

Shifting Site for Steel Plant

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*62. SHRI KUMARI ANANTHAN:
SHRI D. D. DESAI:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the Union Government has decided to shift the Vijayanagar Steel Plant at Hospet in Bellary District to be located at Mangalore; and

(b) if so, the reasons therefor?

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): (a) It would not be correct to say that the Union Government has decided to shift the Vijayanagar Steel Plant at Hospet in Bellary District, which location was meant primarily for meeting the internal demand. The question of a shore-based export oriented plant at Mangalore is being considered separately and in an altogether different context.

(b) Does not arise.

SHRI KUMARI ANANTHAN:
(Question started in Tamil.....)

MR. SPEAKER: During Question Hour no other regional languages are allowed.

SHRI K. GOPAL: The gentleman is there to interpret. Why are you objecting to this?

(Interruptions)

SHRI C. N. VISVANATHAN: Last time you assured the House that you would make arrangement for this.

(Interruptions)

SHRI K. GOPAL: Interpretation arrangement is available. It is not the first time that this position has arisen. What is the difficulty? You please arrange to interpret his question put in Tamil.

MR. SPEAKER: The assurance given is that in all debates I would make arrangements for interpretation. So far as the Question Hour is concerned, it is not possible to arrange for interpretation in different languages. We

have only arrangement for two languages.

(Interruptions)

SHRI K. GOPAL: No. This arrangement was done not by you. It was already done by Mr. Sanjiva Reddy. Why are you going back on your assurance? (Interruptions). I can understand if the Member talks in Latin or Arabic, the difficulty is there to interpret it. We do not make an issue of this. There are Members who cannot put questions in these two languages. You please consider this. (Interruptions)

SHRI O. V. ALAGESAN: The UPSC has decided to hold examinations in various languages. If the UPSC can use all the regional languages for examinations, is it too much to expect you to allow the use of regional languages during the Question Hour.

(Interruptions)

SHRI K. GOPAL: We do not want to make an issue of this. You please consider this. (Interruptions) Otherwise, you have two Parliaments—one in Delhi and another in Madras.

MR. SPEAKER: All my observations are on record. At no time have I said that during the Question Hour this arrangement could be possible. It is impossible to do so when there are 18 languages. Questions may be put in 18 different languages. But what we have done is supposing a person does not know English, in that particular case, as a special case, we can make arrangement.

(Interruptions)

Mr. Kumari Ananthan has written to me to say that he knows English, that he knows good English too. But what he says is that on principle he is putting the question in Tamil because his Party wanted him to put the question in Tamil. That is the difficulty. Now if I allow Mr. Ananthan, I must allow everybody.

(Interruptions)

SHRI K. GOPAL: We have given a notice. The Interpreter is there. Today, he knows English, but there are Members who do not know either English or Hindi. They cannot express themselves. You people talk so much of national languages and the mother tongue. Is this the way you treat it?

DR. P. V. PERIASAMY: Then you make arrangement for interpretation for all the 18 languages.

(Interruptions)

MR. SPEAKER: I am sorry. To-morrow I am announcing a committee on languages. I shall refer this question to the committee and the Committee will consider it. Just now Mr. Venkatasubbaiah told me that I should allow him to put a supplementary question in Te'ugu. Then somebody will ask me that I should allow him to put a question in Bengali. I go by rules and nothing more than that.

*(Interruptions)***

MR. SPEAKER: Do not record. Nothing is being recorded.

MR. SPEAKER: To-morrow I am announcing a Committee on Languages.

(Interruptions)

MR. SPEAKER: No, I am not allowing.

Only when a member does not know the language....

*(Interruptions)***

MR. SPEAKER: Do not record. Nothing of the sort. I am not allowing.

(Interruptions)

MR. SPEAKER: During Question Hour only two languages and during debates all languages.....

*(Interruptions)***

MR. SPEAKER: Do not record anything.

*(Interruptions)***

MR. SPEAKER: Shri D. D. Desai.

SHRI D. D. DESAI: May I ask two supplementaries?

MR. SPEAKER: No, no, one question.

(Interruptions)

SHRI O. V. ALAGESAN: What about Shri Kumari Ananthan's question?

