

move :

"That in pursuance of sub-section (4) (d) of section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority subject to the other provisions of the said Act."

MR. SPEAKER : The question is :

"That in pursuance of sub-section (4) (d) of section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as member as the Agricultural and Processed Food Products Export Development Authority subject to the other provisions of the said Act."

*The motion was adopted.*

12 21 hrs.

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

[*English*]

**Reduction in the capacity of Visakhapatnam Steel Plant**

SHRI BHATTAM SRIRAMAMURTHY (Visakhapatnam) : Sir, I call the attention of the Minister of Steel and Mines to the following matter of urgent public importance and request that he may make a statement thereon :—

"Reported decision of the Union Government to reduce the capacity of the Visakhapatnam Steel Plant and consequent curtailment of

employment opportunities to the displaced persons and the action taken by the Government in that regard."

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : Sir, The employment opportunities at Visakhapatnam Steel Plant have not been curtailed despite a change in the saleable products mix of the plant.

2. The Visakhapatnam Steel Plant Project was sanctioned in 1982 at a capital cost approximately Rs. 3,900 crores. A re-assessment of capital cost of the project in 1985 indicated that as a result of the escalation in prices, cost over-run etc. and an under-estimation of earlier costs, the updated cost of the project would be about Rs. 7,500 crores. It was found that such a high capital cost would affect the economic viability of the project.

3. Recent developments in steel plant construction projects have indicated that there is need for reviewing earlier concepts of steel plant design. In this context, alternatives for implementation of the project at a lesser capital cost and improved viability were studied in detail and the Visakhapatnam Steel Plant Project formulated a revised project concept. This revised rationalised project proposal is under Government's consideration.

4. Under the rationalised concept, the hot metal capacity of the plant would remain unchanged at 3.4 million tonnes per annum. There would be a reduction in liquid steel capacity from 3.4 million tonnes to 3 million tonnes which would lead to reduction in saleable steel capacity from 2.98 million tonnes to 2.66 million tonnes per annum. However, pig iron for sale would increase from 0.22 million tonnes to 0.57 million tonnes per annum. Thus the total saleable production of iron and steel from the project would be 3.23 million tonnes compared to earlier anticipated level of 3.20 million tonnes per annum. This change in product mix would enable the project to reduce its capital cost by Rs. 1,500 crores. At the same time, it would meet the steel and pig iron demand for the 8th and 9th Plan periods in a balanced way. It is also expected that the rationalised concept would enable competition of the

[Shri K.C. Pant]

Plant by June 1990 i.e. about one year earlier than the earlier completion schedule of July, 1991.

5. The scope for employment in a modern steel plant like Visakhapatnam Steel Plant is Limited. As per the latest assessment, the work manpower would be of the order of 13,000. The total manpower requirement including mines and other services like township, medical, administration etc. is likely to be around 15,000. Any increase in the number of plant personnel would erode the plant's viability. Before the finalisation of the revised concept, the project authorities had given an assurance to employ 5,000 displaced persons, subject to their suitability. The rationalised project concept does not, in any way, reduce this number. VSP has already given employment to 1,339 displaced persons and about 3,500 to 4,000 displaced persons have been employed by the contractors. The possibilities of finding employment for the displaced persons in ancillary and down-stream industries are being explored in cooperation with the State Government.

12.24 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

**SHRI BHATTAM SRIRAMAMURTHY:**  
Sir, the recently reported decision of the Visakhapatnam Steel Plant project authorities which is currently under the consideration and examination of the Union Government on the question of reduction of the size of the Steel Plant at Visakhapatnam has become a matter of urgent and grave public concern. It has created a great sense of agitation and commotion among the six crores people of Andhra Pradesh. This decision goes against the cherished goals, ambitions, hopes and aspirations of the people of Andhra Pradesh. As you may kindly see, after the reduction of size of the plant, it ceases to be an integrated plant. At best it will be a semi-integrated steel plant or at the worst, it will be a pig-iron plant. The product mix changes. The universal beam which is essential and basic component of the plant also goes. The very object of the Government also undergoes a basic change. The Minister reads out a statement that he

would meet the steel and pig iron demands of the 8th Plan and 9th Plan periods. Hence it is clear, the Government are thinking in terms of the pig iron requirements of this country, not the steel requirements.

Apart from whatever has been stated now at the moment, it is clear that their whole idea is to further increase the pig iron content to meet the requirements of the country during the 8th Plan period, 9th Plan period etc. That means, VSP Plant is basically undergoing a radical change and would become a sort of pig iron plant ultimately. I, therefore, coil it a mutilated or a truncated steel plant. It is a distorted version of the original plant that is now being offered to the people of Andhra Pradesh and to the people of this country.

