

17.30 hrs.

### HALF-AN-HOUR DISCUSSION RE: BOKARO STEEL PROJECT

**Shri Nath Pai (Rajapur):** Mr. Speaker, Sir, I am afraid that slight misunderstanding was caused because of what I had to say regarding the Soviet assistance for the establishment of the Bokaro steel plant. In some quarters it was reported that I attacked the very basis of the agreement which we had with the Soviet Union. I did not have any such intention and I did not say anything of the kind. All I pleaded was that since we receive aid it does not mean and it should not mean that we forego some of the basic rights to which we are entitled even if we are at the other end of the aid receiving (*Interruption*).

Mr. Speaker, I should like here to draw the attention of the hon. Minister for Steel and Mines to a very important aspect of the whole question. There is a wider issue involved with regard to aid we receive not only from the Soviet Union but the aid we receive from other countries. What should be our attitude? Somehow the Government of India seem to be crushed under its realisation that since we receive aid any conditions can be imposed and we cannot have a voice in it. There is another question equally important. What is this Government's broad perspective with regard to indigenous technical skill that is growing in this country? Somehow an impression is gathering that we have still a colonial outlook with regard to indigenous technical technological and scientific skill. The hang-over of the past is very much exercised in our country and whatever the field, we think we must get a foreign expert.

A ridiculous example of this was shown when during the last monsoon we were handicapped because not sufficient foodgrains were available and foodgrains had to be imported from the United States. Not only were we begging for foodgrains but we went to the extent of importing

some technical advisers to advise as to how to unload foodgrains at Bombay and other ports. It was an extraordinary declaration on the part of the Government of incompetence.

I want to warn Shri Sanjiva Reddy that he should pause to ponder whether we should indulge in this kind of declaration of lack of confidence in our own competence on every issue. It is this issue that is at the bottom of all that is going on and all the discussion so far as Bokaro is concerned.

The Government likes to take shelter behind the word "self-reliance" Is self-reliance something that we will be reaching in 1980, 1990 or at the end of this country? I would like to submit to the Minister and his colleagues, in this connection that self-reliance is not a target to be achieved, it is a process continuously to be exercised. It is no use saying that in the year 1965 India will be self-reliant with regard to engineering and technical skill. If we mean to do that we must start the process today. It is likely that Indian engineers, Indian consultants, Indian technicians will be making some mistakes. I would like that we make those mistakes and we benefit. What is today happening is this, that somebody else makes the mistakes at our cost and he gets the benefit of experience. We pay him for his obtaining experience at our cost. I would rather wish that this process is changed completely. Let Indian technicians, let Indian engineers be entrusted with the job. Let them make mistakes, because it is in the process of making mistakes that they will be gaining the necessary experience and expertise. At least we shall have the benefit that we have paid for our own mistakes and not the other way round that we pay for mistake of somebody else and he gets the benefit.

I would like to put it in the proper

perspective and bring to your notice one or two examples. There was the question of producing powdered milk in this country. Foreign experts were invited and they said that it is not possible to produce powdered milk from buffalo milk. We now have found that this was all rubbish, all nonsense, and that first-class, very good grade powdered milk can be produced in this country from buffalo milk. There was the question of HMT which has now taken the pride of place in this country because we are producing the best kind of machine tools in this country. But a foreign adviser told us that it would take India exactly a decade to be able to produce 1000 machines tools per year. Within one year of that contract being terminated, we were producing more than 1,000. There is another. Examples can be multiplied because I do not want them to run away with the impression that I was attacking the specific agreement which we have reached with the Soviet Union. We are grateful for all the assistance that the Soviet Union so magnificently has come forward to offer. But it need not be that we adopt a cringing, sycophantic, servile attitude either towards the Soviet Union or towards any other country, that since we are getting aid we have nothing to choose. They have no trust in Indian engineers. Why all this? You know, Sir, recently the plutonium plant at Trombay was designed by Indian designers and was completed by Indian hands. We would not have got the technical know-how had we to depend upon another country because this is regarded as classified information. How could we do it? This is what I want Shri Sanjiva Reddy to consider. It could be done because the Secretary of this particular Department was himself a technical expert. It is a good thing for this country that we have a man of Dr. Bhabha's scientific efficiency, knowledge and also the necessary administrative drive. We, therefore, saw this amazing thing that Indian themselves designed and executed this magnificent project, the plutonium plant.

