

**SHRI B. B. SHARMA :** Is it not possible to grow a very fine variety of cotton in the district of Bundelkhand in U. P. particularly when a large area of black soil land is lying fallow there, for want of irrigation facilities ?

**SHRI D. P. KARMARKAR :** We are making the best possible effort for that.

#### ACCOUNTS OF HIGH COMMISSION AT OTTAWA

**\*63. DR. R. B. GOUR :** (a) Will the PRIME MINISTER be pleased to state whether a proper audit has been conducted of the accounts of expenditure of our Diplomatic Mission at Ottawa ?

(b) If so, will Government place on the Table of the Council a copy of the latest audit report pertaining to the High Commissioner's office at Ottawa ?

**THE PARLIAMENTARY SECRETARY FOR THE PRIME MINISTER (SHRIMATI LAKSHMI MENON) :** (a) Yes.

(b) There is no separate audit report on the High Commission at Ottawa. The High Commissioner for India in Canada submits monthly accounts of his expenditure to the Accountant General, Central Revenues, for current audit. In addition, a local audit is conducted periodically.

The Auditor General's Annual Report is printed along with the Appropriation Accounts of the Government of India and is presented to Parliament.

**DR. R. B. GOUR :** When was the last local audit done ?

**SHRIMATI LAKSHMI MENON :** There is no separate audit for each office.

**DR. R. B. GOUR :** The reply says that there is a local audit conducted. When was it last conducted ?

**SHRI JAWAHARLAL NEHRU :** Last year. It is rather difficult to give an exact date. It is an annual audit.

**SHRI H. D. RAJAH :** Is it not possible to audit the accounts of every High Commissioner's office—not only Ottawa High Commissioner's office ?

**SHRI JAWAHARLAL NEHRU :** Every foreign Mission's accounts are audited—High Commissioner's and Embassies.

#### BYE-PRODUCT CHALK

**\*64. SHRI S. N. MAZUMDAR :** Will the Minister for PRODUCTION be pleased to state :

(a) whether any contract for the sale of bye-product chalk has been entered into between the Sindri Fertilisers & Chemicals Ltd. and any cement company in India ;

(b) if the answer to part (a) be in the affirmative,

(i) what is the name of the cement company ;

(ii) whether it is a foreign or Indian company ;

(iii) what is its authorised and paid-up capital ;

(iv) who are its directors ; and

(v) how long it has been working ;

(c) whether it is a fact that the cement company in question proposes shortly to install cement manufacturing plant at Sindri ; and

(d) (i) if so, when that factory will go into production ;

(ii) what will be its estimated cost ;

(iii) where from the machinery for the plant is to be imported ; and

(iv) what help Government are offering for the setting up of that cement factory?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY) : (a) Yes.

(b) The name of the company is Messrs. Associated Cement Companies Limited, Bombay, which is an Indian company incorporated in the year 1936. A statement showing the authorised and paid up capital and the names of the Directors of Messrs. Associated Cement Companies Limited, so far as available to the Government of India, is laid on the Table of the House. [See Appendix III, Annexure No. 7.]

(c) Yes.

(d) (i) It is expected that the plant for 50% production of the total contemplated output would be installed within about 2 1/2 years from now.

(ii) The estimated output will initially be 300 tons of cement a day which will be doubled soon after.

(iii) Government have no information as to the cost of the plant or the countries from which the required machinery will be imported by Messrs. Associated Cement Companies.

(iv) No direct help from Government is being given to the proposed cement factory but Messrs. Sindri Fertilizers & Chemicals Limited will provide necessary facilities by way of land, water and electricity on suitable terms.

SHRI SHRIYANS PRASAD JAIN : May I know, Sir, if any negotiations for the installation of a cement factory were made with all the existing companies and if so, what are their names?

SHRI K. C. REDDY : There are only three main companies which manufacture cement in this country. One of them was not interested and therefore the negotiations were carried on with Messrs. Associated Cement Companies Ltd., Bombay.