At the outset, I would like to know from the Minister. It is claimed that the plant going to be completed by the end of June, 1990. After the reduction of Rs. 1500 crores, the total outlay comes to about Rs. 6000 crores. So far around, Rs. 2500 has been spent. During the 7th Plan period, another Rs. 2500 would be spent. The total thus comes to only Rs. 5000 crores. That being so, Rs. 1000 crores is still left. How is it that they will be able to complete the plant during the 7th Plan itself? I wonder. I am not able to understand the logic. My main contention is this. In any case, during the 7th Plan period, it is not possible for the Minister to have the plant completed. It will spill over to 8th Plan period. That being the case, where is the hurry to reconsider, reexamine and revise the original concept and set-up, and come down heavily on it and apply cuts and curtail the outlay. It is neither good; nor proper; nor appropriate; nor is warranted. Therefore I once again urge that the Minister may reexamine and reconsider the entire matter.

Another thing which I would like to point out is that the fuller implications of the proposals may please be placed on the floor of the House, before the Members of Lok Sabha. At least, in the Consultative Committee, the matter may be discussed in length. So far, that opportunity was not given in the committee. What I would suggest is, before taking a final decision in the matter, let the Minister convene a

meeting of the Members of both the Houses from Andhra Pradesh, of all political Parties and have a full and complete discussion in the matter. What prevents him from holding a discussion? As a matter of fact, in one of the recent meetings of the Consultative Committee, it was decided that in respect of individual steel plants, the matter will be taken up separately for discussion with the concerned Member and also the interested Members. And that has not so far taken place in spite of my reminders to the Minister. Therefore, apart from holding discussion with any individual Member, what I would suggest is, let there be a discussion between the Minister and all the Members of Lok Sabha and Rajya Sabha from Andhra Pradesh. If he fails to do it, what I would suggest to the Minister is, we can convene a meeting ourselves and the Ministry and the Minister may come forward with all details and participate in the discussions. We raise our issues, our doubts and our apprehensions. Let him adequately answer them. Let him not take a final decision, till the whole matter is thoroughly discussed and clarifications are given. Till that time, let not the Minister take any final decision in this matter.

As the matter concerns the State of A.P. the Chief Minister has written to the Union Minister and it is not replied so far.

The hon. Minister states that no decision in this matter has so far been taken and the matter is under examination and consideration. The proposals were received from the steel plant authorities. In a number of cases, wherever final decision are not taken, pending final decision, pending consideration of the matter the Government are going to the press, releasing any information to the press in order to avoid agitation in the minds of the people. How is it in this particular case, the Government chose to do so? Because their mind is set. They are very clear in their directive. They wanted to cut the size of the Plant. They wanted to mutilate it. If this is the objective, I am sorry the Minister will not be able to solve the problem. I request the hon. Minister to re-examine and to reconsider his stand. This is a highly improper decision.

The hon. Minister stated that the capacity of the plant will be reduced from 3.4 million tonnes to 3 million tonnes. It involves curtailment of only 4 lakh tonnes and nothing more.

May I draw the attention of the hon. Minister to the capacity of the Universal beam which is 8 lakhs tonnes? If the Universal Beam goes, then the capacity which is 8 lakh tonnes is reduced. The how is it that the capacity of 3.4 million tonnes, reduced only to 3 million tonnes and not more?

Again there is the point of expenditure to be incurred. Let us see the total expenditure which was originally envisaged. Rs. 7,500 crores is the total anticipated outlay. Out of this, Rs. 1,500 crores is going to be saved. That moves about 20% of it is going to be saved. Saving is 20%. Then does it result in reduction from how only 4.1 lakh tonnes? And not more? Obviously, there are more things than what may meet the eye. The full implications of the proposal may be put forward before the House and we may be enabled to discuss this. This is proper. This is just. This is necessary.

Apart from this, I would like to point out to the hon. Minister another obvious fact. Who has mooted this proposal? It was said that proposals are mooted by the Steel Project Authorities. This is a grant project, the largest public sector undertaking in the country which is the first shore-based integrated steel project with most sophisticated modern equipment. That is the project we are dealing with. Are we to leave the entire question of the size and its reduction in the hands of the management of Visakhapatnam only. Is it for them to come forward with a proposal for curtailing the capacity of the project? You consider that proper? Have any competent team of experts gone into the matter in-depth? What is their report? When did they consider this matter? How did it come up to this level now? Will the Minister please place these details?

This is a project which is now coming into being with the collaboration of USSR. Have you consulted their? You have your

[Shri Bhattam Sriramamurthy]

consultants, Dastur and Co. What is the opinion of the consultants in this regard? The way in which the local management of the Steel Plant is allowed to come forward with proposals, short circuiting the entire process, threatens the very base and foundation of the plant itself. At this stage, I would like to request the hon. Minister to look at this from a different aspect.

