

SHRI N. K. SHEJWALKAR : On a point of order.

MR. CHAIRMAN : Let him finish.

SHRI FAKHRUDDIN ALI AHMED : Now credit will be given on the basis of a report to be submitted by the Project authorities. After the credit has been given the guarantee form will be sent by the project authorities and the project authorities will see that the credit so taken is fully utilised for the purpose for which it has been taken. A monthly report will be submitted by him. The Project Officer and the bank authorities will also discuss every quarter how the difficulties of credit to be so provided are overcome.

MR. CHAIRMAN : He wanted to know the difference.

SHRI FAKHRUDDIN ALI AHMED : This scheme was launched on the Birthday of Mahatma Gandhi, 2nd October, 1969. The actual implementation has started from the beginning of 1970. (Some hon'ble Members stood up in their seats.)

MR. CHAIRMAN : Please sit down. Let me put the question. The question is whether there is anything new in this scheme or is it the old scheme which is being continued? That is the question.

श्री राजनारायण : श्रीमान्, प्वाइंट आफ आर्डर ।

श्री सभापति : इनका जवाब नो आ जाने दीजिये ।

श्री राजनारायण : इसको जरा और साफ करायें कि जो माननीय मंत्री जी ने कहा और डिप्टी मिनिस्टर ने जो कहा, इन दोनों का उत्तर एक ही है । 15 मिनट इस क्वेश्चन को ले कर सदन का समय नष्ट कराया जा रहा है और मंत्री ब्लेग उत्तर दे रहे हैं बिदाउट नोटिंग एनीथिंग ।

SHRI FAKHRUDDIN ALI AHMED : Sir, so far as the scheme is concerned, there was previously no

such scheme of giving clean cash credit up to Rs. 5,000. This is a new thing which has been started under the scheme.

SHRI N. K. SHEJWALKAR : Sir, my point of order . . .

MR. CHAIRMAN : That is all right. The senior Minister has answered.

श्री राजनारायण : श्रीमान्, मेरा आपसे विनम्र निवेदन है कि चेयर अधिकृत है मंत्री जी को आदेश करने के लिये कि आइन्दा मंत्री लोग पूरक प्रश्नों के लिये तैयार हो कर आया करें । यह दिन भर, रात भर, भोजन करते हैं और गप्पामजी करते हैं, इनको पढ़ने लिखने से कोई मतलब नहीं । एक क्वेश्चन पर इस तरह यहाँ पर 16 मिनट खराब हो जायें ।

श्री सभापति : अच्छा, आप बैठ जाइये ।

SHRI A. G. KULKARNI : May I submit, Sir, that at least on an experimental measure the Deputy Minister should be asked to start some small-scale industry so that he will understand all these things,

MR. CHAIRMAN : Next question.

♦433, [The questioner (Dr. Bhai Mahavir) was absent For answer, vide col. 32 infra].

•434. [The questioner (Shri Sitaratn Jaipuria) was absent. For answer, vide col. 32-33 infra].

INVESTMENT COST OF STEEL PRODUCED AT BOKARO STEEL PLANT

*435. SHRI KRISHAN KANT : t SHRI A. G. KULKARNI : .

Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to state :

(a) whether it is a fact that the investment cost to produce in the Plant is likely to be about Rs. 2300 per ton:

(b) if so, the reasons for such heavy capital cost and what products are to be produced;

tThe question was asked on the floor of the House by Shri Krishan Kanf.

(c) whether Russian consultancy service was given preference; and

(d) how many firms offered consultancy services?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND HEAVY ENGINEERING (SHRI K. C. PANT) : (a) to (d) A statement is laid on the table of the House.

STATEMENT

(a) The Bokaro Steel Plant is still under construction. The total investment cost of the plant at the 4 million tonne stage, including all off-site facilities, has been estimated at about Rs. 2,725 per tonne.

