude towards the part that Dastur and Company could play, and may I know whether it is a fact that they did not impress sufficiently upon the Soviet authorities that since the day when Bhilai was constructed Dastur and Company have made very great headway in the matter of designing and consultancy?

Shri Sanjiva Reddy: No, Sir, the representatives of the Government of India were accompanied by Dastur also. Therefore, to say that they took a lukewarm attitude is not correct. He was there and he participated in the discussions. After that I had the pleasure of meeting the Ambassador and others. The Government's attitude is that as many Indian technicians as possible must be associated with this project and Dastur must be given his due share to the extent it is possible without coming into conflict with the Russian. After all, Bokaro is more important to us than these petty conflicts.

Shri Nath Pai: Mr. Speaker, Sir, it is not so simple as that. On many occasions we have raised this matter. The last statement which the hon. Minister made—I am sorry to claim time without your permission—is very

different from what he said in reply to me. Is there no sanctity for what is being said here? In reply to Shri Indrajit Gupta he pointed out.....

Mr. Speaker: There is a separate procedure for that.

Expert Committee on Cotton Fabrics

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*537. { **Shri Ramachandra Ulaka:**
Shri Dhuleshwar Meena:
Shri D. D. Mantri:

Will the Minister of Commerce be pleased to refer to the reply given to Starred Question No. 786 on the 28th March, 1964 and state:

(a) whether the report of the Expert Committee on Cotton fabrics has since been examined by Government; and

(b) if so, the decision taken thereon?

The Deputy Minister in the Ministry of Commerce (Shri S. V. Ramaswamy): (a) Yes, Sir. An extract of the major recommendations of the Expert Committee is laid on the Table of the House. [Placed in Library, See No. LT-3326|64.]

(b) The Committee has only gone into some of the factors such as raw cotton prices which go to determine the cost of production of textiles; and the findings and conclusions of the Committee are, on the whole, tentative and merely suggestive of further detailed investigation into several aspects. The recommendations of the Committee have been sent to the Ministries concerned for such action as may be practicable. The issues being of a long-term nature could only be resolved in due course.

Shri Ramachandra Ulaka: May I know whether any studies have been made by the Tariff Commission regarding the cost structure of cotton fabrics, if so, how they compare with the recommendations made by this Expert Committee?

Shri S. V. Ramaswamy: On the textile price structure there was a report by the Tariff Commission. But this Committee has gone into other

aspects also. For instance, cost of cotton, whether production of cotton can be increased and whether the cost of cotton can be reduced are not matters which the Tariff Commission would go into.

Shri Ramachandra Ulaka: May I know whether all the recommendations contained in the statement are acceptable to Government; if not, the reasons therefor?

Shri S. V. Ramaswamy: We have not thought of it because we sent it, first of all, to the Textile Commissioner. The Textile Commissioner reviewed it and suggested that these may be sent to the Indian Cotton Textile Manufacturers' Association and other organisations for their views on the matter.

Shri Bhagwat Jha Azad: The answer says that the recommendations are suggestive and of a long-term nature. It also says that they have been sent to different Ministries for such action as they think fit. May I know why the Ministry which is responsible for setting up the Committee and making a reference to it, and now that after a long time this report has been produced, did not think it proper to consider the matter and give its pointed opinion on the recommendations made?

Shri S. V. Ramaswamy: For instance it has been suggested that the cost of cotton should be brought down because cotton itself accounts for about 50 per cent of the cost of textiles. This belongs to the field of the Ministry of Food and Agriculture and the ICAR. Therefore, all these matters will have to be dealt with by some other Ministries on a long-term basis.

Shri Shivajirao S. Deshmukh: What are the specific recommendations made by the Textile Committee set up in December 1962 to make recommendations for reducing the cost of textiles?

Shri S. V. Ramaswamy: I have given the list of recommendations which have been made by this Committee.