Originally, the Steel Plant in Visakhapatnam was expected to cost about Rs. 2,256 crores. Subsequently, it was revised to Rs. 3,897 crores. It was further revised to about Rs. 7,500 crores. At the time of final revision of Rs. 7,500 crores, the Government could not take a decision. The matter was kept lying in the corridors of the Central Secretariat for over 1½ years or two years also. The Government could not come to a decision. Even now, I wonder whether they have taken any decision in this regard. Have you approved this? If you cannot even approve an estimate which passed through various authorities even though it is 1½ years or more how is it that you come to the sudden conclusion that the capacity of the Steel Plant can be curtailed, can be reduced, so drastically and suddenly?

This is unfortunate....

MR. CHAIRMAN : According to the rule you have only 10 minutes.

SHRI BHATTAM SRIRAMAMURTHY : Other members are not speaking. I am taking their time.

In a note circulated to us the Government states, "It was found that the main reason for lower capital costs of a steel plant in South Korea was the higher production from the installed equipment." So the question is one of having a higher percentage of production and utilisation. That is a point which arises after completion of the Project. The question is one of fuller utilisation of the capacity. Please see the next sentence.

"Visakhapatnam Steel Plant was re-examined with this in view by the plant authorities..."

By the plant authorities? And not by the Government? Not by any team of experts? The plant authorities did examine and therefore they have now come forward with the decision to curtail the project. "It was, therefore, decided by the project authorities to prune down some of the equipments to the extent of the Rs. 1500 crores." They take a decision to prune down the equipment. All this is done in the name of the plant authorities. I do not know how they were competent to do all this. But they have done it and this is what is being said.

On a different occasion it was pointed out to us in a note that the employment opportunities have been drastically cut down. The Working Group of the Planning Commission originally felt that the employment potential of the steel plant would be 21,000 and odd. But now it was stated, "In view of the sophistication, modernisation and the high technology employed the employment potential will be only 12,000." I read the relevant extract of the note circulated to us :

"Keeping in view the above aspects the Visakhapatnam Steel Plant management carried out a study to bring down the manpower requirements to the minimum level and improve the productivity."

Here it is only the management that wanted to bring down the manpower requirement to the minimum, to the rock bottom—from 22,000 to 12,000. This is unprecedented. This way the whole thing went on. What is the logical result? The first time the Plant authorities were allowed to tamper with the Project report, they curtailed the employment potential. The next time they were allowed to do so they cut down the size of the plant. The third opportunity if they are given, I do not know what will happen to the plant? The future of the plant itself may be at stake. The Minister says that this will not curtail the employment opportunities at all. That is the very first sentence from the Minister's Statement.

"The employment opportunities at Visakhapatnam Steel Plant have not been curtailed despite the change in the saleable product mix."

I would like to ask—as far as the employment opportunities are concerned—What is the basic policy of the Government of India? With reference to the major projects like the Visakhapatnam Steel Plant? The policy, the avowed policy is to provide job to one able-bodied member of the displaced families. That is the basic policy. That was the reply given on the floor of the House. That was the reply given to us on a number of occasions. That was the commitment made by the then Prime Minister at the time of laying the foundation stone. It was assured that at least one member from each displaced family will be getting the job. The Steel Authority know it. Therefore, in the first annual report they stated is, 'The policy of the Government of India is to provide job to one able-bodied member of each household of the displaced families.' This is the position. That being so, 13,000 displaced families are there. Therefore, 13,000 persons must get the employment opportunity. But so far only 1300 persons have got the jobs. What would happen to the rest? What happened to the policy, a policy laid down not now but years ago? Was this revised or reversed? When did you revise the policy? Who revised the policy? Have you intimated to Lok Sabha any time in this regard? This is very unfortunate. The human factor forgotten. The man has become a prey to the machine which the Government worships. You talk of Gandhian idealogy. You might have been exposed to Gandhian idealogy in earlier days. But I am sorry to observe that today the human misery is forgotten; Humanitarian values are lost sight of. The displaced persons are not being treated in the manner they deserve. With due respect to the Minister, I once again reiterate, that this is not a humane or treatment that humanitarian consideration. They did not receive the human-beings deserve.

In Rourkela what has happened? What has happened in respect of various other Steel Plants? All the displaced persons were absorbed in Rourkela. In Bokaro and Durgapur all the displaced persons were absorbed. In Bhilai also most all the people were absorbed. Some of them still remain to be absorbed and they are assured that shortly they will also be absorbed. But why this type of treatment is meted out to Visakhapatnam alone.

Again, I come to another aspect. What is the employment potential in respect of Bhilai. It is a project of 4 million tonnes capacity and the total number of persons employed is 64,769. In Durgapur, the capacity is 1.6 million tonnes and the total number of persons employed is 34,905. In Rourkela, the capacity is 1.8 million tonnes and the employment potential is 39,827. In Bokaro, the capacity is 1.7 million tonnes and the employment potential is 35,200. As far as Visakhapatnam is concerned, its capacity is 13.4 million tonnes. What is the employment potential there? It is only 1200? We are reduced to our abject and miserable plight. This is what I wish to point out.

