

perienced between his Ministry and the Ministry of Works, Housing and Supply and the Ministry of Finance and whether lack of coordination is resulting in constant shifting of position of Government.

SHRI RAGHUNATHA REDDY: As far as this aspect is concerned, the displaced Government officers are given accommodation under the General Pool system. The principle that will apply to persons who are to be rehabilitated under the Rehabilitation scheme is different. As far as officers who have been displaced are concerned, they have been given accommodation under the General Pool Accommodation. But the question of selling these flats to these persons has, more or less, reached a final stage and it is under very active consideration. I hope, a decision will be taken as early as possible.

SHRI SAMAR GUHA: This matter is under the consideration of the Government since 1968. I had the occasion to meet Shri R. K. Khadilkar several times and Shri Y. B. Chavan also in this connection along with the representatives and the President, Shri Ashru Bose, of the Behala Rehabilitation Colony.

I want to know whether it is a fact that on 26th December, 1970, at a tripartite meeting of the representatives of the Rehabilitation Department of the Centre, the representatives of the Rehabilitation Department of the State Government and the representatives led by Shri Ashru Bose, it was decided that these flats will be sold at a price of Rs. 8000 per flat, whether this tripartite decision was approved by the Minister of Rehabilitation, whether there are some difficulties on behalf of the Ministry of Finance only and whether in March last the representatives of the Behala Rehabilitation Colony met the hon. Minister and he assured them that this matter will be soon cleared by the Finance Ministry and also some of the technical matters which need clearance will be taken up with the West Bengal

Government and, if so, what steps the Government is going to take to expeditiously take a decision on this matter.

SHRI RAGHUNATHA REDDY: The entire matter is under consideration in consultation with the Ministry of Finance and the Ministry of Law because certain legal questions are also involved. I hope, a decision will be taken very soon.

माइल्ड स्टील प्रोजेक्ट्स बिल इनकर हंबी लामेज (इस्पात परियोजनाओं को भारी हानि होगी) शीर्षक से प्रकाशित समाचार

†789. श्री मूलचन्द्र डाग : क्या स्पात और लान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का ध्यान दिनांक 27 मार्च 1973 के दैनिक समाचार पत्र "दी हिन्दुस्तान टाइम्स" के पृष्ठ 5 पर "माइल्ड स्टील प्रोजेक्ट्स बिल इनकर हंबी लामेज," शीर्षक से प्रकाशित समाचार को और दिलाया गया है; और

(ख) यदि हाँ, तो उसके प्रति सरकार की क्या प्रतिक्रिया है ?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI SUBODH HANSDA): (a) Yes, Sir.

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

Statement

In the techno-economic feasibility reports on the Visakhapatnam and Vijayanagar steel projects envisaging production of shaped products (equivalent to two million ingot tonnes at each place), the Consultants had forecast substantial recurring losses on the investments due to high cost of plant and equipment, raw materials and of transportation charges. A Study Group was, therefore, set up by Government to examine the scope for reducing the capital and operating costs wherever possible. The Study Group

had recommended that the capacity of both these plants may be raised by installing blast furnaces of capacity higher than 2,000 cu. m. useful volume so as to obtain economies of scale. The Consultants were, accordingly, advised to work out a number of fresh exercises. The recommendations of the Study Group are, however, being reviewed in the light of the experience gained at Bokaro where a 2,000 cu. m. capacity blast furnace which was commissioned recently has shown encouraging results. The studies made so far, however, indicate that there would still be some recurring losses on the investments involved. A final decision on these two projects is likely to be taken shortly.

