

basic materials or raw materials from us. It is our constant endeavour to sell more and more of our manufactured industrial products.

#### Sixth Steel Plant

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- \*817. { Shri P. C. Boroohah:  
Shri Himatsingka:  
Shri Kanakasabal:  
Shri Mohammed Koya:

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

(a) whether negotiations have been going on with France for the setting up of the sixth Steel Plant in the public sector in India; and

(b) if so, how far the negotiations have progressed so far?

**The Deputy Minister in the Ministry of Steel and Mines (Shri P. C. Sethi):** (a) and (b). Certain French parties have shown interest in exploring the possibilities of setting up of a steel plant in this country. They have been told that collaboration assistance could be considered provided finance on suitable terms could be arranged. No specific proposal has however so far been received from these parties.

**Shri P. C. Boroohah:** May I know which are the possible sites under the consideration of the Government for the location of this plant, and how Hospet stands a chance, which was recommended as the second best site for the fifth steel plant?

**Shri P. C. Sethi:** The question of the site would arise much later. We are now seized of the site for the fifth plant.

**Shri P. C. Boroohah:** May I know whether the Government have decided upon the minimum limit for Indian participation in finance and also in the technical engineering works, so as to avoid uncertainty as was experienced in the Bokaro plant?

**Shri P. C. Sethi:** All these considerations would arise later. At present only an interest in exploring the possibilities has been shown by the French and German parties.

**Shri Himatsingka:** Having regard to the fact that many public undertakings are located at places on considerations other than merit, will the Government give an assurance to the House that in matters of important projects like a steel plant costing a very huge amount and involving very heavy foreign exchange merit only will be the consideration in taking a decision?

**The Minister of Steel and Mines (Shri Sanjiva Reddy):** Yes, Sir, merit would certainly be taken into consideration, but other factors also are there which are much more important and those factors also will be taken into consideration.

**Dr. L. M. Singhvi:** May I know whether this task of exploration has also been entrusted, as understand it has been, to our Embassy in France; if so, whether any progress has been made by our Embassy in France in respect of identifying the parties with whom we could collaborate; if so, on what terms?

**Shri Sanjiva Reddy:** I think everything is in a preliminary stage because we will have to provide finances in our own Plan, rupee finance and all that. Our Plan itself is in a nebulous position still and allotment of money for the Fourth Plan has still not yet been finally decided. Therefore, our Ambassador in France is not in a position to proceed further.

**Shri Sivamurthi Swamy:** Sir, expert committees have been appointed by the Ministry and so many reports have been submitted in this behalf. But only one report, the Anglo-American expert committee's report, has been placed in the library. In that report two places have been recommended—one is Hospet and the other is Vishakhapatnam. Therein it

has been stated that not only the sixth steel plant but even the first steel plant should have been located at Hospet because it has the cheapest iron ore found not only in India but in the whole world. I want to know whether it is a fact or not?

**Shri Sanjiva Reddy:** I wonder whether I can answer this question. He has got a very strong opinion about Hospet and I agree with him.

**Mr. Speaker:** It is only a plea for having a steel plant there in Hospet.

**Shri Shinkre:** In view of the fact that one of the reasons of inflation in this country is this huge capital investment in so many steel plants and other big projects of the Government of India, will the Government see to it that this sixth steel plant does not bring any additional pressure on the limited finances of this country and only allow it if it is fully without any burden on the country's finance?

**Shri Sanjiva Reddy:** I do not know whether it is proper to say that huge amounts are invested in them and because of that only there is some imbalance. I do not agree with that view, because unless you invest huge amounts you cannot have the steel plants and steel is absolutely necessary for the progress of a country, not only for agriculture and defence but for other basic raw materials. Whatever the cost, we will have to produce steel. Other developed countries are much advanced in steel production and it will be very difficult for us unless we produce 16.5 million tonnes in the Fourth Plan and 26 million tonnes in the Fifth Plan.

**श्री श्रीकार लाल बोरवा :** मैं जानना चाहता हूँ कि फ्रांस के अलावा उन्होंने और किन देशों से बातचीत की है और यह फैसला कब तक हो जायेगा ।

**Shri Sanjiva Reddy:** We have the Anglo-American consortium at present for the fifth steel plant. The

Germans are also showing interest. Krupps and Sidexport of France and other smaller countries—I do not want to name them there are others also—are also showing interest. Provided we have rupee finance and we go ahead, they are prepared to assist us.