Let me refer again to the Annual Report of the Steel Plant. It is very clearly mentioned therein that "efforts are being made to identify jobs for which the displaced persons would be suitable". They would like to identify jobs for which they are suitable any. They have not stipulated conditions. They want this qualification and that qualification. Qualifications have not been laid down. For whatever job they are fit they will be given the jobs. Those jobs will be identified and provided. What is the present state of affairs? They say that "only qualified, competent and technically highly equipped persons alone" will find place in the steel plant. Have you reversed your policy? Are you forgetting what is contained in the Annual Report of the Ministry. This is very unfair. In this connection, I would request the hon. Minister to ponder over this—to re-examine and re-consider the stand taken by him.

Again it has been stated in the Annual Plan—I am again quoting from the Annual Report. "Survey has also been planned to ascertain educational qualifications and other relevant details about displaced persons". For what? "For formulating a proper educational and training programme with a view to improve the employment opportunities for displaced persons". That is what is undertaken. Originally by the Project authorities. They want to provide employment opportunities to the displaced persons. For that purpose they want to promote educational, and training facilities. That is what has been stated. That is their original

[Shri Bhattam Sriramamurthy]

objective. That is what they were proposing to do. Now, I want to see the position taken by the Minister. He has taken an absolutely a different stand altogether. His stand is "whoever is qualified and competent, they will alone be taken into consideration". That means, the other people will not be taken into consideration. That is his present stand. This is rather unfortunate; This is not proper. This is not in conformity with the Policy decision taken by the Government previously. I would refer to another aspect. I am making another point which is of very vital importance in the lives of several displaced persons who are leading a miserable existence, who are on the verge of starvation for a number of years. They are being totally neglected by the Union Government, and the Steel Plant authorities, as far as jobs are concerned.

**SHRI K.C. PANT :** The suggestion is that the Union Government has to put up the Plant. That is what you want to make.

**SHRI BHATTAM SRIRAMAMURTHY :** Earlier this difficulty did not arise. Whenever I rise to speak, it is being listened to with sympathy.

**SHRI K.C. PANT :** You read what you have said today; you read it tomorrow.

**SHRI BHATTAM SRIRAMAMURTHY :** I will certainly do that. This comes from the bottom out of my heart. This is what I am forced to say. I have to bring to your notice their miserable condition their representative in the Lok Sabha I have to do so, it is my duty. It is not because of any other consideration that I am raising, this issue. These are all the basic facts of the situation.

What does the Minister say? The Minister say that educational and technical training to the displaced persons is the responsibility of the Government of Andhra Pradesh. Let us see what is contained in the Annual Report? There it is stated that it is the responsibility of the Steel Plant

Authority. What does the Minister say today? He says that educational and technical training to the displaced persons is the responsibility of the State Government. He is shifting the responsibility on to some one else to wash off his hands. This is not proper, this is not fair.

In the year 1984 when some difficulty arose, a meeting took place. Discussions were held. There were protracted consultations and discussions with the D.Ps. and the district authorities. The Minutes of the meeting were also recorded. I have got a copy of it. I read from it :

"The programme for the recruitment of the balance 3,861 persons from among the displaced persons during the period 1984-85 to 1987-88 (four years) year-wise will be worked out by the VSP management and further discussions on the same will be held by the VSP management and the leaders of the displaced persons. Thus a total of 5,000 displaced persons, including 1139 persons already employed in Visakhapatnam Steel Project will be recruited by VSP by the year 1987-88."

I have read from a copy of the minutes. It was duly signed by Shri K.R. Sangameswaran, Managing Director, and Shri M.V. Raghavaiah, Director, and Shri H.D. Andley, Director, and various other people.

What was proposed? It was proposed that they may prepare a year-wise plan for absorption of these people in the Steel Plant. That was agreed to. But what is happened today? What is the position which the Minister is taking? I will read from his answer to a question put by me about "the number of persons likely to be absorbed in the next three years (a) in the Steel Plant; (b) in ancillary industries; and (c) in self-employment programmes. Please see the answer; given by the Minister.

"The Project is still under construction. The rate of recruitment will depend on the schedule of commissioning of the Visakhapatnam Steel Project, the nature of the jobs, the

availability of displaced persons possessing the requisite qualifications, etc. It is not possible to indicate recruitment in the next three years in terms of specific numbers."

I earlier referred to the 1984 meeting. This particular agreement shows that the Project authorities will have to come forward with year-wise proposals for recruitment of persons. Now the Minister says that it is impossible, he turns a deaf ear to the entire problem.

MR. CHAIRMAN : Please conclude....

SHRI BHATTAM SRIRAMAMURTHY : One more point I want to refer to....

MR. CHAIRMAN : You have taken enough time.

SHRI BHATTAM SRIRAMAMURTHY : The others are not speaking. There time can be adjusted...

MR. CHAIRMAN : I have already given their time also to you. It is not a practice to allow donation of other Members' time; donation is not allowed. Please conclude.

