

REPORTS ETC. OF DEPUTY COMMISSIONER FOR LINGUISTIC MINORITIES IN INDIA

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI YOGENDRA MAKWANA): I beg to lay on the Table:

(1) Eighteenth Report (Hindi and English versions) of the Deputy Commissioner for Linguistic Minorities in India for the period July, 1975 to June, 1976. [Placed in Library. See No. LT-1246/80.]

(2) Nineteenth Report (Hindi version) of the Deputy Commissioner for Linguistic Minorities in India for the period July, 1976 to June, 1978.

(3) An explanatory Note in regard to the Reports mentioned at (2) and (3) above.

(4) A statement (Hindi and English versions) showing reasons for delay in laying the Reports mentioned at (2) and (3) above and not laying the English version of Report mentioned at (2) above. [Placed in Library. See No. LT-1247/80.]

12.10 hrs.

MESSAGE FROM RAJYA SABHA

SECRETARY: Sir, I have to report the following message received from the Secretary-General of Rajya Sabha:—

"In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Finance (No. 2) Bill, 1980, which was passed by the Lok Sabha, at its sitting held on the 31st July, 1980, and transmitted to the Rajya Sabha for its recommen-

dations and to State that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

SHRI RAJNATH SONKAR SHASTRI (Saidpur):**

MR. SPEAKER: I have seen your notice. This is a State subject; I am not going to allow this. Nothing should be recorded without my permission. Please sit down. Too much of everything is bad.

12.12 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED DELAY IN IMPLEMENTATION OF VIJAYA NAGAR STEEL PLANT IN KARNATAKA

SHRI M. RAM GOPAL REDDY (Nizamabad): 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 delay in implementation of Vijaya Nagar Steel Plant in Karnataka and inadequate financial provision in the present Budget for its speedy implementation".

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): Sir, I should like to state at the outset that a detailed project report for Vijaya-nagar Steel Plant has already been prepared by the Consultants. It was submitted to SAIL in April, 1977. After completion of necessary examination at technical and financial levels, the matter was placed before the SAIL Board on February 26, 1979. The Board deliberated on the DPR at

**Not recorded.

[Shri Pranab Mukherjee]

its meetings held on 26-2-1979 and 19-3-1979 and, after careful consideration, constituted a high level technical committee to examine further the project report and the estimates. The Committee has already gone into the techno-economics of the options selected for the DPR and asked the Consultants to work out the effects of adopting certain changes in the product-mix and other parameters. The Consultants accordingly carried out further exercises and submitted their report which was considered by the Committee. Some more details and clarifications had to be called for from them. These have now been received and the Committee is likely to submit its report shortly. The matter will then be considered again by the SAIL Board and appropriate recommendations made to Government. Meanwhile, preliminary works like land acquisition for the plant, soil investigation, raw materials testing, etc. have been completed.

12.14 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

As regards the point that the financial provision made for the project in the current financial year is inadequate, I would like to inform the House that the provision of Rs. 60 lakhs has been made as an interim measure, pending acceptance of the DPR, only to meet the establishment charges and current commitments. My colleague, the Finance Minister, has already assured the House in the statement made by him on 6-8-80 that as and when the DPR is approved by SAIL and Government, any amount which is required for this plant will be made available for it.

SHRI M. RAM GOPAL REDDY : On the whole, the statement is a comprehensive one. But the amount earmarked for this work seems very small. Every facility is available there, for the construction and erection of the steel plant. Broad

gauge railway line is there, plenty of iron ore is there and it is roundabout the factory site. It is available in millions of tonnes, and we are exporting most of it. We should stop that export and utilize all that iron ore for the production of steel.

The feasibility report has already come, but the amount provided is very insignificant. The Finance Minister and also the Minister of Steel have promised that they are going to provide any amount that may be required. We have got a very dynamic Chief Minister there, and land acquisition and all those formalities will be completed very early. It will not take time. He will complete everything as per target, or ahead of schedule. Under such circumstances, this Rs. 60 lakhs is nothing. In those parts of Karnataka, the land value is very high. With this amount, they cannot purchase even 200 to 300 acres of land. Water charges, de-silting of soil and all those things are there. We have got so many experts in our country. All those things should be completed. It is a long-awaited project. For the last several years, we are hearing about this plant. We are in dire necessity of steel. We have to produce steel as early as possible. Small countries like Japan and England are producing steel in huge quantities and selling to us at very exorbitant prices. Most of our foreign exchange reserves are being spent on import of steel. Under the circumstances, I request the Minister to make adequate financial arrangements.