MR. SPEAKER: Shri D. D. Desai. Please ask one question.

*(Interruptions)***

MR. SPEAKER: Do not record. I have called Mr. Desai.

SHRI D. D. DESAI: May I ask the hon. Minister....

(Interruptions)

MR. SPEAKER: I am announcing a Committee to-morrow.

(Interruptions)

MR. SPEAKER: Mr. Desai.

SHRI D. D. DESAI: May I know from the hon. Minister whether metallurgical and engineering consultants have been authorised to hold press conferences contradicting certain Ministers statements and whether the Ministers have evaluated the total tonnage of inputs, particularly coking coal which is scarce in India and the prospective sources of coking coal including the areas from Africa and whether he is considering the consumer market for utilisation of steel before selecting the sites or is the selection of sites based on political considerations?

SHRI BIJU PATNAIK: No site will be selected on the basis of political considerations. It will be entirely on the basis of economic considerations of....

*(Interruptions)***

If they want to ask question and do not want to listen to me, they are welcome.

*(Interruptions)***

MR. SPEAKER: Do not record.

*(Interruptions)***

MR. SPEAKER: I have not called you.

Shri Janardhana Poojary.

SHRI D. D. DESAI: He has not answered my question.

MR. SPEAKER: He has said that nothing is done on political consideration.

SHRI D. D. DESAI: My question was whether the tonnage of inputs was taken into consideration and how the two sites which are under question today, have been evaluated in terms of inputs and scarcities within the country particularly of coking coal? Whether he has considered the consumer market for utilisation of steel the selection of sites are not based on political considerations?

SHRI BIJU PATNAIK: The selection of the site and export-oriented thing are being considered entirely on the basis of the economy of internal demand and external demand. I can guarantee him that.

SHRI JANARDHANA POOJARY: I am really thankful to the hon. Minister for not shifting the Vijayanagar plant to Mangalore. But at the same time, he has stated that Mangalore plant will be an independent plant and it has nothing to do with the Vajayanagar steel plant. May I know whether the setting up of Managalore steel plant has been discussed with the West German and Romanian authorities to find out financial resources. Where exactly this steel plant is going to be set up in Mangalore and whether the survey work has been done and whether the State Government has been consulted?

SHRI BIJU PATNAIK: Preliminary survey of the Mangalore Port based steel plant has been done. We are looking into the whole thing.

MR. SPEAKER: Whether the location has been fixed and whether the State Government has been consulted.

SHRI BIJU PATNAIK: I had a talk with Shri Devraj Urs, the Chief Minister, long time back. There are serious difficulties about the Vijayanagar plant.

MR. SPEAKER: Whether the location has been fixed?

SHRI BIJU PATNAIK: Everything is under consideration and when it is decided finally, the whole thing will come before the House. I would like to know the precise question.

MR. SPEAKER: The precise question is whether you have fixed the location; whether any assistance is available from German or Romanian sources.

SHRI BIJU PATNAIK: Assistance or financing arrangement can be informed to the House only when it is finalised. Negotiations are going on with various parties.

About location, as far as port-based plant is concerned, Mangalore is one of the locations of the port-based plant. Three areas are being considered—Vishakhapatnam, Mangalore and Paradip. These are the three deep port areas in the country where you can take the ship inside the port.

SHRI K. MALLANNA: May I know who is correct in this decision—whether George Fernandes or the hon. Minister of Steel? If you believe both, they issued two contradictory statements. In the answer it is given:

"It would not be correct to say that the Union Government has decided to shift the Vijayanagar steel plant at Hospet in Bellary District...."

I am connected with the Bellary District because my constituency is very much near Bellary. That is the statement of the Steel Minister.

Then I will read the statement of Mr. George Fernandes published in *Deccan Herald* on Saturday, November 4, 1978. He made the statement

at the press conference. I will read the extract from this as follows:

"Asked whether in view of the fact that nearly two to three crores of rupees had already been spent at Hospet on the steel plant project whether the Government would consider locating it there instead of Mangalore, he said that the plant cost nearly Rs. 4,000 crores. Just because two or three crores of rupees were spent at Hospet on what was a political decision, the Government could not sink Rs. 4,000 crores there."