SHRI BHATTAM SRIRAMAMURTHY : The matter was discussed in the meeting of the Consultative Committee. I read from the minutes of the meeting :

"The Chairman....

It was Mr. Vasant Sathe then.

"The Chairman stated that since the Plant would only be in a position to absorb around 5,000 dependents of displaced persons, the resettlement of the remaining should include financial help and employment in downstream and ancillary industries. The Member stated...."

That is, myself.

"The member stated that if it is not possible to employ them in Steel Plants, then employment should be found elsewhere. The Chairman Stated that this would be attempted

to be done in collaboration with the State Government. For this purpose he requested the Minister of State to hold a meeting with the State Government within a month in order to draw up a programme of how this problem is to be solved."

This was in the month of August. "Within a month," that is what he said. What has happened to this decision? Nothing has come out even though several month elapsed. I earnestly request the Minister to look into this. Reduction of the size of the Plant must be given up provision of the employment opportunities to the people who are displaced, who are in dire need of the support of the Government should be ensured.

Finally, before I conclude I would also like to mention another factor which is very important.

*(Interruptions)*

MR. CHAIRMAN : Every time you seem to conclude, but again you raise one more point.

SHRI BHATTAM SRIRAMAMURTHY : This is very important issue, Sir, where the entire State is concerned. Any way I don't want to violate your ruling, I resume my seat.

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : Sir, I have listened very carefully to the points made by my Hon. friend and I must say that although I have had many discussions with him with regard to this project I have failed to perhaps convey to him the basic desire of the Central Government to complete this project in time and make it viable and also that considering the constraint on resources the Central Government is stretching every nerve to find money for this project.

He is normally a well informed man and I did not expect him to speak in terms of a mutilated, truncated and distorted steel plant. He calls it a pig iron plant and so on. Even rhetoric has its limit.

Sir, a steel plant—in this case the Vizag

Steel Plant—will have a capacity of three million tonnes of liquid steel as against 3.4 million tonnes which was the earlier plan. Pig iron capacity—I have given the figures—will go up up from 0.22 to 0.57 million tonnes per annum. Together the saleable iron and steel will now be up than what it was previously and not less. The figure is 3.23 million tonnes now saleable production of iron and steel as against 3.2 million tonnes per annum earlier. After this revision the total sale of iron and steel from Vizag Plant will be up and not down.

He objected to pig iron capacity being pushed up. It is not as though the pig iron capacity has been pushed up by installation of new equipment, it is just that the pig iron part of the plant has been kept in tact as it was and the production has been increased. Would he like it to be reduced? Is that his suggestion, is that his proposals? It so happens that pig iron is required in this country and it is only correct that one does not try to artificially reduce the capacity for producing pig iron because one can save money elsewhere. One need not touch the pig iron part of the plant. I hope my Hon. friend would agree to this.

Secondly, he has raised a question about the universal beam plant and he has raised the question if the universal beam plant goes since its capacity is larger than .4 million tons then why the reduction is only .4 million tonnes. Firstly, Sir, 3.4 refers to liquid steel and not saleable steel but apart from that the essential point is that whether it is the steel converters or whether it is the rolling mills the efficiency will go up, productivity will go up and the whole exercise is that the same equipment will be able to produce more. Therefore, with the same equipment it will be possible to increase production in the rolling mill and in the steel making capacity. The change that has been made is that one of the steel melting shop has been done away with. The capacity of the other steel melting shop has been increased and the capacity of the individual converters has been increased. This is what has been done. It remains an integrated steel plant.

Sir, Durgapur, Bhilai as well as Rourkela started as 1 million tonne steel plants whereas this will start as 3 million

tonne steel plant. My friend says that this is nothing but a mutilated plant. I fail to understand this. Sir, it is a fully integrated steel plant. He has raised another issue which really goes to the heart of the matter. He has said how is it that you reduce capital cost by Rs. 1500 crores but you reduce steel capacity by .4 million tonnes. That is the strength of the proposal. The strength of the proposal is by reducing capital cost we are able to produce a fairly high level of quantity of steel and, therefore, and production costs can be brought down. How else the production costs be brought down and the plant made viable?

Sir, I thought he would welcome it rather than complaint about it. He has also raised the time issue. In other words he said that since this was a plant which would have cost Rs. 7500 crores. Now it is going to cost Rs. 6000 crores. In the Seventh Plan there is a provision for Rs. 2500 crores. Expenditure already incurred is in the neighbourhood of Rs. 2000 to Rs. 2100 crores. So, will the Government be able to complete it in time? He also said therefore where is the hurry and let it be delayed. It is an amazing statement from a responsible Member. You said what is the hurry? Where is the sense of urgency? (*Interruptions*) Sir, I did not interrupt him. It is the time over-runs which ultimately add to the cost and the entire House must, in fact, impress upon the Government and the management there to see to it that the plant is completed in time so that it becomes a viable plant and we cut down the overalls to the minimum. That should be the focal point from all directions of the House. We should see to it that it is completed quickly. We should not say what is the hurry.

