

## RAJYA SABHA

Saturday, the 4th May, 1963/the 14th  
Vaisakha, 1885 (Saka)

The House met at eleven of the  
clock, MR. CHAIRMAN in the Chair.

### SHORT NOTICE QUESTION AND ANSWER

#### STEEL PROJECT AT BOKARO

2. { SHRI M. S. GURUPADA  
SWAMY:†  
SHRI FARIDUL HAQ  
ANSARI:

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

(a) whether it is a fact that the  
decision to set up the steel project at  
Bokaro is being delayed on account  
of differences on various issues bet-  
ween the Governments of India and  
the United States of America; and

(b) if so, what are the main differ-  
ences?

THE MINISTER OF STEEL AND  
HEAVY INDUSTRIES (SHRI C  
SUBRAMANIAM): (a) and (b) No, Sir.

On the 28th April 1963, the Agency  
for International Development relea-  
sed in Washington a summary of the  
techno-economic survey report of the  
U.S. Steel team on Bokaro. The same  
summary was also released in Delhi  
by us. In releasing the summary to the  
U.S. Press, the Agency for Inter-  
national Development said that the  
U.S. Government had set no deadline  
for the final determination of financial  
assistance for Bokaro and that the  
report answers many questions but  
raises others which require further  
exploration. There are many ques-  
tions raised which also require exami-  
nation by the Government of India.  
The report is under study both in  
Washington and by us. There is no  
doubt that Bokaro is of vital impor-

†The question was actually asked on  
the floor of the House by Shri M. S.  
Gurupada Swamy.

tance to us, that it would be set up in  
the public sector, and that in matters  
like raw materials for the plant, its  
capital costs and the suggestion of  
American direction of its construction  
and initial operations, satisfactory solu-  
tions can be found after discussions  
with the Agency for International  
Development. It is expected that the  
American Government will indicate  
to us early the date on which such  
negotiations could begin.

SHRI M. S. GURUPADA SWAMY:  
May I know whether the U.S.A. has  
decided to postpone this project inde-  
finitely, because there is an observa-  
tion in the techno-economic report pro-  
duced by the Steel Corporation that  
the Government of the U.S.A. should  
not, as far as possible, participate in  
financing steel projects in the public  
sector in other countries, whether this  
observation has influenced the U.S.A.  
Government in postponing or delaying  
this project? What is the actual posi-  
tion, Sir?

SHRI C. SUBRAMANIAM: I suppose  
the hon. Member is referring to the  
Clay Committee Report, not the Ame-  
rican Steel Survey Team's Report.  
My understanding is that the decision  
with regard to Bokaro will not be in-  
fluenced by the observations made by  
the Clay Committee.

SHRI M. S. GURUPADA SWAMY: I  
am referring to the techno-economic  
report produced by the Steel Corpo-  
ration. There is an observation, I  
am told, that as far as possible the  
Government of the U.S.A. need not  
participate in projects in the public  
sector, wherever these public sector  
projects compete with those in the  
private sector.

SHRI C. SUBRAMANIAM: I have  
read the report. I do not understand  
it that way.

SHRI M. S. GURUPADA SWAMY:  
Sir, among the many issues raised the  
important issue was the issue of the  
control of the Bokaro project by the  
Americans for ten years. I want to  
know whether any decision has been

taken by the Government of India to hand over the management and control of this project for ten years. If that is so, what are the reasons for the Government in arriving at this decision?

SHRI C. SUBRAMANIAM: In the report there is no such thing that it should be handed over for ten years. They have indicated certain difficulties with regard to the management of the steel plant and, as I have already stated, this is a matter for discussion and arriving at decisions later on.

SHRI A. D. MANI: I should like to ask the Minister whether, as a result of the delay in the negotiations about this project, there is possibility of the Bokaro project not coming into force during the Third Plan period and, if so, what are the plans of the Government to achieve the steel targets set out in the Third Plan?

SHRI C. SUBRAMANIAM: Sir, as hon. Members are aware, we have taken into account in the Third Plan a production of about one million tons of steel from Bokaro. That would not be coming about now. That is quite certain. Therefore, Sir, to that extent there will be a shortfall in achieving the targets of the Third Plan.