That means, his intention was not to start a factory at Hospet.

Now, I will tell you how it is politically motivated and how it is used for that purpose.

SHRI BIJU PATNAIK: Is it a debate?

SHRI K. MALLANNA: I am putting a question. Now, in giving an answer to Mr. George Fernandes, our Chief Minister, Mr. Devaraj Urs, said, and I quote from *Deccan Herald* of October 26, 1978, as follows:

"The Centre had replied on September, 30 that it was considering the feasibility of setting up three steel plants, one each at Vizag, Mangalore and Paradeep. From this it was clear that there was no decision. It was to be noted that there was no mention of the Hospet steel plant on which crores of rupees had already been spent, and a decision on which had been taken after a detailed in-depth study of its economic feasibility."

"Mr. Urs said he would be writing to the Union Government in a day or two as to what it intended to do with regard to the Hospet plant.

Mr. Fernandes, according to press reports, was justifying the Mangalore plant proposal on the ground that coal for the plant could be brought by ships and economically this was more attractive than Hospet.

But Mr. Urs pointed out, when the State had made a proposal to the Centre to locate a thermal plant at Mangalore (This letter was written on July 15, 1977) on the ground that since Mangalore was now a major port, the needed coal could be brought by ships, the Centre had replied in August, 1977 that a thermal plant at Mangalore was not feasible in view of the high cost of power generation and had suggested to the State Government to consider a site nearer the Singareni coal-fields. 'How now Mr. Fernandes say that it is easier to handle coal at Mangalore and it is economically better than Hospet?' he asked."

MR. SPEAKER: What are you reading, Mr. Mallanna?

SHRI K. MALLANNA: All these people are indulging in double-talk.

MR. SPEAKER: You are converting the Question Hour into a debate. What is the question?

SHRI K. MALLANNA: The question is: May I know from the hon. Minister that in view of these facts, what is the progress being made so far as the Vijayanagar Steel Plant at Hospet in Bellary District is concerned? What was the allotment in the Budget? What is the fate of the Bellary Steel Plant?

SHRI BIJU PATNAIK: I am answering a question here which has been put, and that is, whether it is a fact that the Union Government has decided to shift the Vijayanagar Steel Plant at Hospet to be located at Mangalore. I have not taken upon myself god-like capacity that I can shift Vijayanagar to Mangalore. It is obvious. The question is not what they seek. I say, these are two separate things. One is export-oriented shore-based plant. Another is Vijayanagar Steel Plant originally conceived at that time, in 1971, 1972 and 1973 on certain conditions which have since rapidly changed both for the internal demand and for the world market. So, the first part is export-oriented shore-based plant. He is saying about what

is happening to Vijayanagar Steel Plant. Sir, outside the steel plant, only for the infrastructure, for the transportation of coal alone from North India to Hospet, the additional cost to be found by the steel project for the railways alone is Rs. 491 crores.

SHRI K. LAKKAPPA: It is wrong. It is from Madras port... (*Interruptions*)

SHRI BIJU PATNAIK: For raising extra coking coal for this plant and non-coking coal, it will cost nearly Rs. 185 crores. Mr. Venkataraman can sit down and work it up with me. He has been a Planning Commission Member. The total extra cost for locating Vizayanagar steel plant comes to Rs. 825 crores, nothing to do with the steel plant, only the infrastructure outside the steel plant, the city and everything. This is an additional thing. The cost has gone up very substantially, coming to Rs. 1580 crores, only for the beginning of about three million tonne steel plant. Now the cost is mounting, the cost of production is very much higher, the availability of coking coal is not there. Coking coal will exhaust itself by the end of this century unless there is more production. Therefore, we are trying to get coking coal from outside, trying to locate coal from outside, which can only be through deep port based plants like Madras, Mangalore, Paradeep or Vaizag, only four ports, two ports have got outer harbours and two are naturally deep ports. This is the situation just now. The Government are considering.

I will come out with a whole paper before the Parliament and I will be glad if there is a debate so that everybody understands our limitations; and what we should do about it. It is not a question of putting up a steel plant in my backyard or in his backyard. It is not a question of anything of that order. But the whole economy must be understood and whatever the Parliament decides, the Government will certainly do that.