Does he realise that the Travancore fertiliser plant has done something of which Indians should be proud. They developed a process by which gypsum could be used twice over instead of being used once. Later on it could not be used because of this double use of the same material for producing calcium carbonate and that could be used as a base for producing cement. The process was developed by Indians. Later on a leading English firm, Power and Gas Company, bought it from India.

I can go on citing examples where we approached foreign experts to tell us what should be done and later on we found that we had enough indigenous talent to use and that the indigenous talent did much better. But this kind of approach of this Government continues which keeps on advertising that we are still in our colonial stages so far as industrialisation and technical knowledge is concerned.

Even for such a thing like the location of the fifth steel plant we have to bring experts from America and England. I think, this is ridiculing India; this is embarrassing India. The Government should give up this old attitude towards foreign experts. Somehow it thinks that if the expert is a foreigner he is an omiscient one — on whose advice we often landed in trouble. I do not want to suggest that we should never call for experts. We should gratefully acknowledge such assistance as we can get from any source. But let me tell him this with regard to the Bokaro plant. Does he want to import a ready made toy which we will be only playing with observing and showing that the Russians gave it to us, or does he want to see that the plant becomes the basis of developing India's own steel industry? If that is the intention, let me ask him a few pertinent questions.

On the 14th November on the occasion of the first national metallurgist day the then Steel Minister announced

[Shri Nath Pai]

at Bhilai the Government decision to entrust Bokaro engineering to an Indian decessor said that this was a landmark in India's technological development. Was it seriously meant or was it one of those ministerial flourishes? His predecessor said that this was a landmark that an Indian firm of engineers will be entrusted with it. I would like to know: Then, what happened?

Again, with regard to Bokaro engineers being entrusted with the job, his predecessor announced in this House the conclusion of the agreement on the 9th April, 1964. I want to know from the Minister whether he has taken this into consideration. These are the words of his predecessor and I want to know what Government is going to do. They are charged with the double responsibility of encouraging, fostering, developing Indian initiative in this very vital field of industry, and also there is the equally and vitally important thing, carrying out this commitment to Parliament and to the people of this country. This is the commitment Shri Subramaniam had made to this House on the 9th April. It was in reply to a question which Shri Indrajit Gupta, I and some other Members had raised in this House. He said:

"As the House is aware, we have decided to award the further engineering of the project to the Indian engineering firm, Messrs Dastur and Company, who have prepared the detailed project report. The contract for consultancy has been agreed upon and the firm will continue the engineering work they had already initiated in anticipation of this steel work. The consultants have been appointed and they are busy preparing detailed specifications for tender."

Here is the Minister telling this House that the work has been entrusted, that a contract has been initialled, and now they turn back and say that it

was only initialled; it was not signed. Is the Parliament to be treated like this? Is the Government's morality to be something like that of an ordinary trader or the merchant? I do not think we can take shelter behind this kind of jugglery of words.

On his return from the U.S.S.R. on 7th August, this is what the Chairman of the Bokaro Steel Plant says. I am quoting from the *Times of India*—normally, these officials are not to be quoted. But as he happens to be the Chairman of the Bokaro Steel Plant, I am quoting him—and this is what he says:

"The Soviet authorities assured the delegation that Indian designing and engineering capacity would be associated with the Project."

