

actual expenditure of about Rs. 8 lacs has been incurred up to the end of 1952. The cost to be incurred by the U.N.I.C.E.F. on importing machinery and equipment is estimated at Rs. 40,46,000.

Dr. M. M. Das: May I know, Sir, whether it is a fact that in view of this Government penicillin factory, Government have put a ban upon the import of penicillin producing machinery by private companies?

Shri K. C. Reddy: I am not aware of any such thing, but I would like to have the matter verified.

Dr. M. M. Das: May I know, Sir, whether it is the policy of Government not to encourage any penicillin producing factory by private companies in view of this Government factory?

Shri K. C. Reddy: That is not the correct position, Sir. If any such private party or any State Government comes forward to establish a penicillin factory, apart from the one which we are now trying to establish, that will be taken into account. The country's requirements, the production that we expect in our factory—all these factors have to be kept in mind and then we have to arrive at a decision. There is no absolute ban of the kind that is suggested by the hon. Member.

Shri V. P. Nayar: May I know what is the estimated requirement of Penicillin in the country at present and what percentage of this will be met when the factory goes into full production?

Shri K. C. Reddy: Well, Sir, I cannot say what is the estimated requirement of penicillin in our country. Estimates vary. Even the estimates of experts vary to such a large extent that I cannot commit myself to any definite figure. But the production of the proposed Penicillin Factory will meet the requirements only partly and not entirely.

Shri V. P. Nayar: May I also know, Sir, the estimated price at which this factory will be able to sell penicillin in India?

Shri K. C. Reddy: It is too early to give a definite figure Sir.

Shri V. P. Nayar: May we at least know, Sir, whether it will be possible to sell penicillin at considerably cheaper rates?

Shri K. C. Reddy: It is hoped so, Sir.

The Prime Minister (Shri Jawaharlal Nehru): That is the whole basis of the factory. Otherwise there is no point in running the factory.

Mr. Deputy-Speaker: How can you give the estimate unless it is actually there?

FIRING BY PAKISTAN POLICE ON INDIAN VILLAGE

*214. **Shri Gidwani:** (a) Will the Prime Minister be pleased to state whether Pakistan border Police fired at a village about six miles East of Dawki on the Khasi Jaintia Hills—Sylhet border on the 30th December 1952?

(b) What was the number of casualties?

(c) Has any inquiry been made into the matter?

(d) What was the result of the inquiry?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) to (d). There was no such incident on that date.

LOCATION OF NEW STEEL PLANT

*215. **Shri A. M. Thomas:** (a) Will the Minister of Production be pleased to state whether the Government of India have finally decided on the site where the Rs. 80 crore steel plant is to be located and if so, where?

(b) What were the various sites that were considered by Government?

(c) What are the considerations which have weighed with Government in making the final selection?

The Minister of Production (Shri K. C. Reddy): (a) No. This decision cannot be taken until the whole matter has been examined at a suitable technical level.

(b) and (c). Do not arise. The Government have appointed a Technical Mission to re-examine the project reports prepared in 1948 and to prepare a fresh project report. The Government have, however, an open mind on the question of the location of the new plant and a final decision in the matter will be taken in the light of the report of the Technical Mission.

Shri A. M. Thomas: The hon. Minister stated on the floor of the House on the 13th February that negotiations with the Japanese firm had been dropped. Has the attention of the hon. Minister been drawn to the statement of the Japanese Foreign Minister to the effect that the negotiations have been dropped because of

the intervention of a third party, and also to the other reason alleged that the abrupt disruption of the much heralded plan of development of the iron industry was due to the increase of the capital to 10 million dollars?

Shri K. C. Reddy: This question has already been answered on the floor of the House on several occasions. The reason why we dropped negotiations with the Japanese has been stated more than once. As regards the newspaper report to which the hon. Member is drawing my attention, I have seen it. It is not correct to say that it is because of the intervention of a third party that the negotiations between us and the Japanese were dropped. There was no third party intervening at all and the decision taken by the Government was taken on their own initiative. To say that a third party was responsible, whether British or American, is just not correct. As regards the capital that was expected to be required for the establishment of this integrated Iron and Steel project, estimates have varied and it is not possible to say definitely as to what exact amount is involved in this matter.

Shri Meghnad Saha: Is the hon. Minister aware that in March 1949, the then Minister announced that all plans for the factory were ready and that action was to be taken in three months?

Shri K. C. Reddy: I am not aware of the exact answer given by my predecessor. Sir, I am aware of this, namely, that when the project reports were received in 1948 with regard to the establishment of the Steel Project, the Government studied those projects. But, unfortunately owing to financial limitations, the Government could not proceed with the implementation of their desire to establish a new Iron and Steel project. The Government are very anxious to proceed with that and, as I said on another occasion, we will take every possible step for expediting the establishment of a State-Iron and Steel Project in this country.

Shri Meghnad Saha: How many hundred crores of rupees have been wasted on account of this procrastination on the part of the Government?

Shri K. C. Reddy: No amount has been wasted, leave alone hundreds crores of rupees.

Shrimati Tarkeshwari Sinha: May I know whether it is the intention of the Government of India to close down the discussion with the Japanese Government entirely, or whether they are in future going to continue discussions, because today in the paper it came out that the Japanese Government are going to make representations again about the establishment of this Iron and Steel Project?

Shri K. C. Reddy: I am afraid, Sir, that is a hypothetical question. The negotiations that were going on with the Japanese have been dropped. I cannot say about the future. The Technical Mission has been constituted. Their report is awaited. After that report is received, we will again apply our minds afresh as to what action we have to take to associate other interests with ourselves in the establishment of this Iron and Steel Project. If at that time the Japanese make any definite proposals, they will duly receive the utmost consideration of the Government of India.

Shri A. M. Thomas: In answer to (b) and (c) it was stated that the questions do not arise. May I enquire, Sir, whether the Government is not in a position to state the various sites that were considered by the Government?

Shri K. C. Reddy: Well, Sir, I am in a position to say that the project reports also canvassed the possibilities of several sites and they have made recommendations. If the hon. Member puts a separate question, I certainly shall be able to give the information as to the possible sites which have been recommended in regard to the establishment of this Iron and Steel Plant.

INTERNATIONAL TEA CONFERENCE

*216. **Shri A. M. Thomas:** (a) Will the Minister of Commerce and Industry be pleased to state what has been the result of the International Tea Conference of the major tea producing countries held in New York?

(b) What steps have been taken by the Government of India to implement the recommendations, if any, of the said Conference?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b) I may refer the hon. Member to the answer given by me on the 17th February 1953 to Starred Question No. 127.