(b) Among the factors responsible for the high cost of the Bokaro Steel Plant are the sophisticated nature of the plant and equipment for making only Bat products size of larger coke-ovens with additional capacity for an extra blast furnace. The devaluation of the Indian rupee leading to higher cost of imports and foreign technical services, the increase in the cost of equipment and material being procured from within the country, the increase in the cost of material and construction, and some inbuilt capacity for the further expansion of the plant to the capacity of 5.5 million tonnes. The output of finished material from the Rolling Mill at Bokaro is higher being 81% as against at Rourkela. The plant will produce only Hat products such as, hot rolled and cold rolled sheets and light plates.

(c) The Detailed Project Report for the Bokaro Steel Plant was prepared by the USSR organisations in terms of an agreement dated the 25th January, 1965. In the first stage of the plant the engineering consultancy work is being shared by the Soviet organisations who are the principal consultants and M/s. M. N. Dastur & Co. who are the Indian consultants. The Soviet organisations were given consultancy work for the Detailed Project Report as well as for the implementation of the 1st stage of the Bokaro Steel Plant in accordance with the terms of the Soviet Credit for the establishment of the Bokaro Steel Plant. For the expansion of the Plant to the 4 million tonne stage, the Central Engineering and Design Bureau of Hindustan Steel Limited are being appointed the principal consultants in

place of the Soviet consultants in the 1st stage. M/s. M. N. Dastur & Co. would also continue to be associated in the second stage and render consultancy services similar to those allotted to them for the first stage.

(d) Apart from the Soviet organisations, the Central Engineering and Design Bureau and M/s. M. N. Dastur & Co. no other consultants have been in the field for consultancy work at Bokaro.

SHRI KRISHAN KANT: May I know from the hon'ble Minister whether the figure included here of Rs. 2,725 per tonne includes the provision of pig iron or whether the pig iron cost is also added? Does it compare well with the modern sophisticated plants anywhere in the world? If they are high in India, why should they be high in India?

SHRI K. C. PANT : Sir, there is provision for production of pig iron in Bokaro but this has not been taken into account because this figure relates to ingot tonnes of steel. Taking into account the production of about 900,000 tonnes of extra pig iron, the cost estimates would be a little less than Rs. 2,500 per tonne. That is, they will come down.

As for the comparison with other plants in the world, there are so many factors which go in the making of a steel plant. It is not possible to make comparison unless one goes into all the details such as what are the off-site facilities, what is the outlay on the township, etc. All these have to be taken into account in making a comparison.

SHRI KRISHAN KANT : Taking the overall picture into account, as he has said, will the cost of production in India be higher than the international standards? That is the question. There is then the question about the association of Indian scientists and engineers with the designing and development of this factory. May I know, Sir, what is the percentage of foreign consultancy and Indian consultancy in the first stage and in the second stage?

SHRI K. C. PANT : The question relates to investment cost, not the cost of production. I do not have the cost of production figure.

SHRI KRISHAN KANT : How does this investment compare with foreign plants anywhere in the world?

SHRI K. C. PANT : I have already said that it is difficult to compare. So far as the association of Indian consultancy is concerned, at stage I, the Soviets were the main consultants. Along with that, M/s. Dastur and Company were the Indian consultants and they were allowed to function. They had a specific area of functioning. I can indicate the areas of functioning also. The area of functioning of the U.S.S.R. organisation was supply of drawings to the Bokaro Steel Plant and supply of technical documentation for equipment and materials to be manufactured in India. Apart from that, of course, the detailed Project Report was prepared by them. The Indian organisation, M/s. M. N. Dastur & Company was to do the design and engineering work of the steel plant according to a contract concluded on the 25th February 1967. So some of the work was assigned to them. So far as Stage II is concerned, the CEDB of the HSL has now been made the main consultants and they have replaced the Soviet Union. And M/s. Dastur & Company will continue to be associated with the project roughly in the same manner as in Stage I.