**SHRI BHATTAM SRIRAMAMURTHY :** I did not say there is no hurry. I said where is the hurry in reducing the capacity.

**SHRI K.C. PANT :** He said it is not going to be completed. There is lack of resources and, therefore, what is the hurry. He can read his transcript. I expected him to say 'thank you' for fighting the case of Vizag which is not of Telugu Desam or my friend from Andhra. I look it as a national project and we are proud of it and, therefore, I would expect that if there is shortage of money we shall also speak to the



Finance Minister and the Prime Minister and get you more money so that it could be completed in time.

13.00 hrs.

That would make it a viable project, that would be in the interest of Andhra Pradesh; that would be in the interest of Steel Plant and that would be in the interest of the country....*(Interruptions)*

**SHRI BHATTAM SRIRAMAMURTHY :** It is the Prime Minister, who helped us.

**SHRI K.C. PANT :** Yes, it is the Prime Minister's intervention which has got us money for this project.

**SHRI BHATTAM SRIRAMAMURTHY :** And we have thanked him personally and through letters and otherwise a number of times. I again do so from this House today. He stood by us last year in raising the allocation.

**SHRI K.C. PANT :** I am happy, I could extract some gratitude from you ...

*(Interruptions)*

**MR. CHAIRMAN :** Do not interrupt please.

**SHRI K.C. PANT :** Not only last year, this year also the Prime Minister has helped in getting extra money for Vizag. This year also you thank him, it would be in order; not only last year, this year also. (...*Interruptions*). Some gratitude this year will do your temper some good.

**SHRI BHATTAM SRIRAMAMURTHY :** Much earlier than the budget session itself, the Steel Secretary had announced in this year's budget figure in Vizag itself. May I show you the News papers? Should I thank the Steel Secretary or the Minister? The Steel Secretary himself announced that Rs. 700 crores were going to be given this year..... *(Interruptions)*

*[Translation]*

**SHRI V. TULSIRAM :** Do not get provoked. You are an experienced person  
*(Interruptions)*

**SHRI K.C. PANT :** I am not provoked.

**SHRI V. TULSIRAM :** Something should be done in this regard during your tenure. You should give something. We get worked up because of the harm being caused

*(Interruptions)*

**SHRI K.C. PANT :** You are also very experienced, You and Shri Bhattam have been with me for a number of years

*(Interruptions)*

**SHRI V. TULSIRAM :** Something should be done in this regard during your tenure.

**SHRI K.C. PANT :** You would perhaps remember that when this was announced in 1970 I was holding the portfolio of steel.

**SHRI V. TULSIRAM :** That is why I am saying that something should be done in this regard.

**SHRI K.C. PANT :** We want your help.

**SHRI V. TULSIRAM :** We are with you.

**SHRI K.C. PANT :** That is what I was saying. *(Interruptions)*

*[English]*

My friend said that I should meet Lok Sabha Members, but he did not care to mention that only last week or ten days ago, I have met all the Telugu Desam Members along with him and discussed this particular project.

**SHRI BHATTAM SRIRAMAMURTHY :** Not at all and not on this question...*(Interruptions)*

**SHRI K.C. PANT :** How can I go on like this ?

**MR. CHAIRMAN :** Do not contradict him at every stage. Listen to the Minister, Mr. Bhattam.

**SHRI K.C. PANT :** I discussed the Vizag Plant.

**SHRI BHATTAM SRIRAMA-MURTHY :** We discussed the displaced persons.

**SHRI K.C. PANT :** Yes, we discussed the problem of displaced persons, which is the main thrust of this calling attention motion. You can read it; it is your motion.

As I said, he did not mention that. I am always willing to meet him and other Member. There is no question of my not meeting them. I have always met them and they are most welcome any time they want to meet me. I am only saying that it should have come from him because we did have a discussion.

He mentioned South Korea and he said why the plant authorities should have made suggestions to prune the equipment on the basis of higher utilization of equipment in South Korea. What has happened is this. When from Rs. three thousand and odd crores, the estimate for the plant went upto Rs. 7500 crores and with the present constraint of resources, it was found very difficult to complete this plant not only in 1991, it was going on for another three-four years, then a team was sent to South Korea. The Steel Secretary, Chairman and the Managing Director of the Steel Plant went to the best steel plant, a modern steel plant in South Korea. They studied the technique employed by them to complete their plants quickly, in time and also to maintain a high level of technical efficiency and performance and keep the cost down. They are really doing a very fine job, and I think all our friends who are interested in the subject know about that particular steel plant, and it is after they returned that these proposals started being mooted. I do not just understand his objection to the technical people in the plant making these suggestions. Who else will make these suggestions? Who else knows the plant so well? It is but natural that the people who are in the plant should be encouraged to think about reducing costs, and after they come forward with some proposals, as he himself said, it will be considered by the Government, by the Consultants; it is not only they alone who make the decisions. He talked of decisions. He knows perfectly well that they cannot make big decisions themselves. Certainly, the proposals have to

come from them. Even if we have some proposals, we have to send the proposals to them so that they can examine them in the light of the local conditions, equipment, etc. etc. So, I see no substance in that objection. Then he asked whether anybody else has looked into it and he mentioned about Dastur and Company. This rationalised concept was finalised by Vizag Steel Plan in consultation with their principal consultants, Dastur and Company.