We were told that there were objections from the Soviet side. I don't believe it, Sir. One of the best features of the Soviet Union cooperation is that they try to encourage Indian participation at all the levels. If it did not happen at the time of doubling the capacity of the Bhilai Steel Plant, it was not because the Soviet Union was insistent to avoid it, but it is because we easily yield. They suggested, "We are going to build, and let us design it." Had the Government shown its firmness, I am absolutely sure the Soviet Union would have accepted the new pattern which we developed at Rourkela and Durgapur. Somehow we knuckle down under the slightest opposition and then point accusing fingers at other countries. But even if the Soviet Union was insisting, we should show some self-respect and say, "We need your assistance, but we need even more to develop our own Indian technology and skill." I think, had we insisted, I would not persuade myself to feel that the Soviet Union would have rejected our claim.

Now, I want to come to the present Minister and ask him one or two

questions and I want specific replies from him. Sir, Mr. Sanjiva Reddy had reiterated the Government's desire to honour its commitment to Dastur & Co. and that they will be given adequate participation. I would like to draw the Minister's attention to what he told Lok Sabha on the 3rd October. This is what he said:

"In view of this, the scope for Dastur & Co. will be restricted. What amount of work the Russians will take and what amount of work Dastur & Co. will be given will have to be arrived at in consultation with the Russians."

I fully endorse that we shall have to consult the Russians. But I would like to know from the Government two things. In view of these continuous commitments given by the Chairman of the Bokaro Steel Plant, by Mr. Sanjiva Reddy's predecessor and by Mr. Sanjiva Reddy himself, are we not going to honour the commitments? It does not matter to me to which Indian firm it should be given, but the basic thing is that we must foster Indian engineering skill, and some of the skills developed in this country are of a very high order. For goodness's sake, give up this colonial mentality that foreign experts are necessary. I could cite umpteen number of instances where Indian engineers, Indian technicians, Indian scientists can do as well as the best scientists from any country. And steel is one of the fields. In view of that, I would like to know whether Mr. Sanjiva Reddy who categorically assured us that this commitment will be solemnly carried out will be taking shelter behind the alleged opposition of the Russians. I am not quite sure that the Soviet Union's representatives at any time opposed the Indians. I do not want to go into details. But assuming that they did, it is upto India, as we did on the occasion of the Rourkela development and that of Durgapur, to say that Indian engineers will have to be associated, if we want to avoid a kind of industrial colonialism, be it American, be it British, be it German, whosoever

gives help to us. Just because they give the help, we should not give up the right that at every stage of designing, consultancy or execution, Indians will have to be associated.

Sir, I have tried to put it in the wider perspective and I trust that his reply will take into consideration the long-term interest of the country and the broad perspective in which I have placed the whole issue.

**Shri Indrajit Gupta** (Calcutta South West): Sir, I would just like to ask a little more pointedly a question which my hon. friend Mr. Nath Pai has raised rather haltingly and tentatively. I want to know precisely from the Minister now whether it is not a fact that this falling through, as it were, of the original idea that this Indian firm of Dastur and Co. were to be given the prime responsibility of desinging this Bokaro Project, which was attributed by propaganda—I consider it to be propaganda—to the alleged opposition and objections from the Soviet side was not in fact due to certain prejudices against this firm, not by the Russians but by certain high-up Indian officials who queered the pitch, as it were, during the negotiations with the Soviet side and, as Mr. Nath Pai has said, tended to denigrate and run down the efficiency and qualifications of our Indian designers and thereby created a situation in which perhaps justifiably the Soviet side felt a little hesitant, but later on the whole propaganda, publicity, was done to show that it was the adamancy of the Soviet authorities which prevented Dastur & Co. from giving this responsibility. I want to know what the exact reason is.

**The Minister of Steel and Mines (Shri Sanjiva Reddy)**: I thought that we had discussed this matter also during the debate on the Demands for Grants relating to my Ministry.

**Shri Nath Pai**: I did not mention one word about it.

**Shri Sanjiva Reddy:** But my hon. friend had sought to raise a half-an-hour discussion on this some time ago, but unfortunately he could not be present on that day, and, therefore, it had to be postponed.