SHRI A. G. KULKARNI : May I know whether it is a fact that a statement was made in the Lok Sabha by the former Deputy Prime Minister that the cost of production of the Bokaro plant was extraordinarily high, round about Rs. 2,800 per tonne, and taking into consideration the township, etc., it would go up to Rs. 4,100? If it is so, how can the Government justify that with such a heavy investment per tonne, the cost of production at Bokaro will be commensurate with the cost of production either at Rourkela or at Durgapur? Secondly, I want to know whether it is a fact that the Russians are delaying the supply of equipment, particularly the refractories and drawings. Thirdly, a statement was made in the Lok Sabha by the former Deputy Prime Minister that the American offer was turned down because it was a turnkey project. Now, the last paragraph of the statement here says : "The Soviet organisations were given consultancy work for the Detailed Project Report, as well as for the implementation of

the First Stage of the Bokaro Steel Plant." Now, "implementation of the project" means that it is as good as a turn-key project. What is the difference between the turn-key project of the Americans and this "turn-key" project of the Russians? Lastly, I would like to know whether the Government will assure us that the Indian scientists and Dastur & Company will be encouraged for the consultancy work from the Second Stage onwards.

SHRI K. C. PANT : There are several questions which have been asked. Regarding the first question, I do not know how my hon. friend got the figure of Rs. 4,100 per tonne, including the township. The total investment up to Stage II is of the order of Rs. 1,090 crores, making an investment of Rs. 2,725 per ingot steel tonne. Now, so far the question of comparison of costs of production goes, as I said, at this stage I do not have all the figures relating to investment costs with me, and so I do not have the cost of production figures. But certainly if my hon. friend wants to know the cost of production figures according to the D.P.R. and so on, I shall gladly furnish them if a question is asked.

SHRI A. G. KULKARNI : Naturally it will be more.

SHRI K. C. PANT : May I explain? In this case, bigger blast furnaces have to be built and bigger coke-ovens have to be built in order to make it a modern plant. A modern plant sometimes requires higher investment than the old plants. Then in that case, it is not necessary that the investment costs are reflected in higher cost of production. Sometimes you will invest more to reduce the cost of production. But unless I have gone into all the details of the cost of production, I cannot say anything categorical at this stage. So far as delay by the Soviet Union in respect of supply of drawings, equipment, etc., is concerned, there have been occasional delays but (a) they were not deliberate and (b) they have not affected the schedule for the completion of this project. This is what I want to make clear. So far as the third point, whether Soviet consultancy is a turnkey job or not, is concerned, may I point out that I have already indicated the division of work between the Soviet organisations and the Indian organisations.

SHRI BALKRISHNA GUPTA : But they are not allowing the Indian organisations to function.

SHRI K. C. PANT : No, that is not true. I have already indicated the area of functioning of the Indian organisation. Now, in the case of the steel plants at Rourkela, Durgapur and Bhilai, the project was conceived, designed, executed, implemented and commissioned by the same organisation. That is not the case here. Here, the Indian organisation is there. We are purchasing a lot of Indian equipment. A lot of designing is being done in this country. So it is not a turn-key project in that sense. As to Mr. Kulkarni's question about implementation, well, they have to be associated for implementation because we expect certain guarantees to flow from their supervision of the implementation. We want certain guarantees of production. Therefore, the association of the Soviet consultant agency is necessary in order to make those guarantees effective.

Now, so far as the association of Indian consultants, M/s. Dastur & Company, etc., in later projects is concerned, certainly Indian design, consultancy, expertise, knowledge and Indian organisations will be used fully. They will be given every chance to develop.

MR. CHAIRMAN : Mr. Pande. Please put a short question.

SHRI C. D. PANDE : Sir, this is a very important subject. Short questions cannot be put.