**SHRI BHATTAM SRIRAMA-MURTHY :** USSR also.

**SHRI K.C. PANT :** USSR has also been spoken to and they agreed in principle. In fact, Dastur met me and in fact, the first time I had heard about the rationalised proposal was from Dastur himself. He gave me a graph which showed me as to how this particular change would make the plant more viable. It is he who brought this proposal first to me.

Then the question of employment potential come up. He referred to various meetings which had taken place and he said that in Bhilai and Rourkela Steel Plants, all the displaced persons were employed. Now, I have the figures the displaced persons with me here. In Bhilai, the number is 3791. In Durgapur, it is 2150 and in the Rourkela the figure is 4665. So, these are the figures that are with me.

**SHRI PIYUS TIRAKY :** What about Bokaro?

**SHRI K.C. PANT :** The number in Bokaro is more. It is 14,512. Bhilai and Rourkela plants are 20 year old plants. Apart from that, this is a debating point and I do not want to make debating points. The real thing is that the capital cost of today's steel plants are so much higher than the capital cost of those steel plants. My friends know that. Capital costs add considerably to the cost of production and therefore, if we have to sell steel, then steel has to be produced at a certain level of cost of production. When the capital cost goes so high, obviously the operating costs have to be kept low and if we do not make efforts to keep the operating costs low, then naturally we will not be able to sell the steel or Vizag will be a white

elephant right from the beginning. I think that none of us wants that. So it is in our interest collectively, to see that this plant is efficient and that only so many people are employed by the plant, as are required by it. What can be the objection to it? One should not unnecessarily add to the number. One should not reduce the number unnecessarily, but one should not also add to it. After all, that cannot be the policy of this House, that cannot be the policy of this Government and that cannot also be the policy of our country.

Then my friend mentioned two things. He said that only technically highly skilled persons will get a chance. That too he put it in my mouth. He stated that I said so. I have never said so. You will not find it in my statement. I only said 'whoever is suitable'. Whoever is not qualified, he will not be taken into consideration. Now, the fact of the matter is that various relaxations and concessions have been made for purposes of recruitment. And I would like to tell the House that in addition to the relaxations, special consideration is being given to the displaced persons in the matter of training. This is another point to which he referred. Now, I can read out the various relaxations. But I will just mention in passes. One is, for instance, that against the minimum qualifications prescribed as Matric plus ITI, the number of displaced persons had ITI qualifications, but who are not Matriculates were also taken as Junior Trainees. Then special training has been provided to those who had the requisite qualifications, but who did not qualify the VSPs examinations.

**SHRI BHATTAM SRIRAMA-MURTHY :** Currently one proposal is pending as regards the reduction of the educational levels for the admission to the ITIs. You may also consider that.

**SHRI K.C. PANT :** Then Sir, normally the drivers who have passed Eighth Class and possess some experience, are taken as drivers. But in the case of displaced persons, they should possess valid heavy vehicle driving licence and should be able to follow instructions given in English. That is all that is required.

In the case of other grade of drivers, they also have to pass Eighth, but in the case of displaced persons, again a relaxation is made and that is the relaxation in respect of their age.

Now, the point, my friend is making for ITI trainees. Again relaxation is given in respect of displaced persons in relation to age limit, qualifications and other relaxations. I do not want to take the time of the House unnecessarily, but I would like to say that, we are not insensitive to the problems. We are doing all we can to see that these people are given employment, but within the constraints of the total number and within the constraints of the qualifications.

Now, I would like my friends to understand that out of about 15,000 persons which would be the total, works manpower is 13,000 requirement and total including Mines Administration is 15,000. Out of this, technically highly skilled people are 12,900, that is, the requirement, of non-technical assistance, etc. are 1,000, unskilled 1,100. When recruitment to the non-executive posts have been made, out of 1,027 unskilled people recruited, 955 are displaced persons. But when you come to highly skilled people, only four out of the two hundred are displaced persons because the highly skilled people are not there. So what does one do about this? In the unskilled category, it is easy to take the displaced persons, but in the highly skilled category, if they are not available, how does one take them? So, this is the practical problem one has to face. One will have to categorise them. You cannot lump them into figure and then say no-no, everybody must be provided with a job. I have another figure. We have recruited 1383 displaced persons. Then there is a special Employment Exchange which has been opened exclusively for them. And there are 7870 displaced persons on live Registers of that special Employment Exchange. Now, I would like to clarify this matter. The qualification break-up of these 7,000 and odd people has to be taken into account and what is that qualification break up, that I will give you now.

