

RAJYA SABHA**Monday, the 17th February 1958**

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

ORAL ANSWERS TO QUESTIONS

**INVESTMENT BY THE LIFE
INSURANCE CORPORATION IN THE
CENTRAL WARE-HOUSING CORPORATION**

*60. SHRI P. S. RAJAGOPAL NAIDU: Will the Minister of FINANCE be pleased to state whether the Life Insurance Corporation of Ind'a has invested any amount in the shares of the Central Warehousing Corporation?

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): No, Sir.

SHRI P. S. RAJAGOPAL NAIDU: May I know, Sir, the reason why the Life Insurance Corporation has not invested any amount in the Warehousing Corporation?

SHRI B. R. BHAGAT: The request of the Warehousing Corporation for such investment was put before the Investments Committee and the Investments Committee did not agree to it, mainly because the return was not adequate—8½ per cent, is the minimum return on such investment.

SHRI JASWANT SINGH: It was stated by the hon. Minister that the request of the Warehousing Corporation for such investment was put before the Investment Committee and the latter did not agree to it. Are such loans given even without consulting the Investments Committee?

SHRI B. R. BHAGAT: Loans? No question of loans. As was investments.

SHRI JASWANT SINGH: The hon. the Finance Minister said that in the matter of these investments it was put before the Investments Committee and

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the Investments Committee refused the request. I would like to know/ whether without consulting the Investments Committee any investments are made.

MR. CHAIRMAN: They all know about it. Why are you pursuing it? Next question.

**GOVERNMENT DELEGATION TO WEST
GERMANY**

*61. SHRI MAHESHWAR NAIK Will the Minister of FINANCE be pleased to state:

(a) whether a Finance Ministry delegation is being sent to West Germany to negotiate the settlement of certain outstanding matters connected with the Rourkela Steel Plant; and

(b) if so, what precisely are those outstanding matters?

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT) : (a) Yes, Sir. A delegation is already in West Germany.

(b) By an interim agreement signed in December 1957, the West German Government agreed to defer certain payments relating to the Rourkela Steel Plant which fell due to German firms up to February 15, 1958. The present delegation is negotiating a final agreement for postponement of payments due to German firms under contracts for the delivery and erection of a Steel Plant and rolling mill and related construction work at Rourkela.

SHRI MAHESHWAR NAIK: May I know, Sir, whether it was not a fact that under the previous agreement payments were stipulated to be made after the Rourkela plant went into production?

SHRI B. R. BHAGAT: No, Sir. Certain payments were due, as I said, even before February 15, 1958, for which was had an interim agreement for postponement. There are other payments due after that date for which

another delegation is negotiating deferment of payment.

SHRI MAHESWAR NAIK: May I know, Sir, what are the amounts which have further to be borrowed from West Germany in respect of that Rourkela plant?

SHRI B. R. BHAGAT: Further borrowing? There is no borrowing. This concerns postponement of the payments that are due from time to time. There is no question of further borrowing.

SHRI MAHESWAR NAIK: What are the amounts which we have so far received in respect of the establishment of the Rourkela plant?

SHRI B. R. BHAGAT: We have received plants, not amounts.

SHRI MAHESWAR NAIK: What is the value of it?

SHRI B. R. BHAGAT: I can give the value, the payments that were due and that are to be postponed. The first interim agreement related to payments falling due before the 15th February, 1958, and they amounted to 120 million German Marks, and the new negotiations that are going on involve payments of 600 million German Marks.

SHRI KISHEN CHAND: May I know, Sir, whether the price of the Rourkela plant or the machinery has been fixed and whether by not fixing the instalments at the time of the negotiations they are now arranging for them and we are going to pay a higher rate of interest on the outstanding amounts?

SHRI B. R. BHAGAT: I want notice for that. This is a question of detail; I want notice.

SHRI KISHEN CHAND: I want to know the answer to the first question which is simple. Has the price of the steel plant or the machinery supplied by West Germany been finally fixed or not?