Now, in the beginning the estimate of the cost of project was Rs. 700 crores. He has just now said that it has gone up to Rs. 1,000 crores. What are the factors which are responsible for this increase of Rs. 300 crores? Secondly, is it not a fact that the Russians are not at all willing to take anything manufactured in the Heavy Engineering Corporation, Ranchi? Recently products worth Rs. 50 crores meant for the Bokaro Steel Plant were totally rejected by the Russians. Thirdly, may I know whether it is not a fact that the number of experts from Russia is enormously large for a project of this nature? There are 550 Russians in Bokaro and I am told that even barbers and cooks have been brought from Russia. Fourthly, is it not a fact that even the Dastur &

Company is not being given any share in the consultancy work? In fact the problem has come to this that you have to intervene and give them something very unimportant to work upon. Finally, is it not a fact that the whole question is one of overbearing attitude of the Russians? They do not like our equipment and they have said that the Indian refractory is not worth the gutter. And the refractory which was going to be supplied by our concern has been totally rejected. In view of these things, what are the reasons for the Government not asserting its right but giving full rope to the Russians to do as 'they like'?

SHRI K. C. PANT : So far the increase in the cost estimates goes, the original estimate was Rs. 770 crores. But this did not make allowance for the various cost factors. Later on in addition to the cost factors, there was an increase in the prices of imported things due to devaluation. There was an increase in the prices due to the cost escalation factors that have been in operation since the first estimate was prepared in 1965. It is easy to estimate the Cost escalation factors—steel, cement, labour, etc. And the impact of devaluation itself is fairly big.

श्री निरंजन वर्मा : वह कितना था ?

SHRI K. C. PANT : Now, so far as the rejection of equipment made by the H.E.C. is concerned, there was rejection of some equipment, but it was not a very heavy tonnage and it is not abnormal in such cases. It is for the first time that this kind of equipment is being manufactured in the country and unless we are prepared to take these minor risks of some equipment being rejected, we will never start manufacturing it in this country.

So far as the number of experts from the Soviet Union is concerned, the agreement provides for 572 Soviet specialists, but actually there are only 159 Soviet specialists in position as on 31st January 1970.

SHRI C. D. PANDE : What about barbers and cooks?

SHRI K. C. PANT : So far as the share of the work for Dastur & Company is concerned. I have already indicated that, and also that Dastur &

Company has not brought to our notice | any particular difficulty in this regard. The reason is that the Bokaro Steel j Limited is in charge of the implementation of the project on the ground. Therefore, whatever lack of coordination there is between the the Soviets and Dastur & Co., if there is any, is sorted out at the level. It does not come to us. It has not come to my notice, and I do not think there is any lack of coordination at all. So far as refractories are concerned. I can assure the House that the Government is not interested in importing refractories. They can be manufactured here. It has been our experience that' Qfter placing orders for the manufacture of refractories in 1967 and 1968, supplies have not been forthcoming of the required quality and in the required quantity, and it is with great reluctance that we have resorted to importing refractories.

SHRI C. D. PANDE : What about the Ranchi products rejected to the extent of Rs. 50 crores? There also the Russians are in charge of it.

MR. CHAIRMAN : That is all right. Please sit down.

SHRI BALKRISHNA GUPTA : Is ii not a fact that the Russians are cfaai ing Rs. 400 crores more than any other country would have charged for i similar plant? *(Interruption)* Is it not a fact that they are dictating terms to us? A similar capacity plant has been built all over the world for half the cost that we are incurring here because of the overbearing attitude of the Russians and because the Government has become subservient to the Russians?

SHRI K. C. PANT : No, Sir.

SHRI BIREN ROY : Arising out of the reply of the honourable Minister that because of devaluation the amount of Rs. 770 crores has come to Rs. 1,000 crores, one point is between Russia and India we have a rupee agreement. If we devalue our rupee and if the Russians also purchase from us in rupee, our goods which are going there in exchange of this amount would ,be also much more . . .

MR. CHAIRMAN : Please put the question.

SHRI BIREN ROY : Therefore, they should have taken this fact into consideration that we have a rupee agreement. We have devalued in respect of pound and dollar. That is the question. By devaluing our rupee we have reduced the prices in respect of goods sent to Russia and therefore, Russia will get more goods from us. Then, the question is why it is that they should insist on the devaluation of our rupee in respect of U.S.S.R. supplies? It is not the mater of pounds and dollars. That is my point. We have a rupee contract near —b;irter agreement.