SHRI R. VENKATARAMAN: When the original decision to locate the

three steel plants in Salem, Hospet and Vaizag was taken, the entire question of economics of all these three plants was examined both by the experts and the Planning Commission. The cost of transport of coal, the cost of the services like coking coal to be established, they were all taken into account and the decision was taken. At the same time, the question of establishing deep port based plants was also examined. In view of the fact that coal has to be carried even to those deep port based plants and the cost of transport of coal to those deep port based plants was equally great. The decision was that in comparison with the other plants, these three would be viable and economic and that is why this decision was taken. The hon. Minister now said that the cost of transport of coal to Hospet and the cost of service like coking coal has increased and therefore there are second thoughts on this issue. Has not the price of steel increased? Has it not been compensated? Has it not been taken into account even in the original estimate made that there will be cost escalation and that it would be possible to establish these three plants even at the escalated cost? Now I want to know whether the Government has really examined this issue on economic basis in consultation with the experts or Mr. Biju Patnaik is giving way to the flights of his own imagination.

SHRI BIJU PATNAIK: To start with, I do not let myself to the imagination of Mr. Venkataraman, who has much more fertile mind than mine. The first thing is, his basis is wrong. The Government had at no time taken a decision to locate the plant there. Let that be made very clear. The previous Government had at no time agreed to that. All that they agreed to was to authorise preparation of a detailed project Report, what is known as DPR. Correct me, Mr. Venkataraman, if I am wrong. The DPR has been received by us only a few months back. When the DPR was received, all these additional factors have come in, all these additional constraints

have come in. Therefore, if Mr. Venkataraman is interested or if anybody else is interested, they are entitled to go through the entire cost system, the entire input system and you can certainly convince yourselves that what I am saying is not out of my imagination, not out of any political consideration, not decrying any decision of the Government, but purely on economic consideration and our present needs of the country and the constraints of the coking coal.

West Asia Peace Accord

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*63. SHRI S. R. DAMANI:

SHRI CHITTA BASU:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government received any communication from President Jimmy Carter of United States of America seeking its support to the Camp David accord arrived at by Egyptian President and Israel's Prime Minister for peace in the Middle East;

(b) if so, the Government of India's reaction thereto;

(c) whether Government's stand has not been well received in the Arab world; and

(d) if so, the steps taken by Government to make its stand clear to them?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI ATAL BIHARI VAJPAJEE): (a) Yes, Sir.

(b) The Prime Minister sent a reply to the US President on October 8, 1978, on the Camp David Agreements. In his letter the Prime Minister reiterated India's declared policy which is that only a comprehensive solution to the West Asian problem would prove durable; such a solution must ensure Israeli withdrawal from all occupied Arab territories; recognition of the legitimate rights of the Palestinian people and the rights of all States in the region to live within secure borders; and that no agreement would

be sustained or stable unless the problem of Jerusalem and Golan Heights is also solved.

(c) No, Sir. The Government of India's stand has been appreciated in the Arab world.

(d) Does not arise.

SHRI S. R. DAMANI: Apart from the declaration of our Government's policy in regard to Israel by the Hon. Prime Minister while replying to US President on 8th October, may I know from the Hon. Minister what other efforts our Government has made or is making to ensure the return of territories forcibly occupied by Israel since the conflict of 1967, especially the return of West Bank and Ghaza to the Palestinians. The Palestinians suffered very much and further suffering should not be inflicted on them. So, what efforts have you made or are making apart from declaring our policy while replying to the U.S. President?

MR. SPEAKER: It does not arise the question is different. The question is merely in relation to the Agreement.

Now, your second supplementary.

SHRI S. R. DAMANI: My point was—

MR. SPEAKER: Your point is very clear and important too, but it does not arise from the question.

SHRI S. R. DAMANI: Then, I would like to know whether President Carter's communication throws any light about the U.S. stand on Jerusalem and if so, what, and what is the Government's reaction thereto?

SHRI ATAL BIHARI VAJPAJEE: Our traditional policy in regard to the West Asian problem is well-known. I would like to emphasize that there has been no departure. If there are efforts to seek a possible peaceful solution to the problem, we do commend such efforts provided such efforts lead