[Shri K.C. Pant]

Post Graduate Degree Holders in Humanities	19
Technical Degree Humanities	120
Technical Degree Holders	8
Diploma Holders	29
Technical Trainees	382
Matriculates and above	500
Class 8 and above	770
Literates	1453
Illiterates	4589

This certainly imposes severe limitations. So, one has to keep this into account. So efforts will be made to recruit as many displaced persons as we can within the recruitment plan, but surely, if any of my friends sitting here, would have faced the same set of problems and in the interest of the plan, he would have to take certain decisions which may not be to their liking today. But if they give a cool thought to this matter, I think, they will come to the same conclusion.

Sir, he took objection to the fact that education and technical training was sought to be the responsibility of the State Governments. I thought that Telugu Desam is very jealous of the rights of the States and would not like to hand over the education and technical training to the Central Government. If they have changed their mind—I am speaking to an ex-Education Minister of the State—I would be very happy.

SHRI BHATTAMA SRIRAMAMURTHY : To the extent you deny this opportunity to those people, we are oppressed...

SHRI K.C. PANT : Would you like the Centre to take over Education ?

SHRI BHATTAMA SRIRAMAMURTHY : I am referring to your

responsibility, which you have undertaken. You cannot go back on it.

SHRI K.C. PANT : There is no way of getting round the question. Would you like Education to be taken over by the Centre ? Otherwise, it remains the State's responsibility. Or technical education ? I will welcome it. Would you do that ?

SHRI BHATTAMA SRIRAMAMURTHY : Displaced persons are your responsibility. You are committed to it. Wherever you are committed, we do not come into the picture. Why do you refer to technical education ? You have left that subject education. When the time to discuss educational policy comes up in the House we will make clear our position.

SHRI K.C. PANT : You should be careful about the words you choose.

SHRI BHATTAMA SRIRAMAMURTHY : I know that.

SHRI K.C. PANT : When you take objection to the statement that Education is the responsibility of the State Government, it must be somebody's responsibility. Education is the responsibility of the State. Where can be the objection to that ?

SHRI BHATTAMA SRIRAMAMURTHY : I am reading from your own Annual Report.

SHRI K.C. PANT : That is what I am saying. Where can be the objection to that statement ?

Finally, he said that Mr. Sathe had talked about collaboration with the State Government in developing opportunities for displaced persons. I have said the same thing. There must be an effort to develop ancillary industries and so on. Let us understand basically that the displaced persons are, in respect of every project in the country, the responsibility of the respective State Governments. This is not a new phenomenon, or a new policy. It has always been so. We are prepared to cooperate in any way we can; and we shall do that. But State Governments will certainly consult us; they will ask us; we will discuss

with them. That is how wherever we can help, we will help, These are the various parameters within which this problem can be solved.

[Translation]

SHRI V. TULSIRAM : Leave it now. Do not get into a controversy. I would like you to do justice to the poor people who have been deprived of their land.

SHRI K.C. PANT : Do not give your time to him henceforth. You should ask your questions yourself.

[English]

MR. CHAIRMAN : No further discussion.

13.15 hrs.

SUPPLEMENTARY DEMANDS FOR  
GRANTS (GENERAL), 1985-86  
AND  
DEMANDS FOR EXCESS GRANTS  
(GENERAL), 1983-84.

[English]

MR. CHAIRMAN : Now items No. 11 and 12 will be discussed together, viz. Supplementary Demands for Grants (General), 1985-86 and Demands for Excess Grants (General), 1983-84.

Motion moved :

- (i) "That the respective Supplementary sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India to defray the charge that will come in course of payment during the year ending 31st day of March, 1986 in respect of the following demands entered in the second column thereof."

"Demands Nos. 1, 2, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 22, 23, 25, 27, 28, 29, 30, 32, 33, 34, 35, 36, 38, 40, 41, 43, 44, 46, 47, 48, 49, 51, 52, 53, 54, 56, 57, 58, 60, 62, 63, 65, 73, 76, 77, 78, 79, 80, 81, 82, 83, 84, 87, 89, 90, 92, 93, 97, 98, 99, 101 and 105."

- (ii) "That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India to make good the excess on the respective grants during the year ended on 31st day of March, 1984 in respect of the following demands entered in the second column thereof :—  
"Demand Nos. 17, 20, 22, 23, 34, 40, 57 and 78."

*Supplementary Demand for Grants (General) 1985-86 submitted to the Vote of Lok Sabha*

No. of Demand	Name of Demand	Amount of Demand for Grant to be submitted to the Vote of the House	
		Revenue Rs.	Capital Rs.
1	2	3	
		Revenue Rs.	Capital Rs.
	1-Department of Agriculture and Cooperation	6,43,000	...

MINISTRY OF AGRICULTURE AND  
RURAL DEVELOPMENT