SHRI K. C. PANT : There is no question of pound and dollar. As my lion, friend himself explained, the cost will go up due to devaluation.

SHRI A. G. KULKARNI : On a point of order. I have got great respect for the Minister. But he is not properly educating the House. Mr. Biren Roy's question was proper, whether it is not a fact that in this Bokaro agreement you have got a special term that an amount, say, of Rs. 100 will be equal to, so much, so many ounces of gold. Why are you introducing that item into the contract if it is a bilateral trade between Russia and India? Sir, please direct the Minister to give a categorical reply whether . . .

MR. CHAIRMAN : That is enough. Please sii down, Mr. Kulkarni.

SHRI A. G. KULKARNI : No, Sir. Please understand this . . .

MR. CHAIRMAN : I have understood your point. Please sit down. Now, will the Minister like to clarify it further?

SHRI K. C. PANT: Sir, the point is very simple. If we are to devalue, to that extent the cost of imports goes up. The cost of imports goes up, whether the imports are from Western countries or from Eastern countries. There is a certain par value Jaid down, and that is altered. It is altered in effect whether it is the Soviet Union or the West. In the Soviet Union, as Shri Biren Roy said, the quantum of goods to be supplied will go up. When it come to us, its cost increases to that extent.

MR. CHAIRMAN : Next question.

SHRI RAJNARAIN : On a point of order.

MR. CHAIRMAN : What is the point of order?

श्री राजनारायण : श्रीमन्, हमारा एक प्वाइन्ट आफ आर्डर है। मेरा प्वाइन्ट आफ आर्डर यह है कि मंत्री जी को ही श्री पांडे जी प्रश्न का उत्तर देना जनहित में अनुचित है कि 50 करोड़ पैसे का माल जो रांची में बना था बोकारो के लिए वह रिजेक्ट कर दिया गया और उसे बोकारो वालों ने नहीं लिया। यह पांडे जी का प्रश्न था और मंत्री जी ने इसका जवाब नहीं दिया।

श्री सभापति : इसका जवाब दे दिया है।

श्री राजनारायण : जवाब नहीं आया है तब ही मैं यह पूछना चाहता हूँ कि इसका जवाब देना जनहित में अनुचित है।

श्री सभापति : यह तो पांडे जी ने सवाल पूछ लिया है।

श्री राजनारायण : पांडे जी ने जो सवाल पूछा था, वही हमारा भी सवाल है और इसका जवाब मंत्री जी की ओर से नहीं दिया गया है।

श्री सभापति : अभी आप बैठ जाइयें, मैंने अभी आपको बुलाया नहीं है।

श्री राजनारायण : मैं जवाब चाहता हूँ और मंत्री जी ने इसका जवाब नहीं दिया है।

श्री सभापति : इस में व्यवस्था का प्रश्न कहां पर उठता है ?

श्री राजनारायण : अगर पांडे जी के प्रश्न का जवाब आ जाता, तो मैं यह व्यवस्था का प्रश्न नहीं उठाता।

श्री सभापति : पांडे जी के सवाल का जवाब तो आ गया है।

श्री राजनारायण : 50 करोड़ के बारे में उन्होंने नहीं बतलाया।

श्री सभापति : इस सवाल में इतना समय हो गया है और आप इसमें पूरा आधा घंटा लगाना चाहते हैं, तो लगाइयें।

श्री राजनारायण : 50 करोड़ के बारे में तो मंत्री जी ने कुछ नहीं कहा।

श्री सभापति : पहले उनको सवाल पूछने दीजिये।

श्री ना० कु० शेजवलकर : श्रीमन्, मैं माननीय मंत्री जी ने यह जानना चाहता हूँ कि बोकारो प्लान्ट के संबंध में जो कंस्ट्रक्शन कार्य-क्रम था, जो योजनाबद्ध कार्यक्रम था, वह चौथी पंचवर्षीय योजना में क्यों पिछड़ गया। इसके साथ ही साथ जो अपना इंडियन इंजीनियरिंग डिजाइन ब्यूरो है और उसमें जो रशियन एक्सपर्ट सलाहकार के रूप में वे काम करने में असमर्थ हैं, क्या यह बात सच है।