SHRI NIREN GHOSH: Sir, as far as the Press reports go, it seems that a large number of technical personnel, beyond our normal requirements perhaps—the American technical personnel—would continue indefinitely in the Bokaro Project and no proper arrangements for training Indian technical personnel, so that they can take over within a year or two, are envisaged. In view of this fact, may I know whether the Government would give an assurance that the management would be completely in Indian hands and that proper arrangements for training Indian technical personnel would be made? May I also know, Sir, whether the Government has made any effort to secure more favourable

terms for the installation of the Bokaro Project from any other country in the world except America?

SHRI C. SUBRAMANIAM: Sir, just now we are considering only the question of American assistance for the Bokaro plant. As far as the other point is concerned, I do not think America have surplus personnel to send to us, a large number of people who would not be required here. The number of people and the period for which they would be employed would be strictly controlled by the necessity for that. Therefore, Sir, I can assure the hon. Member that America is not interested in sending a large number of people here and we are also not interested in taking any number of people who are not required by us.

SHRI BHUPESH GUPTA: May I know, Sir, from the hon. Minister whether at the commencement of the negotiations it was made out to the American authorities concerned that India would require this steel plant to be set up in the course of the Third Five Year Plan in a manner that the target could be achieved—one million tons—whether that was sufficiently made clear and, if this is no longer possible, whether the Government has discussed the matter again with the American authorities?

SHRI C. SUBRAMANIAM: Sir, as hon. Members are aware, the project had to be studied by a team sent by the American Aid Organisation and that report has just been submitted. So, if there has been any delay, that is because of the very nature of the project, because it had to be surveyed properly and all the problems sorted out. If we had proceeded hurriedly, perhaps we might have been confronted with other problems which could easily be solved now because of the various findings of the project report. While I do agree that there would be some delay in achieving the production targets in the case of Bokaro, it is better to make sure that it will produce at least in the first year or the second year of the Fourth Plan.

**SHRI FARIDUL HAQ ANSARI:** May I know whether there is any proposal from the U.S.S.R. regarding this project?

**SHRI C. SUBRAMANIAM:** I would prefer not to answer this question. I would request the hon Member not to press that question.

**SHRI M. S. GURUPADA SWAMY:** May I know whether it is a fact that Mr. David Bell, Director of the Agency for International Development, has said that even a decision by the U.S.A. to participate in financing the proposed project is not taken and even a deadline is not decided upon. If that is so, does it mean that there is a possibility of shelving the whole project?

**SHRI C. SUBRAMANIAM:** Sir, primary decisions have not yet been taken and that is why the project report is under study, as I said, both in Washington and here. It is only after the study and after we have discussed this matter that final decisions would be taken. When decisions have not been taken, there is always the possibility, even though in my view it is a remote possibility, of the decision going against us.

**SHRI N. SRI RAMA REDDI:** I would like to know, Sir, whether the news published recently in the papers is correct, that most of the obstacles created were more on account of our recent discussions with the American Ambassador, Mr. Galbraith?

**SHRI C. SUBRAMANIAM:** Sir, these are all technical problems which have been pointed out in the report—raw materials, transport, management, etc. Certainly they cannot be overcome by a discussion overnight either with Ambassador or with anybody else. We have to take positive steps to get over these difficulties, and I can assure the House that we are taking all possible steps for the purpose of removing all these difficulties which have been pointed out, and I want to tell the House that the report is a very

good report pointing out the difficulties that we will have to confront with. Of course, it is easy to give a report without pointing out these difficulties. But I am glad that the difficulties have been pointed out, and it should be our endeavour to see that these difficulties are removed, and I am confident that these difficulties can be removed.

**MR. CHAIRMAN:** That is the end. I have allowed more than twice the time I normally allow to a question.

STATEMENT RE STARRED QUESTION NO. 63 ANSWERED ON THE 21st FEBRUARY, 1963

CHILDREN'S LITERATURE COMMITTEE

**THE DEPUTY MINISTER IN THE MINISTRY OF EDUCATION (SHRI-MATI SOUNDARAM RAMACHANDRAN):** I am very sorry I was not here to make this statement yesterday. While answering the supplementary questions relating to Starred Question No. 63 regarding Children's Literature Committee, which was answered in the Rajya Sabha on 21-2-1963, my statement on the occasion needs clarification. The correct factual position is stated below:—

"The Children's Literature Committee is only an advisory body and its recommendations are duly noted in the proceedings of its meetings for suitable action by the Government of India. Eminent writers and persons interested in preparation and production of Children's Literature and the Book Trade are represented on this Committee. No Institution or Organisation has any representation on it. Oriya language is duly represented on this Committee. Shri Ram Krushna Nanda is the member who represents this language."