SHRI SHRIYANS PRASAD JAIN : May I know, Sir, what are their names?

SHRI K. C. REDDY : One is the Associated Cement Company Ltd., Bombay. The other is a Calcutta firm. And the third one is Dalmias.

DR. P. C. MITRA : Is the by-product chalk one of the ingredients necessary for the production of cement?

SHRI K. C. REDDY : It is the main raw material for the manufacture of cement.

SHRI H. D. RAJAH : Is it a fact that the Government of India have sanctioned the starting of a cement factory at Bellari and no capital is forthcoming and subsequently the idea has been given up?

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

SHRI C. G. K. REDDY : Are we to understand from the answer of the hon. Minister that after negotiating with the three companies they found it in the best interests of the Sindri Fertilisers and Chemicals Ltd. that they should have this contract with Messrs. Associated Cement Companies?

SHRI K. C. REDDY : I said that we negotiated only with two firms. We did not think it necessary to negotiate with the third firm and after negotiations we came to the conclusion that this was the best agreement that we could enter into.

SHRI SHRIYANS PRASAD JAIN : May I know, Sir, whether the terms given by this company were more favourable than others?

SHRI K. C. REDDY : That was the reason why the Government accepted the Associated Company and entered into a contract with them.

SHRI B. RATH : In what respect were the terms favourable than those given by the other companies?

SHRI K. C. REDDY : I said that one of the firms was not at all interested and did not offer any terms. So we had to carry on our negotiations with the Associated Cement Company and the Government got the best possible terms from that company.

SHRI B. RATH : Am I to understand from the reply of the hon. Minister that the other firm did not give any terms to the Government ?

SHRI K. C. REDDY : Yes. No terms were given.

SHRI H. D. RAJAH : Is it not the policy of the Government not to encourage cartels but allow as many indigenous industries to develop as possible ?

SHRI K. C. REDDY : Yes, it is the policy of the Government not to encourage cartels to develop in the country. And of course this is also an indigenous industry which is coming up.

#### IRON AND STEEL INDUSTRIES

\*65. SHRI P. SUNDARAYYA : Will the Minister for COMMERCE AND INDUSTRY be pleased to state :

(a) whether Government contemplate an integrated project for iron and steel industries ;

(b) whether Government intend to seek foreign help in the matter ; if so, from which countries and on what terms ;

(c) what will be the total investment on this project, and what percentage of this will be Indian ; and

(d) whether Indian trade and industrial representatives will be consulted before the project is finally decided upon ?

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR) : (a) to (c). Government have under consideration at present the question of

promoting the establishment of new capacity in the country for production of iron and steel in addition to the present capacity and proposed expansion thereof by the existing producers. The consideration of the question is still in its preliminary stages. It is, therefore, not possible to say at this stage what will be the nature or quantum of investments in the project.

(d) No, Sir.

SHRI P. SUNDARAYYA : Will it be possible for the hon. Minister to give full information ?

SHRI T. T. KRISHNAMACHARI : As I said, the whole thing is in the consideration stage. What will happen is rather difficult to say and it is only when the negotiations reach a stage of finality, we may be able to tell the House what the position is.

SHRI P. SUNDARAYYA : What is the difficulty in consulting the Indian trade and industrial representatives before the thing is finalised ?

SHRI T. T. KRISHNAMACHARI : Because at the moment we do not see the need for consulting anybody. If there is anything necessary or any need, we shall certainly consult them. On the previous occasion there was a panel set up and they were consulted about setting up new units of production. At the moment I think there is no such need. If, however, we feel there is any need to consult the interests, surely Government will do so.

SHRI P. SUNDARAYYA : In your answer just now you stated that you are not going to consult before finalising. My question arises because when you are negotiating with foreign concerns regarding more projects it will also be necessary to consult our own trade in that branch.

SHRI T. T. KRISHNAMACHARI : The point really is whether the consultation is a necessity or is a condition precedent to taking any action.