इसके साथ ही साथ मैं यह भी जानना चाहता हूँ कि हिन्दुस्तान लिमिटेड के जो चेयरमैन हैं क्या वे इसमें कतई इन्टरेस्ट नहीं लेते हैं; क्योंकि जहां तक मुझे पता है, पिछले समय जब कंसल्टेंटिव कमेटी की मीटिंग हुई थी, तो उसमें यह देखा गया कि वे उस मीटिंग में पूरी तरह से भाग नहीं लेते हैं और बीच में ही मीटिंग से उठ कर चले गये थे, तो क्या यह बात सही है कि वहां पर ठीक प्रकार से और योजनाबद्ध कार्यक्रम नहीं हो रहा है।

श्री के० सी० पन्त : श्री चांदी तो हिन्दुस्तान स्टील के चेयरमैन हैं। यह तो बोकारो का सवाल है और इसका कोई सीधा ताल्लुक नहीं है। Referring to the earlier question I have thought over the matter. Sir, . . .

MR. CHAIRMAN : The House wants you to explain about the rejections.

SHRI K. C. PANT : I have already explained about the rejections. There have been certain rejections. I have already said that there have been certain rejections.

श्री राजनारायण : श्रीमान्, क्या मंत्री जी हमारे प्रश्न का जवाब दे रहे हैं।

श्री सभापति : वही तो दे रहे हैं।

श्री राजनारायण : तो वे बतलायें कि रिजेक्शन माल की कितनी कीमत की क्योंकि हमारे पास 50 करोड़ रुपये की फ़िगर है।

SHRI K. C. PANT : Sir, I do not remember the exact figure. There have been certain rejections. I can say that even in those rejections, whatever was usable, has been used again. It is not as though the whole thing has been thrown out. The point that I was trying to make is that in spite of our best efforts if a certain proportion of what we manufacture is found to be faulty later on, should we on that account not attempt manufacturing it at all? This is the first time that such equipment is manufactured in this country. This should be taken into account. That is all that I have to submit. On the other question I only wanted to submit that there is probably some confusion between the Soviet credit and the trade agreement. The trade agreement operates separately from the Soviet credit. So far as the Soviet credit is concerned, naturally devaluation will have its impact on it.

436. [The questioner (Shri M. P. Bhargava) was absent. For answer, vide cols. 33-34 infra].

437. [The questioner (Shri J. P. Yadav) was absent. For answer, vide cols. 34-36 infra].

EXPENDITURE ON SCHEDULED CASTES AND SCHEDULED TRIBES

438. SHRI JAGAT NARAIN : SHRI SYED HUSSAIN: SARDAR D. K. JADHAV :

Will the Minister of LAW AND SOCIAL WELFARE be pleased to state :

(a) the total expenditure incurred by Government on the welfare of Scheduled Castes, the Scheduled Tribes and other Backward Classes during the last three years and the break-up thereof;

(b) the total expenditure incurred by Government on the various voluntary and social organisations working for the welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes with the Break-up thereof; and

(c) whether any assessments are made about the results in return of the money spent on various accounts?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND IN THE DEPARTMENT OF SOCIAL WELFARE (DR. (SHRIMATI) PHULRENU GUHA) : (a) Total expenditure incurred on the welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes during each of the years 1966-67 to 1968-69 is as follows :—

(Rs. in lakhs)

Year	Scheduled Tribes	Scheduled Castes	Other Backward Classes	Total
1966-67	1261.83	865.41	285.54	2142.78
1967-68	1023.17	975.96	264.66	2263.79
1968-69	1064.82	1052.71	302.22	2419.75

†The question was actually asked on the floor of the House by Shri Jagat Narain.