

Shri Morarji Desai: As I said, I am going to make a statement at the end of the Question Hour

Mr. Deputy-Speaker: A fuller statement is being made at the end of the Question Hour

Shri Panigrahi: May I know whether the foreign exchange budget of Rs 962 crores calculated for the projects has been fully assured to the Government of India in the meantime?

Shri Morarji Desai: Whatever has been assured has always been given out to the hon House before. And, as I said, I am making a statement on this which will give fuller details on the whole question

Shri Damani: May I know whether Government has prepared any short-term or long-term budget for foreign exchange, and, if so, by what time will our difficulties be solved?

Shri Morarji Desai: I am not a prophet

Shrimati Renu Chakravartty: Under clause (c), I would like to know what is the total amount which Government thinks we will be able to meet in foreign exchange as a result of export promotion?

Shri Morarji Desai: As I said, I am making a fuller statement on this question at the end of the Question Hour

Some Hon. Members rose—

Mr. Deputy-Speaker: Next question. If after hearing the statement, something is left, hon Members may put a fresh question

Indo-Pakistan Financial Issue

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 • 80. { **Sardar Iqbal Singh:**
Shri Ram Krishan:
Shri Damani:
Shri Daljit Singh:

Will the Minister of Finance be pleased to refer to the reply given to

Unstarred Question No 629 on the 26th February, 1958 and state:

(a) whether any date for convening a meeting for solving the pending financial issues between India and Pakistan has been fixed, and

(b) if so, what is the date?

The Minister of Finance (Shri Morarji Desai): (a) and (b) No Sir. No such date has yet been fixed

Sardar Iqbal Singh: May I know when the latest communication was received from the Pakistan Government in this regard?

Shri Morarji Desai: The latest communication was in December 1957 when they said they will fix date and let us know. We have not heard anything after that

Sardar Iqbal Singh: May I know the important items that remain unsolved between India and Pakistan from the financial aspect?

Shri Morarji Desai: I have not followed the question

Mr. Deputy-Speaker: What are the other issues that remain to be settled so far as finance is concerned?

Shri Morarji Desai: A statement was made about this on 5th September 1957 in the House to which I would draw the attention of the hon Member

Sardar Iqbal Singh: May I know whether Pakistan has made any payment towards the loan which India had given to Pakistan at the time of partition?

Shri Morarji Desai: I do not think so

Shri Damani: May I know what are our total dues from Pakistan in all matters?

Shri Morarji Desai: I think the total sum might be of the order of about Rs 23 crores

Shri Vajpayee: May I know what concrete steps Government propose to take to recover these dues?

Shri Morarji Desai: Negotiations.

Shri Vajpayee: For how long?

Shri Morarji Desai: As long as they are not successful.

Mr. Deputy-Speaker: Next question.

Engineering Contract for Messrs. Hochtief Gammon, Bombay

*81. **Shri Morarka:** Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No. 1670 on the 15th April, 1958 and state:

(a) the actual terms and conditions of Rs. 7,77,94,000 contract given to Messrs Hochtief Gammon, Bombay;

(b) whether global tenders were invited; and

(c) where was this contract finalised, in India or in Germany?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) A statement is placed on the Table of the Lok Sabha [See Appendix I, annexure No. 74]

(b) Global tenders were not invited but likely foreign firms were invited to tender and two foreign firms, one from the U.K. and another from the U.S.A., had quoted.

(c) The contract was finalised in India.

Shri Morarka: From the statement it appears that out of a total sum of Rs. 7.78 crores, Rs. 2.72 crores are by way of supervision and equipment charges. May I know the basis on which these supervision fees of this huge amount were fixed?

Sardar Swaran Singh: That was a negotiated deal and it was as a result of the negotiations that these figures were accepted. I may add, as I have mentioned in the statement, that this is a target sum and there is an incentive for saving and there is an inhibition against exceeding the target.

Shri Morarka: The hon. Minister just now said that it was a negotiated deal.

Is it not a fact that the Government Advisers to the Steel Plant are themselves a major partner in this contract?

Sardar Swaran Singh: I do not really understand the import of the expression 'Government Advisers'. It is true that one of the foreign partners in this firm who have obtained the contract was originally in partnership with other firms who were consultants to Government on the technical aspect

Shri Morarka: Is it not a fact that one of the partners in this firm who was also a partner in another concern which had taken the work on contract in Kandla did not execute that work satisfactorily and the company was obliged to impose a penalty of Rs. 25 lakhs on that firm has been given this huge contract?

Sardar Swaran Singh: The hon. Member appears to be knowing quite a bit about this thing and he has referred to the conduct of that firm even in relation to some other contracts which, I must confess, I do not know. But, I will check up the information that he has supplied

Shri Dasappa: The sum given for site supervision and equipment amounts to Rs 157 lakhs. Could I have a break-up of that, how much for supervision and how much for equipment?

Sardar Swaran Singh: I am afraid that these matters of detail are not with me.

Shri Nath Pai: May I know whether the Ministry's approval was obtained before this contract was signed and whether any of the Directors of the Hindustan Steel (Private) Ltd. objected; and, if so, what was the nature of these objections?

We should have a few more questions on this. We wanted to have a debate on this but we have been told that the debate will not be taking place. We would be glad if you will allow a few more questions.