

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.

Shri A. M. Thomas: What is the total amount to be spent on Tea propaganda in the United States?

Shri T. T. Krishnamachari: So far as India is concerned, the contribution will be \$ 450,000.

Shri A. M. Thomas: What was the amount that has been previously spent, Sir?

Shri T. T. Krishnamachari: Very nearly the same.

Shri K. P. Tripathi: Will this propaganda be carried on through our own agency or through an American agency?

Shri T. T. Krishnamachari: I will only refer the hon. Member to the answer to question No. 127. It will indicate that the Government of India along with Ceylon and Indonesia have an arrangement with the U.S. Tea Council so that propaganda can be carried on in collaboration with them; and the U.S. Tea Council's contribution is \$ 520,000, India is contributing \$ 450,000, Ceylon, \$350,000 and Indonesia \$25,000. The whole amount will be pooled together and it will be a Joint Board that will control the propaganda in that country.

Shri Damodara Menon: Sir, may I know in what respect this new agreement is an improvement upon our membership of the International Tea Marketing Board?

Shri T. T. Krishnamachari: Sir, we do not know what exactly the International Tea Market Expansion Board has been doing. I was told by some who came from the United States of America that they do not even have an idea where tea was produced in India. Here, we will have our own men there. We will probably send the Tea trade to participate in the work that is being done. There will be close liaison and our interests will be closely watched and possibly more Indian tea will go to U.S.

Shri A. M. Thomas: It was stated that the agreement was subject to the ratification by the various Governments. Has the agreement been ratified by the countries concerned?

Shri T. T. Krishnamachari: I can only say, Sir, that so far as we are concerned, we are agreeable to this agreement. I cannot say whether other countries have ratified.

Shri Venkataraman: Is it a fact that the tea interests in America are willing to match dollar for dollar the contribution made by the other tea producing countries?

Shri T. T. Krishnamachari: Sir, the figures I have given do not seem to indicate that the surmise of my hon. friend is correct. They are only contributing \$ 520,000 as against the contribution, made by the different tea producing countries, of \$ 825,000.

Shri A. V. Thomas: May I know whether our Tea Board was consulted in all these matters?

Shri T. T. Krishnamachari: It was not consulted, Sir.

Shri Venkataraman: Sir, is it not a fact that it is only on the understanding by the tea interests in America that they would match the expenditure which the tea producing countries incurred by an equal amount from their own internal trade that the Government of India agreed to spend this money for propaganda in America?

Shri T. T. Krishnamachari: I do not know who agreed to it. I didn't.

Shri Venkataraman: Is it a fact that the Central Tea Board made a recommendation to the Government of India in the Commerce and Industry Ministry, while originally formulating their proposal for propaganda for tea in America, saying that the American interests should match the expenditure by an equal amount?

Shri T. T. Krishnamachari: I have no knowledge of any proposal made by the Central Tea Board.

Mr. Deputy-Speaker: The Question-hour is over.

WRITTEN ANSWERS TO QUESTIONS

LOANS TO COTTAGE INDUSTRIES IN MANIPUR

*217. **Shri L. J. Singh:** Will the Minister of Commerce and Industry be pleased to refer to part (d) of the reply given to starred question No. 714 regarding loans to cottage industries in Manipur asked on the 26th November, 1952 and state:

(a) the progress so far made by each individual firm in Manipur as received the loan, since the making over of such loan by Government to those cottage industries;

(b) whether there were any terms and conditions under which the loan was granted;

(c) the names of the firms that made representations requesting loans from the Government of India;