

LOK SABHA

Friday, November 20, 1964/Kartika  
29, 1886 (Saka)

The Lok Sabha met at Eleven of the  
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Anglo-American Aid for Steel Plants

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- \*83. { Shri Hem Barua:  
Shri Vishram Prasad:  
Shri Bagri:  
Shri Surendra Pal Singh:  
Shri Bibhuti Mishra:  
Shri K. N. Tiwary:  
Shri Yashpal Singh:  
Shri Shree Narayan Das:  
Shri P. C. Borooah:  
Shri D. C. Sharma:  
Shri N. R. Laskar:  
Shri S. M. Banerjee:  
Shri D. D. Puri:  
Shri Bishwanath Roy:  
Shri Brajeshwar Prasad:  
Shri Kajrolkar:  
Shri R. Ramanathan Chettiar:  
Shri Umanath:  
Shri P. Kunhan:  
Shri Sezhiyan:  
Shri P. R. Chakraverti:  
Shri Bhagwat Jha Azad:  
Shri P. Venkatasubbaiah:  
Shri Ravindra Varma:  
Shrimati Renuka Barkataki:  
Shri T. Subramanyam:

Will the Minister of Steel and Mines  
be pleased to state:

(a) whether Government are having  
discussions with the Anglo-American  
consortium for the establishment of  
two or three more steel plants in the  
country; and

(b) if so, the nature of these talks  
and the conclusions arrived thereat?

The Deputy Minister in the Ministry of Steel and Mines (Shri P. C. Sethi): (a) and (b). Discussions were held with the members of the Anglo-American Consortium of manufacturers who visited India recently to explore the possibilities of their assisting in the construction and financing of the fifth steelworks in the public sector. They are being requested to consider the feasibility report already available for different locations and to recommend from amongst them atleast two suitable sites where they would be prepared to finance the establishment of a plant, so as to enable the Government to take a final decision on the location of a new integrated steelworks.

Shri Hem Barua: May I know if it is a fact that the Consortium is interested in substantial equity participation so as to enable every member of the Consortium to arrange deferred bank credit in their respective countries and, if so, what is the reaction of the Government to this suggestion?

Shri P. C. Sethi: Government is negotiating with them. They have shown their interest and the necessary credit would be available.

Shri Hem Barua: May I know if the Consortium proposes, more or less, the same terms as the Russian conditions for the Bokaro plant in the matter of designing, construction supervision and management and control at the initial stages of production and, if so, what is Government's reaction?

Shri P. C. Sethi: These are matters of detail which are yet to be finalised.

They are in the initial stage of negotiations. Their expert team is coming here and they will go round the sites.

**Shri Hem Barua:** My purpose was to elicit information from the Government so as to know whether this is a fact that these suggestions have been made by the Consortium or not. I know they have to finalise the things. I wanted to know whether these suggestions were made by the Consortium to our Government in the process of negotiations or not. That is what I am interested in knowing.

**Shri P. C. Sethi:** The first stage would be to agree for the preparation of the project report. Then, there will be further two stages as to what extent . . .

**Mr. Speaker:** That stage has not yet reached when these suggestions could have been made.

**The Minister of Steel and Mines (Shri Sanjiva Reddy):** The position is not yet finalised. It will take two months for them to suggest possible sites and then after that it will take nine months for them to prepare the report and get everything finalised. It is during this period that we will negotiate the terms and the extent to which we will entrust them with the work. At the moment I am not able to say anything final.

**Shri Surendra Pal Singh:** Has the consortium agreed to provide the entire requirements of foreign exchange expenditure, and will the sound financial soundness of the parties of the consortium be guaranteed by their respective Governments?

**Shri P. C. Sethi:** Naturally, the guarantee would be given by the respective Governments and they will be able to raise the necessary funds.

**Shri Surendra Pal Singh:** I wanted also to know whether they have agreed to provide the entire foreign exchange.

**Shri P. C. Sethi:** When they are showing their willingness, they will naturally be willing to participate.

**श्री क० ना० तिवारी :** अमरीकन लोग क्या कोई एक ऐक्सपर्ट कमेटी भेज रहे हैं जोकि इनवैस्टिगेशन करके कोई रिपोर्ट देगी ।

**श्री प्र० च० सेठी :** जी हां, उनके दो ऐक्सपर्ट्स आने वाले हैं वह यहां पर दौरा करेंगे और उस के बाद स्टील वर्क्स की साइट के बारे में रिकमेंडेशन करेंगे ।

**श्री यशपाल सिंह :** क्या सरकार यह बतला सकती है कि पहले सरकार ने फैसला किया कि सेलम में स्टील प्लांट क्रायम किया जायगा तो फिर उस डिस्मिशन को किस कारण से बदला गया है ?