Apart from this, there is a lot of discontent among the people, that this factory is not coming up. Every time hopes are raised in their minds that it is going to start. In the end, Rs. 60 lakhs have been allotted. This Rs. 60 lakhs includes establishment charges, and all other charges. I think this amount is not enough even for establishment charges. Then what about acquisition of land?

Sir, as you know from practical experience, land acquisition takes a lot of time, howsoever efficient the Government may be. In some cases, people will go to court. But I am sure in Karnataka such a contingency will never arise. The Chief Minister will manage that affair, and set things right.

I now want a definite promise: by what time will the actual work be started, and in how many years is it going to be completed? The gestation period is too long. Sometimes it takes 10 to 15 years. By that time, cost escalation will be there; and the cost will go up. That is why we should complete it, within the shortest possible time—in 5 years or 7 years. Such a sort of assurance must be there, and everything should move according to the schedule now made. By what time actual work on this, namely, foundation and other things will start?

SHRI PRANAB MUKHERJEE: So far as the actual time to complete the project is concerned, according to the detailed project report which they have worked out for the final stages, it will be 96 months; that means 8 years. Naturally a project like this is split into two stages. For the first stage it will be about 5 years, that is, 60 months. About financial allocations, I have already explained that Rs. 60 lakhs which had been allocated for the current year is to meet the current demands and day-to-day expenses. Upto 31st March 1980 the total cost which has been incurred by the government is Rs. 4.2 crores. For the current year it has been allotted Rs. 60 lakhs. The Finance Minister had already mentioned, and I have also mentioned in the statement, now that the detailed project report is available, the comment of the technical committee is also available—it is expected that by September they will be in a position to make final recommendations to the government—naturally it will go to the public investment board and Government will have to take a decision. The hon.

Member is well aware of the position. It has been delayed; there is no denial of that fact. Practically for almost ten years it is delayed. One of the major reasons is resource—constraint. Because for this project we have not received any offer from outside and we have to manage it from internal resources which are not available.

That is why it has been delayed. We will try to expedite it. It has been suggested by no less a person than the Finance Minister that if the project is ultimately approved, necessary allocations will be made through supplementary grants.

SHRI JANARDHANA POOJARY (Mangalore): The Vijaya Nagar Steel plant has been envisaged as one of the two major projects but it remained as a day dream. I am very sorry to say that even though in the year 1971 the laying of the foundation stone was done by our beloved Prime Minister nothing has been done even after nine years. While the Visakhapatnam steel plant has been provided with sufficient funds, no sufficient provision has been made for the Vijaya Nagar steel plant. People of Karnataka have been clamouring for this project. In fact people were very happy and were moved when the announcement was made on 24 July 1980 in the House by our Finance Minister that Rs. 30 crores had been allotted. Unfortunately the statement was corrected on 6 August, 1980 to say that only Rs. 60 lakhs had been provided. The people of Karnataka were moved and in fact they were happy and both houses of the legislature passed a resolution expressing gratitude to the Prime Minister of this country and also to the Centre but unfortunately the hopes have been belied. I see that our former Minister is commenting something. He was responsible; it was for political considerations. During your rule, Janata rule, it has been delayed purposely because of political consideration, not due to economic consideration. In fact during your regime, this project had

[Shri Janardhana Poojary]

been put into cold storage, if I am not mistaken. You wanted to shift this project and the Mangalore Project on account of political considerations and ultimately when pressure had come to you on the floor of the House, subsequently you changed your mind.

SHRI BIJU PATNAIK (Kendra-para): I must have an opportunity to reply to his allegations.

MR. DEPUTY-SPEAKER: If you want Iron & Steel Plant, insist on that. Do not get diverted.

SHRI JANARDHANA POOJARY: The decision taken during Janata rule was politically motivated if I am to correctly put it.

Even after nine years of the laying of the foundation, SAIL Board has not taken any action. To bring out a detailed report, if SAIL Board is to take nine years, I do not know whether we have to say that it is a blot on the functioning of the SAIL Board? According to its Report SAIL Board wanted some details so far as implementation of this project was concerned. May I know from the hon. Minister what are the details required from the High Level Committee and when was that going to be given? He said that it would be given very shortly. I want to have categorical answer from the hon. Minister, is the Government going to implement this project at Hospet site itself? Is the Government going to give sufficient funds after considering the escalation cost after nine years? What is the cost that has already been incurred and what is the amount that has already been given?