श्री मूलचन्द डागा: हिन्दुस्थान में माइल्ड स्टील प्रोजेक्ट एक विजयनगर और एक विशाखापत्तनम में रखे गये। पहले स्टील प्रोजेक्ट में आप का कुल खर्चा 753 करोड़ का है और दूसरे में है 747 करोड़ का और आप ने यह बताया है कि पहले में बराबर रेकरिंग लास 69.5 करोड़ का रहेगा और दूसरे में 45 करोड़ का लास बराबर रहेगा। ये दोनों प्लांट आप के लास में रहेंगे। उस के बाद आप के स्टील ग्रुप ने जो बताया है उस की रिपोर्ट क्या है? उस की रेकमेंडेशन क्या है? आप ने जो स्टील ग्रुप बैठाया है उसने फाइनल रिपोर्ट क्या क्या दे दी है? प्रश्न जो मैंने किया है उसका उत्तर स्पष्ट दीजियेगा। रेकरिंग लास रहेगा या नहीं रहेगा?

SHRI SUBODH HANSDA: This Study Group was set up in May 1972 and its report has been received in October 1972. It is still under consideration. It is too early to say what would be the final decision.

श्री मूलचन्द डागा : मेरे प्रश्न का उत्तर नहीं आया। मंत्री महोदय अपना उत्तर पढ़ें, उसमें बड़ा है कंसल्टेंट्स हैड फोरकास्ट . . .

में समझता हूँ कि एसटालाजर तो कुछ फोरकास्ट करते होंगे लेकिन यह कंसल्टेंट्स कैसे करते हैं यह मैं नहीं समझ पाया। तो यह इतने करोड़ प्रति वर्ष घाटे का प्रोजेक्ट बिना एक्सपर्ट्स की राय लिये कैसे आप ने एलान कर दिया कि विशाखापत्तनम और विजयनगर में ये प्लांट लगेंगे? बिना एक्सपर्ट्स की राय के यह कैसे घोषित कर दिया जब कि 45 करोड़ और 65 करोड़ का घाटा उनमें प्रति वर्ष होना है? यह फोरकास्ट कैसे होता है? क्या यह घाटा हर साल करदाता सहता रहे और हिन्दुस्तान का आदमी इसी तरह मरता रहे?

SHRI SUBODH HANSDA: The hon. Member has put the question why this project has been sanctioned. It is true that this project has got a very high cost on land, equipment and raw materials, carrying costs, etc. The Government is, therefore, giving a new thinking to this project. The CEDB and Dastur & Co. are studying all these points and it will take some time to come to a final decision.

SHRI B. V. NAIK: The hon. Minister for Steel and Mines has assured that these are time-bound projects and that they will be completed within a period of eight years from their inception. In the light of this Study Group's recommendations which have been under study for the last six months, will there be any variation in the time schedule, in which case will there be a breach of the promise made to the concerned States or areas with reference to the findings of this Study Group?

THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMAR-MANGALAM): The hon. Member is aware that, when we make certain statements here, we do it with every intention of trying to honour them. But if there are difficulties in the way both in

terms of resources available as well as in terms of the technological difficulties involved in putting up the plant, naturally there may be some variation in the final decision.

SHRI VASANT SATHE: I would like to know from the hon. Minister whether, originally, when the projects were started, there was some gestation period foreseen, whether the consultants or experts prepared a scheme in which they laid down that in the first few years there would be such and such loss, the break-through period would be arrived by such and such a period and after that, the plant would make profit. Was such a scheme given by the consultants with whose consultation we started the project, and if so, what was that scheme, what was the gestation period forecast?

SHRI S. MOHAN KUMARAMAN-GALAM: There was no question of any decision in terms of detailed financial calculations being made at the earliest stage. Government came to the conclusion on the basis of the need for increasing steel production and finding that these two places were areas which had certain facilities from the point of view of construction of plants. The difficulty really arises from the heavy cost of capital equipment which would be there wherever we build the plants and also the difficulty of differential between the prices of shaped products and flat products. It is in relation to that and on the basis of the latest experience that we have had in the working of the 2000 cubic metres blast furnace in Bokaro that we are coming to a final decision.

SHRI VASANT SATHE: I need your protection, Sir. Are you satisfied with the reply to my question, Sir? I say within what period do they expect to have the break-even and will start making profits. Kindly get answer to that question.

SHRI D. D. DESAI: It is a very vital question, Sir.