**श्री हुकम चन्द कच्छबाय :** मैं जानना चाहता हूँ कि फ्रांस से जो बात चीत चल रही है उस में क्या उन्होंने कोई ऐसा सुझाव दिया है कि कहां कहां उनको कारखाना खोलना है या हम ने उन को कुछ इस संबंध में बतलाया है । यदि हां, तो वह कौन से स्थान हैं और उसमें कितनी पूंजी लगने का अन्दाज है ।

**अध्यक्ष महोदय:** यह तो बहुत बड़ा सवाल है ।

**Shri Sanjiva Reddy:** No, Sir, no details have been worked out.

**Shri P. Venkatasubbaiah:** May I know whether the Government consider the desirability of going into the details of the Anglo-American consortium report and also bestow its attention to have an advance plan so far as the sixth steel plant is concerned by selecting one of the places suggested by the consortium after Vishakhapatnam?

**Shri Sanjiva Reddy:** All these matters are before the Cabinet and naturally the Cabinet will consider all aspects of the question and take a decision.

**Shrimati Lakshminthamma:** The hon. Minister has been telling us on the floor of this House that he has left it to the experts to give their opinion and they will take a decision. Since the report has come, why is there so much delay in deciding about the site?

**Shri Sanjiva Reddy:** The hon. Lady Member is perhaps not aware of the serious phase through which we passed just now. The Cabinet will cer-

tainly take a decision in the near future.

**Shri Warrior:** In view of the necessity and demand for more and more steel plants, may I know whether Government is taking measures to expedite the indigenous production of machinery necessary for establishing steel plants in the Ranchi project so that we can establish steel plants ourselves without any collaboration?

**Shri Sanjiva Reddy:** That is our attempt. In the Third Plan we have used only 10 to 15 per cent of indigenous material in setting up steel plants. In the Fourth Plan we would be using 35 to 40 per cent of indigenous material. In the Fifth Plan it will be a much higher percentage.

**Shri Basappa:** In order to avoid controversies that have been raised regarding the location of the fifth steel plant, will the question of the location of the fifth and sixth plants be decided upon simultaneously?

**Shri Sanjiva Reddy:** All the aspects of the question are before the Cabinet. The valuable suggestion of Shri Basappa will also be considered by the Cabinet.

#### Railway Reservations

\*818. **Dr. L. M. Singhvi:** Will the Minister of Railways be pleased to state:

(a) whether the Railway Administrations are cognisant of the widespread corruption and graft in the reservation of berths and seats on the Railways throughout the country; and

(b) if so, the special efforts made to eradicate this evil?

**The Minister of State in the Ministry of Railways (Shri Ram Subhag Singh):** (a) Some complaints are being received of corruption and graft in the matter of reservation of berths and seats.

(b) A statement is laid on the Table of the House.

#### STATEMENT

1. Everyone of the complaints is thoroughly enquired into and severe punishment meted out in proven cases.

2. At transference of reservation is found to be one of the causes facilitating corrupt practices, the Indian Railways Act has been amended to deal effectively with such situations.

3. Surprise checks have been organised by the Special Police Establishment in co-operation with the Railway authorities to check on possible corrupt practices in booking of berths and seats in trains.

4. At certain important stations, a special squad of Vigilance staff and TTEs in plain clothes are posted at the booking windows during the rush periods to check the activities of unscrupulous elements.

5. Supervision has been strengthened at booking offices, particularly during rush periods to eliminate the possibility of staff conniving at any malpractices.

6. As the root cause is inadequacy of accommodation, every effort is being made to augment train services to provide adequate accommodation.

**Dr. L. M. Singhvi:** May I know whether Government are aware of the fact that in spite of the six steps indicated in the statement laid on the Table of the House the problem of corruption in the matter of reservations on the railways has not been tackled adequately? If that is so, I would like to know whether it is the Government's intention to pursue this matter more vigorously and, if so, in what way.

**Dr. Ram Subhag Singh:** Yes, Sir. Our intention is to eradicate it as fully as possible.

**Mr. Speaker:** In what way?