Further, so far as my Constituency is concerned, in view of the statement given by the then hon. Minister—Shri Biju Patnaik—at that time, according to him Mangalore Steel Plant was going to be set up within two months or within a short period. Even Shri George Fernandes also stated that that was going to be set

up shortly. According to the hon. Minister this steel plant was export oriented and shore based. It therefore, stood on a different footing. It had nothing to do with Vijaya Nagar Steel Plant because it was meant for the internal consumption. In view of all these facts may I know from the hon. Minister whether Government is going to think of setting up a separate shore based plant at Mangalore? So far as Vijaya Nagar Steel Plant is concerned is he going to get financial help from the public borrowings, with foreign collaboration or from World Bank Aid.

One more question.

MR. DEPUTY-SPEAKER: On this side if anybody rises and speaks like this, you will rise on a point of order.

SHRI JANARDHANA POOJARY: Is it true that the British-American Team which studied the feasibility of Vijaya Nagar and Vishakhapatnam site stated that both the proposals were good? Have the consultants evaluated Vijaya Nagar Plant? Have the British Team and MECON found it most feasible and most attractive of all the steel plants?

MR. DEPUTY-SPEAKER: Minister will answer now.

SHRI BIJU PATNAIK: First personal explanation and then the Minister will answer. The hon. Member said that I took some decision which was political motivated.

MR. DEPUTY-SPEAKER: This is Calling Attention.

SHRI BIJU PATNAIK: I know. But I rise on a point of personal explanation.

MR. DEPUTY-SPEAKER: Let the Minister reply and then you can. I will allow you.

(Interruptions)

MR. DEPUTY-SPEAKER: He wants to give some personal explanation because Shri Janardhana Poojary had said something about Shri Biju Patnaik.

SHRI PRANAB MUKHERJEE: A number of questions have been raised by Shri Janardhana Poojary mainly in regard to Vijaya Nagar Steel Plant. His first point was that SAIL had not taken any action. It is not correct that SAIL has not taken any action. SAIL has taken some action. It has taken nine years mainly because there was no money. This is one of the major reasons because to finance this Project from the internal resources was not possible. From 1971 onwards, at various stages it was considered. The Project Report was prepared by MECON. Technical Committee went into it in regard to size of the plant, product mix. Naturally, when it takes time in implementation, cost factor is also to be taken into account. As a result of that, it was delayed. As for the present estimate, the cost of the project would be Rs. 1760 crores. About the time, I have already mentioned that in the first phase, according to indications, it will take five years. The complete project will take 96 months, i.e. 8 years. In regard to assistance, the offer of foreign assistance relates to shore-based plant because two factors are to be taken into account while having a new steel plant-based on offer received from foreign countries. The first is, part of the product has to be exported to repay the debt by way of buy-back arrangement. So, it must be a shore-based plant. Secondly, in regard to the availability of coking coal, it was thought that at least 25 per cent of the coking coal required will have to be imported. That also makes it necessary that it must be a shore-based plant. Therefore, if you are to build a steel plant on foreign assistance, they will come not necessarily on your own terms; they will also have to take into account these two factors. Therefore, when we are having discussions on offers from various countries, naturally the most important consideration is it must be a shore-based plant; it must be a port-based plant. Otherwise, it would not be possible for us to link up the foreign assistance with any other steel plant. It is not true that as bet-

ween Vizag and Vijayanagar, Vizag has been treated on a differential footing. For Vizag also, we have received some assistance from Soviet Russia, not merely technical assistance, but we have received some financial assistance also. But unfortunately, for this project, we could not get anything. We are exploring the possibilities and we would be happy if we get something so that we can do it. The total expenditure upto 31st March, 1980 was Rs. 4.2 crores on preliminary work. For further allocation to be made, two decisions are to be taken by the Government, firstly that a steel plant will have to be established at Vijayanagar. That decision will have to be taken on the recommendations of the SAIL Board approved by Public Investment Board. If Government takes a decision, naturally the Government will have to allocate money. Even if it is not provided in this budget, the hon. member need not be worried. It can be done through supplementary grants. That point has been clarified by the Finance Minister and I would like to reiterate it.

PROF. MADHU DANDAVATE (Rajapur): Has it been cleared by the Planning Commission?

SHRI PRANAB MUKHERJEE: It has been cleared by the Planning Commission in regard to demand and availability.

SHRI CHANDRAJIT YADAV (Azamgarh): The Prime Minister laid the foundation stone. If the decision is not there, would the foundation stone be laid?