**श्री प्र० च० सेठी :** बदला नहीं गया है । यह सेलम, बैलिडेला और हौस्पैट के सम्बन्ध में जो प्रीलिमेनेरी रिपोर्ट है वह कंसोर्टियम को दे दी गई है । उन के ऐक्सपर्ट्स इन साइट्स का दौरा करेंगे और हम ने उन से दो साइट्स के बारे में अपना मुझाव देने को कहा है ।

**Shri P. C. Borooah:** May I know what steps have been taken to avoid the Bokaro malady in respect of this steel plant both in respect of financial and technical matters?

**Shri Sanjiva Reddy:** There is no malady regarding Bokaro. Bokaro is being finalised. I think there is absolutely no malady about it and the work on Bokaro is in progress.

**Shri D. C. Sharma:** The hon. Minister in his reply referred to some integrated scheme, if I remember aright. What is this integrated scheme?

**Shri P. C. Sethi:** Integrated scheme in the sense that the job is to be divided into three stages, the first will be the project report; the second is the approval of the foreign exchange requirements; and the third is the detailed financing arrangement and the construction of the plant.

**श्री विभूति मिश्र :** मैं जानना चाहता हूँ कि सरकार ने कंसोर्टियम के आने के पहले अपना दिमाग ठीक किया है या नहीं किया है कि कितने लोहे की जरूरत है, कहां कहां कारखाने लगेंगे और कितनी उन के लिए मदद चाहिए ?

**अध्यक्ष महोदय :** इस सप्लीमेंटरी के बाद तो दिमाग ठीक हो ही जायगा ।

**श्री विभूति मिश्र :** अध्यक्ष महोदय, कंसोर्टियम आया । हम को जानना चाहिए कि कहां कहां यह स्टील प्लांट्स लगने हैं, कितनी स्टील हमें चाहिए आखिर यह सारी बातें हम को पहले से जाननी चाहिए थीं ?

**अध्यक्ष महोदय :** बेहतर होता अगर माननीय सदस्य दिमाग ठीक किया है या नहीं किया है इस तरह से पूछने के बजाय वे यह कहते कि क्या सरकार ने इन सब बातों पर सोच लिया है अथवा निर्णय कर लिया है ।

**श्री प्र० चं० सेठी :** दिमाग तो सवाल से पहले भी ठीक था और अब भी ठीक है । जहां तक स्टील रिक्वायरमेंट का सवाल है प्लानिंग कमीशन और स्टील मिनिस्ट्री द्वारा जितने स्टील की जरूरत होगी उस पर उन के द्वारा विचार किया जा रहा है । अंतिम निर्णय अभी नहीं हुआ है । उस के बाद लोकेशन बगैरह तय होगा ।

**Shri S. M. Banerjee:** From the statement of the hon. Minister it appears that there are going to be two more steel plants in the public sector. May I know whether it is a fact that one will be in Goa and whether the site for the other plant has also been decided upon?

**Shri Sanjiva Reddy:** No. We are attempting to secure assistance for only one steel plant. Naturally, if any other country or consortium is prepared to help us, we would very much like to have it. For the present we are negotiating with the Anglo-American Consortium for only one steel plant. The site is not yet decided. After the survey it will be decided.

**Shri Bishwanath Roy:** May I know whether the Government has made up its mind for having a majority of shares in this collaboration with the American Consortium?

**Shri Sanjiva Reddy:** Cent per cent it will be in the public sector.

**श्री भगवत झा आजाद :** क्या आंग्ल-अमरीकी लोगों को मौखिक या लिखित रूप में कोई ऐसा आश्वासन दिया है कि उन को विशेष सुविधा प्राप्त कराने के लिए वह मूल औद्योगिक प्रस्ताव में कोई संशोधन भी करेंगे ?

**श्री प्र० चं० सेठी :** जी नहीं, कोई ऐसा आश्वासन नहीं दिया है ।

**Shri Jaipal Singh:** We were told about the question of an integrated steel works. I would like to know exactly what that means—apart from steel works, about 'integrated steel works'.

**Shri P. C. Sethi:** I mentioned about integrated steel works. As far as integrated steel works is concerned, it is right from the coke ovens to the finishing mills.

#### Board of Trade

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**Shri Yashpal Singh:**  
**Shri P. C. Borooah:**  
**Shri Rameshwar Tantia:**  
\*84. { **Shri Daljit Singh:**  
**Shri D. D. Puri:**  
**Dr. Ranen Sen:**  
**Dr. Saradish Roy:**  
**Shri Dinan Bhattacharya:**

Will the Minister of Commerce be pleased to state:

(a) the problems discussed and recommendations made at the meeting of the Board of Trade held in the first week of October, 1964; and

(b) the action taken by Government in the light of those recommendations?

**The Minister of Commerce (Shri Manubhai Shah):** (a) and (b). A