There is nothing much that I can say today to enlighten the House. But all I can say is that what my hon. friend Shri Nath Pai has quoted from Shri C. Subramaniam's statement is true. After all, that was what Shri C. Subramaniam had stated on the floor of this House. Apart from what he had stated in a public meeting somewhere, what he had said on the floor of the House cannot be denied. He said:

"The contract for consultancy has been agreed upon and the firm will continue engineering work which they have already initiated in anticipation of this settlement".

Apart from that, it was also visualised in the simultaneous exchange of letters that if in connection with getting aid for the project, it became necessary for Government to entrust any part of the consulting engineers' work to any foreign government or foreign organisation, the portion of the consulting engineers' fee to the extent of the work remaining undone would be reduced to an amount to be mutually agreed upon. So, there is no question of denying at any stage anything for the work to be done by them. All that I have been repeatedly saying is that what portion the Russians would take and what portion would be given to Messrs. Dastur & Co. cannot be decided upon unless the project report is written. There is no use of blaming any officers for this. I took over in June. It was in May that Shri C. Subramaniam had made this statement. I am told that before I took over, in fact, a few days before I took over, he had met the Russian Ambassador and had a discussion

with him. That was what he had done before anybody knew that I was going to be the Minister in charge of Steel here. Then itself, it was found out that the Russians did not want the whole work. I am sure that it is also there in the agreement that a large percentage of Indian technicians will be associated with them. Our engineers are going even now to participate in the design work. It is not a question of just some trainees being sent to the U.S.S.R. to learn some work, but some of the experienced engineers from Bhilai and other places are going there to participate in the design work itself.

My hon. friend Shri Nath Pai had been talking as though Indian engineering designs meant only Messrs. Dastur & Co. They are not the only people. We have got a very good design section.

**Shri Nath Pai:** I had said so in my speech and complimented them also.

**Shri Sanjiva Reddy:** We have a very good engineering design section. The whole expansion of Bhilai, Durgapur and Rourkela is completely done, cent per cent by Indians. Not one foreigner is associated anywhere with anything relating to it. It is being done by our engineers. Therefore, let us not belittle our own people. It is not as if we are trying to put some foreigners and trying to bring in a ready-made steel factory and install it here. That is not so. But after all, we have to be learning all the time. We have already undertaken so much work. We wanted even the next work to be taken up by our design section at Hindustan Steel, but they said that the work on hand was so big that they could not undertake the further studies for the next project. But when we do want some assistance from others and we do

want their equipment, naturally, we shall have to understand the technology. They say that their technology has changed today from what it was some ten years ago. It is not as though we are having a steel plant just as we had at Bhilai. At Bhilai it was mostly foreign, equipment and only about 5 to 6 per cent of Indian plant and machinery was used, the rest of machinery was imported. A large number of technicians from abroad were also there. But now their number has gone down. As I had pointed out in my reply to the debate on the Demands of my Ministry, there were about 300 odd German technicians in Kourkela by about this time last year, but today there will be only about two or three dozen of them. In every place, we have reduced the number of foreigners during the last one year. I think we have reduced their number not by 50 or 60 per cent but by about 70 or 80 per cent. Our technicians have taken over their places. But I would submit that we should also learn all the time. After all, if we do get some technical assistance from somewhere, let us try to learn their technology; we have learnt a little already, but let us try to learn further, because technology is changing and the machinery is new and ultimately our own people are going to take over the responsibility, and, therefore, let us equip them for this purpose. About Dastur and Company, I cannot say anything more now.

**Shri Nath Pai:** We understand that Shri Dharma Vira, Cabinet Secretary, is looking into the matter. So I did not say anything about it. I talked in general terms about Indian engineers. I gave you six examples.

**Shri Sanjiva Reddy:** About Dastur and Company, it is not proper at this stage for me to say. When it is decided to convert it into the public sector, they will have not only Bokaro work; we can give them some other work also. Defence projects are

there. There are also so many other industries. Their engineering skill could be used in so many directions. We are not going to lose these technicians. After taking them over they will not remain idle. And it will not be only in the steel plants. After all, such technicians are good enough for other projects also.