SHRI PRANAB MUKHERJEE: After that, Mr. Yadav had the privilege of presiding over this Ministry and I can give some details of some decisions which he also took. In 1971, the foundation stone was laid. Actually the feasibility report was available in 1972 and the detailed project report was available sometime in 1975. Therefore, before the availability of feasibility report and detailed project report, the foundation stone was laid!

MR. DEPUTY-SPEAKER: Shri Biju Patnaik. He wanted to give a personal explanation.

SHRI K. LAKKAPPA (Tumkur): In calling attention, this is never allowed.

MR. DEPUTY-SPEAKER: He wanted to give some personal explanation and I have allowed him.

SHRI BIJU PATNAIK: Sir, the hon. member has accused me of some personal motivation in denying Karnataka a steel plant at Vijayanagar. I was most amazed at this kind of accusation, because I went out of my way to find a method by which this plant could really be built, for two reasons. Firstly, they have got excellent iron ore, limestone and manganese ore. But coal has to come nearly 3000 KM from the north. We had taken up the matter with the Railway Board whether they would be able to transport 5 million tonnes of coking coal from north or not. They said, it would be possible provided they were given nearly Rs. 600 crores for development of the railway line and other facilities and at least 10 to 12 years to create those facilities. These are all matters on record. Then the question came as to whether we should do it there or whether we should try other areas where steel plants could be built, because India needs steel. We are importing a whole lot of steel and we will go on importing more and more. Therefore, during my period, we took up with various financing houses, banks and big firms to find out ways and means of setting up one or two steel plants. One has been done at Vizag as the hon. Minister has said, with some Russian aid and rest from our own funds. There were two more offers, as the House knows. I stated that while I was the Minister. One from the UK group and other from the German group, both averaging about 2000 crores of total credit on a turn-key project, on a port or shore based plant. Therefore, this has been done.

Two others were considered. One is Mangalore because there is surplus ore there. Another is Paradip. That is under consideration. I am hoping that the Government of India should be able to make use of both the extraordinary credits to put up these two steel plants.

During Pandit Nehru's time when there was no infrastructure in this country, three new steel plants were built simultaneously. With the extended infra-structure and the manpower availability I do not see why both these credits should not be utilised for making both the steel plants.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI P. VENKATASUBBAIAH): I want to make a submission. You have allowed the hon. Member to make a personal explanation. This is a calling attention motion. Normally, only those persons who have given their names are called upon to ask a few questions. A very extra-ordinary procedure has been adopted by you. (Interruptions)

MR. DEPUTY-SPEAKER: Mr. Janardhana Poojary made some reference with regard to Mr. Biju Patnaik and, therefore....

(Interruption)

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION (SHRI BIRENDRA SINGH RAO): The personal explanation should come afterwards, after the calling attention has been disposed of and not in between. He should give notice for personal explanation. (Interruptions)

SHRI K. LAKKAPPA: The whole thing may be expunged. Let him have a—.... (Interruptions)

SHRI P. VENKATASUBBAIAH: I am not suggesting that it should be

expunged. I am bringing to the notice of the hon Deputy-Speaker that this is an extra-ordinary procedure that has been adopted. The Member has got various ways. There are various ways in which he can raise it as a matter of personal explanation. He could have come out with that instead of intervening in a calling attention motion.

SHRI CHANDRAJIT YADAV: It is not extra-ordinary because the Member has made accusation. Therefore, personal explanation has to be given.

MR. DEPUTY-SPEAKER: Whatever personal explanation that has been given by hon. Biju Patnaik concerning this accusation made, shall go on record. Other things shall not go on record. (*Interruptions*)

I shall go through the proceedings. With regard to the accusation, only your personal explanation is allowed.

SHRI CHANDRAJIT YADAV: Do not be on the defensive. Mr. Deputy-Speaker, all the time, you become defensive. (*Interruptions*)

SHRI BIJU PATNAIK: What will go off the record? It is neither unparliamentary nor improper.

MR. DEPUTY-SPEAKER: It is right that it is not unparliamentary. But with regard to accusation, you are allowed.

SHRI BIJU PATNAIK: He has said: "It is because of political motivation that you have not allowed that plant." The Minister replies; I give my explanation.

MR. DEPUTY-SPEAKER: The matter is very amicably settled.

SHRI P. VENKATASUBBAIAH: The matter is not settled.

SHRI ATAL BIHARI VAJPAYEE (New Delhi): Having allowed Mr.

Biju Patnaik in the middle of the calling attention, I would like to say that you have set up a very happy precedent. But how can you expunge any part without taking the House into confidence? That practice must be stopped.