SARDAR SWARAN SINGH: There are various components of that plant, and orders with regard to the purchase of these various components have been placed after inviting tenders, that is, prices have been fixed with certain escalator clauses so that this agreement relating to accommodation in respect of credit given will not affect the prices except that we will have to pay interest, which is understandable.

SHRI KISHEN CHAND: The hon. Minister is aware that sometime back in the newspapers it appeared that the Rourkela plant is going to cost us much more than it was originally estimated because the price was not fixed. So, I want to know from the hon. Minister whether, in spite of the tenders, there are certain clauses in the agreement by which the price can be increased on account of certain variations in world conditions.

SARDAR SWARAN SINGH: I have got nothing to do with the credit terms which are negotiated by the Finance Minister. That is a separate question and unless a separate question is precisely formulated with regard to any particular contract that may be in the mind of the hon. Member, it is very difficult to answer in a general way.

SHRI JASWANT SINGH: If the prices have been fixed as was said by the hon. Minister, then why have the estimates gone up to one and a half times?

SARDAR SWARAN SINGH: Because new things have been added to the plant.

DR. RAGHUBIR SINH: May I know, Sir, what are the grounds on which postponement of these payments is being negotiated?

SHRI B. R. BHAGAT: The grounds are the shortage of foreign exchange and that is why we seek postponement of payments.

SHRI MAHESWAR NAIK: May I know, Sir, at what stage the present negotiations are?

SHRI B. R. BHAGAT: They are negotiating every day actively.

***62., [For answer, vide cols. 637-40 infra.]**

ASSENT TO THE KERALA EDUCATION BILL

•63. SHRI AMOLAKH CHAND: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether the Kerala Education Bill has been assented to; and

(b) if the answer to part (a) above be in the negative, what are the reasons for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI B. N. DATAR): (a) No.

(b) The legal and constitutional aspects of some of the provisions of the Bill are under consideration.

SHRI AMOLAKH CHAND: May I know, Sir, whether the delay has caused some charges by the leaders of the Kerala Government against the Central Government?

SHRI B. N. DATAR: Sir, there is no delay here in this case.

SHRI PERATH NARAYANAN NAIR: This Bill was submitted over six months ago for the assent of the President, and so do not the Government consider that it is rather unusual time taken for considering the constitutional aspects?

SHRI B. N. DATAR: No, Sir. We received the authentic copies of the Bill only on 14th October, 1957. Thereafter recently we have received the opinion of the State Government on certain provisions in the light of certain comments of the Government of India with regard to them, and the matter is under active examination.

SHRI PERATH NARAYANAN NAIR: May I know, Sir, if, in a Bill of this kind, which is primarily the concern of the State Governments, the President is to be guided by the advice of the Central Government?

SHRI B. N. DATAR: Naturally, the President is guided by the Government of India.

♦64. [The questioner (Shri C. L. Varma) was absent For answer, vide cols. 642-44 infra.]

निवेली लिग्नाइट परियोजना के अन्तर्गत खनन कार्य के लिये मशीनरी की खरीद

*६५. श्री राम सहाय : क्या इस्पात, खान और ईंधन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या निवेली लिग्नाइट परियोजना के अन्तर्गत खनन कार्य के लिये आवश्यक मशीनरी के लिये कोई आर्डर दे दिया गया है;

(ख) यदि हां, तो यह किस देश से तथा किस कीमत पर खरीदी गई है;

(ग) इस का भुगतान किस प्रकार किया जायेगा; और

(घ) क्या कोई मशीनरी आ गई है ; यदि नहीं, तो यह कब तक आ जायेगी ?

t [MACHINERY PURCHASES FOR THE MINING PART OF NEYVELI LIGNITE PROJECT

•65. SHRI RAM SAHAI: Will the Minister of STEEL, MINES AND FUEL, be pleased to state:

(a) whether any order has been placed for the machinery required for the mining part of the Neyveli Lignite Project;

(b) if so, from which country it has been purchased and at what price;

(c) how its payment will be made; and

f[] English translation.