

COUNCIL OF STATES

Wednesday, 4th March 1953

The Council met at two of the Clock in the afternoon, Mr. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

CONTRACT TO OPERATE THE SINDRI FERTILIZER PLANT

*205. SHRI M. VALIULLA: Will the Minister for PRODUCTION be pleased to state:

(a) the terms under which Government have allowed the Chemical Construction Corporation to operate the Sindri Fertilizer Plant;

(b) when this contract was first entered into; and

(c) whether there have been any variations in the terms of the contract or the cost of establishment since the contract was first entered into; if so, what are those variations?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY): (a) The question does not arise, as the Government have not allowed the Chemical Construction Corporation to operate the Sindri Fertilizer Factory.

(b), According to an agreement entered into on 8th February 1946 between the Government of India and the Chemical Construction Corporation, the latter were made responsible for

(i) designing the Factory;

(ii) supervising erection;

(iii) furnishing engineering and other services; and

(iv) supervising the bringing of the Factory to production and its test.

(c) There have been the following two variations in the contract with Chemical Construction Corporation:—

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(i) Increase in the maximum amount reimbursable to the Corporation from \$750,000 to \$1,030,000.

(ii) Increase in the maximum amount payable for the services of field engineers from \$50 a day to \$80 per day from 9th August 1949 for a maximum of 8 engineers at a time.

SHRI M. VALIULLA: When we convert the dollars into rupees the figures of estimate are Rs. 10½ crores and Rs. 23½ crores. So is that the position that the original estimate was for Rs. 10½ crores and now it stands at Rs. 23½ crores?

SHRI K. C. REDDY: It is not possible for me to go into the whole previous history regarding this project. There was some rough estimate to begin with, and project reports had to be revised from time to time because of the developing circumstances; and the final estimate is about the figure the hon. Member has mentioned.

SHRI M. VALIULLA: May I know, Sir whether Indians are trained in this factory for the designing, construction and supervision and that sort of thing?

SHRI K. C. REDDY: I do not know how Indians could have been trained for designing and other kind of things mentioned by the hon. Member; but I can say this, that almost all the people now working in the factory and in position are Indians, except four or three persons.

SHRI M. VALIULLA: If another project is to be put up, have we to depend on the Chemical Construction Corporation, or can we get Indians to do the job?

SHRI K. C. REDDY: It is a hypothetical question.

SHRI M. VALIULLA: No, another fertilizer factory is likely to be started at Bhadravati; there is no question of this being a hypothetical question.

PROF. G. RANGA: Out of the two or three who are supposed to be non-Indians, is it a fact that one of them

Errata to Council of States Debates, Volume III

No. 16.—Wednesday, 4th March 1953—

Col. 1735, first line: For "सामा" read "सामान्य"

Col. 1757, line 13 from bottom: For "fairly" read "fairy".

Col. 1758, line 4: For "indication" read "indications".

Col. 1777, line 17: For "श्रीम" read "श्रीमन्".

line 25: For "ह" read "हो".

Col. 1780, lines 7 & 13: For "हृदय" read "हृदय".

line 9 from bottom: For "माकने" read "मामने".

Col. 1788, line 20: For "increase" read "increased".

Col. 1798, line 23: For "prove" read "probe".

Col. 1802, line 7: Insert "to" before "at least".

line 8: For "for" read "from".

Col. 1809, line 14: For "स्त्रोतो" read "स्त्रोतों".

line 28: For "पांस" read "पांस".

Col. 1811, line 8: For "खव" read "खर्च".

who had come to be appointed—an American I suppose—was appointed in spite of the fact that the Public Service Commission had recommended an eminent Indian Engineer to be appointed to this post, after it had been advertised all over the world?

SHRI K. C. REDDY: I am sorry I cannot recollect the particular case to which the hon. Member has drawn my attention; but I think the Union Public Service Commission has not much of a hand in this. I will certainly have the item referred to by the hon. Member checked up and if possible, I shall give him information about it.

PROF. G. RANGA: Why is it that when the agreement came to be revised, the maximum limit was raised so much and also why the emoluments offered to these people were also raised.

SHRI K. C. REDDY: For very good reasons. The Company made representation that since the date of the original agreement, costs in the U.S.A. had gone up and salaries, pensionary facilities etc. had also been stepped up in that country. Secondly, in the particular exigencies of the fulfilment of the agreement, the C.C.C. had to undertake work additional to that contemplated in the original programme. For example, the augmentation of the capacity of the power house with a view to supplying electricity to the Bihar grid. Secondly, construction of a larger gypsum storage building necessitated by the switch over from Pakistan gypsum to Rajasthan gypsum as a result of partition—Pakistan gypsum is less hygroscopic and can be stored in the open. Thirdly, there was increase in the cost of living since the date of payment to the engineers was originally fixed.

These were the three considerations that necessitated the reconsideration of the original estimate.

SHRI S. MAHANTY: Was it ever a part of the agreement with the Chemical Construction Corporation that they

would train Indian personnel in the operation of fertilizer factories?

SHRI K. C. REDDY: I have already answered that question. Now in the factory at Sindri almost the entire strength or corps consists of Indians.

SHRI S. MAHANTY: Sir, I am sorry my question has been misunderstood. Was it ever a part of the agreement or was it in the terms of the agreement that Indian technicians would be trained in America under the auspices of the C.C.C.?

SHRI K. C. REDDY: Yes, several of the people working there are people who have been trained in other places.

SHRI S. MAHANTY: How many Indians were sent by the Chemical Construction Company to be trained in America?

SHRI K. C. REDDY: Sir, I would require notice to answer that question.

SHRI S. MAHANTY: Is it a fact that a few Indian technicians who went to New York were refused admission to some fertilizer factories, and they subsequently had to go to Canada?

SHRI K. C. REDDY: I am not aware of it.

SHRI S. MAHANTY: No information? It is strange.

SHRI B. RATH: May I know on what occasion the memory of the hon. Minister will brighten up to answer our questions?

MR. CHAIRMAN: Please sit down, Mr. Rath.

AID GIVEN TO PRIVATE INDUSTRIAL CONCERNS

*206. SHRI GOVINDA REDDY: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) the particulars of industries in private sector to which Government have decided to give any sort of aid from April 1953 onwards;