Anyway, it is in the stage of discussion now. The Cabinet Secretary and one or two other Secretaries are discussing the matter with him. I do not know at what stage it is. But we are as anxious—I may assure Shri Nath Pai and Shri Indrajit Gupta—my hon. friends that Indian design and engineering sections must not only be strengthened but used to the maximum possible extent. That is our desire also.

We are going to spend in the Fourth Plan very huge amounts for this work. I am sure that in the Fourth Plan we will be able to stand on our own legs to a large extent I do not say that we are going to give up completely all foreign technicians. We would like to learn. Even highly developed countries learn from one another. There is nothing wrong in learning new technology, which is developing so fast. We learn by our experience and also by the experience of others.

There is no prejudice against anybody. I am one with them in seeing to it that Indian engineering and technology is strengthened. More money should be spent, a larger number of people should be trained so that ultimately—by 'ultimately' I do not mean by the end of the century, as he himself said—we can do it on our own. For instance, from 5 per cent Indian equipment, we have come upto 35 per cent now. For Bokaro, we are going to produce 35 per cent of the equipment in India itself. In the next plant, I am sure, it is going to be 60

[Sari Sanjiva Reddy]

or 70 per cent, and the foreign component will be much less. The engineers who came in connection with Bhilai or Rourkela were in hundreds. This time it will be only a few dozen next time probably it will be nil. Like that we are proceeding. It is not as if in ten years, we have not progressed. There is no use saying that we are still where we were ten years ago and that it will take a century to do things on our own. I am not pessimistic like that. In the next five years, by the end of the next plan, I think we will be able to stand on our own legs. There is absolutely no difference of opinion on this aspect. Therefore, I have nothing more to say.

**Shri Nath Pai:** Is it not a fact that the expansion at Durgapur and Rourkela was principally, very largely, substantially, done by Indians and when the original foreign consortia wanted to have it exclusively for themselves, the Government of India naturally opposed it, and actually our Indians did it? If that is true, are we wrong in insisting that the same be applied with regard to Bokaro?

**Shri Sanjiva Reddy:** No; the Russians say there is a slight difference in the technology. We will be able to discuss this only after the project report is ready. Then we will try to secure as much as possible for the Indian technicians. But today the project report is not ready. Therefore, we are not able to discuss with them. But when we discuss this naturally we will try to take as much as possible, for our own engineers.

17.55 hrs.

PAPER LAID ON THE TABLE—  
contd.

VISIT OF THE PRIME MINISTER TO NEPAL

The Prime Minister and Minister of  
Atomic Energy (Shri Lal Bahadur

**Shastri:** With your permission, I would like not to read it out, but to lay on the Table a statement on my visit to Nepal [Placed in Library. See No. 4421/65].

17.55½ hrs.

CALLING ATTENTION OF URGENT  
PUBLIC IMPORTANCE—contd.

(iii) REPORTED FLIGHT PAKISTANI  
PLANES OVER INDIAN TERRITORY CARRY-  
ING TROOPS ETC., FROM WEST PAKISTAN  
TO EAST PAKISTAN—contd.

**Shri U. M. Trivedi (Mandsaur):** Is it not a fact that producing of false manifests knowingly and believing them to be false is an offence under the Customs Act, which offence entails forfeiture of the vessel wherein the goods are carried and lays the culprit open to prosecution and punishment; if so, why have the Government agreed to release the aircraft and the pilot and other officers concerned?

**The Minister of Defence Production in the Ministry of Defence (Shri A. M. Thomas):** In this matter, certainly a serious view was taken of the infringements that have been made mention of in the statement that I have made in the House in the morning. But since the matter was between one Government and another, we informed them we were unable to permit a clearance of the aircraft for onward flight across India to Dacca; we informed them that the aircraft was at liberty to return to West Pakistan, for which flight clearance would be given on request. In pursuance of that, the aircraft has returned to West Pakistan.

**Shri U. M. Trivedi:** That is the very question I have asked. You have not answered the question.

**Shri A. M. Thomas:** I have said that it being a Government to Government business—we have also courier flights