SHRI S. MOHAN KUMARAMAN-GALAM: Obviously, if we were in a position to give a clear reply on that, then a decision would already have been taken. We are not in a position to give a clear reply because a number of alternatives have been thrown up by the consultants which we are now considering.

SHRI D. D. DESAI: The world over, the existing old steel plants which are making losses are now getting renovated by new machinery costing, according to the Government, high prices and that is the way by which their profitability is increased. How does the Government reconcile the anomaly between the method used the world over where new plants are being built adjacent to the existing ones to improve the economy of the plants *versus* our installing new plants which would make losses from the start and continue to make losses in spite of our high prices of steel?

SHRI S. MOHAN KUMARAMAN-GALAM: The hon. Member is making certain presumptions which are not correct.

First of all, the price of steel in India is not high. It is as a result of the addition of excise duty and so on that the prices become high in the market, but the actual cost of production in India compares very favourably with the cost of production of steel in other parts of the world.

Secondly, so far as the question of the difficulties that we face, that is because in relation to the fabrication of the equipment in our country, we have not yet been able to improve the productivity to such an extent to bring it down whereas in the most advanced and developed countries, the amount of automation they have introduced and the skills they have, enable them to cut down the cost of fabricating the equipment. It is here that we are trying to concentrate so that we may be able to bring down the cost of putting up our plants and make them economical.

MR. SPEAKER: Shri Phool Chand Verma—He is in jail. Shri Sanghi.

Orders for supply of Avro Jets to Indian Air Force

*791. SHRI N. K. SANGHI:
SHRI BISWANATH JHUN-
JHUNWALA:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government have placed orders with HAL for the supply of more Avros for the use of the Indian Air Force;

(b) whether his Ministry have satisfied themselves about the performance of the aircraft, in so far as the Indian Air Force is concerned; and

(c) whether the types of Avros ordered the one whose airworthiness is to be gone into by a High-powered Committee?

THE MINISTER OF STATE (DEFENCE PRODUCTION) IN THE MINISTRY OF DEFENCE (SHRI VIDYA CHARAN SHUKLA): (a) H.A.L. will be manufacturing HS-748(M) Freighter Version aircraft for the Indian Air Force.

(b) Yes, Sir.

(c) The type of Avro to be manufactured for the Indian Air Force is freighter version to meet specific defence requirements.

SHRI N. K. SANGHI: May I know from the hon. Minister the problems that have been raised by the Indian Airlines Corporation regarding this aircraft and whether there is any rapport between the ground engineers of the Engineering Department of the Defence Ministry and also the Indian Airlines Corporation, to advise them and guide them on the various problems that have been raised regarding the air-worthiness of this aircraft.

SHRI VIDYA CHARAN SHUKLA: We had a very careful look at the aircraft and not only that, the aircraft was put on a very extensive trial by the Defence authorities—the military as well as the Air Force, and it has been certified fit for the duties for which it is going to be assigned.

SHRI N. K. SANGHI: I have only asked the hon. Minister whether the know-how and the technical modifications carried out by the Air Force have been conveyed to the Indian Airlines Corporation so that the points raised, viz. slow climb rate, lesser loadability and insufficient performance in higher temperature are taken care of and the problems solved.

SHRI VIDYA CHARAN SHUKLA: It is being used very well and I would not like to make many more comments on it because the Government have recently appointed a committee to evaluate the performance of this aircraft and I am quite sure this committee will come to concrete and specific conclusions which will clear all doubts about this aircraft.

SHRI S. M. BANERJEE: I would like to know from the hon. Minister whether it is a fact that because of the appointment of this committee, there are suggestions from some interested quarters that the production of Avro in HAL, Kanpur should be suspended and if so, what is the reaction of the Defence Ministry thereto and whether it is likely to be suspended or ignoring the propaganda of these vested interests, the production is going to continue.

SHRI VIDYA CHARAN SHUKLA: Production is going to continue in Kanpur HAL. As far as I am aware we have received no such suggestion, that is, about suspending production of the aircraft.

SHRI BHAGWAT JHA AZAD: How the modern version of the avro differ from the cost point of view from the one that