SHRI K. LAKKAPPA: He is not expected to say anything in the midst of the calling attention. (*Interruptions*)

MR. DEPUTY-SPEAKER: The Speaker or the Deputy-Speaker has always got powers under residuary rules to conduct the deliberations of the House in such a manner that it is conducted properly and peacefully. Therefore, when Mr. Poojary made some remarks, he wanted to give some personal explanation because he was present and therefore, he was allowed. It is not extra-ordinary. I have got every right and power to allow it and I have allowed it. Whatever the accusation that has been made for which he has replied, will remain. Any other thing other than this, shall not go on record. That is what I say.

SHRI P. VENKATASUBBAIAH: I am not challenging your residuary powers. I have only pointed out that in the middle of the calling attention, this is how the Deputy-Speaker has used his residuary powers. That will create problems. The Member has got all the other avenues to come forward before the House as a matter of personal explanation. You have done it.

SHRI INDRAJIT GUPTA (Basirhat): Now it has been done, there is no question of expunging all that. I am saying that you will kindly satisfy yourself which portion of the statement amounts to personal explanation and which portion does not.

MR. DEPUTY-SPEAKER: That I will do. I will satisfy myself. As a special case I have allowed it.

SHRI INDRAJIT GUPTA: You have allowed him; you have got the right.

SHRI P. VENKATASUBBAIAH: You should examine what Shri Indrajit Gupta has said.

SHRI ATAL BIHARI VAJPAYEE: Shri Patnaik has made a reference to Pandit Jawaharlal Nehru. I hope his name will not be expunged.

SHRI P. VENKATASUBBAIAH: Shri Vajpayee is misinterpreting me. I never wanted anything to be expunged. I only said that a personal explanation in the midst of a Calling Attention is an extraordinary thing.

MR. DEPUTY-SPEAKER: I know the accusation made by Shri Poojary and the explanation given by the Minister. Therefore, I have allowed it.

SHRI K. LAKKAPPA: Sir, the dilly dallying tactics by Delhi will not satisfy the educated people of Karnataka, because an integrated steel plant at Vijayanagar is the pride of our country, is the pride of our State of Karnataka. Because of the availability of resources of ore in the State of Karnataka, the Government of India have considered at length, deliberated and come to the conclusion that the integrated steel plant should be located at Vijayanagar in Karnataka. This was done only after the matter was agitated for more than ten years. The foundation stone was laid by no other person than our beloved Prime Minister and I was present in that function. But this feeling of job of the people of Karnataka turned into sorrow after the Finance Minister made a statement of correction about the financial allocation made in the budget. He had stated earlier that Rs. 30 crores have been allocated for the execution of the Vijayanagar plant.

MR. DEPUTY-SPEAKER: That has already been corrected by the Finance Minister.

SHRI K. LAKKAPPA: This distorted version was given in this House and it was conveyed to Karnataka State. As a result of it, a unanimous resolution was passed in the Karnataka Assembly, thanking the Prime Minister and the Government of India for having allocated Rs. 30 crores for this project in the budget allocation. The people of Karnataka rejoiced for a while. Then, as if adding insult to injury, the Finance Minister came before this House and stated as a clarification that only Rs. 60 lakhs have been allocated for this steel plant. Is it not an insult, is it not an injury to the feelings of the Karnataka people that this steel plant, which is their pride, is not being implemented and their demand and aspirations are not met by this Government?

I want to ask several questions in this connection. In 1977 the hon. Minister stated that the consultants had submitted their technical report. In 1970, 1971 and 1972 an expert committee has gone into the matter and considering all technical aspects it has given a report for the location of the Vijayanagar steel plant at a place called Thoranagar. This delay of ten years has to be explained to this House.

When we were also on the other side, my hon. friend, Shri Biju Patnaik, diluted the whole thing and made distorted statements on the floor of the House. I would like to quote his speeches; let him deny them. He has created an impression, the last two and a half years' dark rule of the Janata Government has created an impression, that there is likely to be a shift of the Vijayanagar steel plant to some other place.

The location of the steel plant at Vijayanagar was made an issue in the Chikamagalur election and every party assured the people that it would be implemented. Shri George Fernandes, the then Industries Minister, made a speech during the elections about the Vijayanagar steel plant that it is only

a dream for Karnataka. This is how two and a half years of dark rule of Janata created a distorted version and created dissatisfaction among the people of Karnataka.

PROF. P. J. KURIEN (Mavelikara): Sir, I rise on a point of order. Rule 197(2), which deals with Calling Attention, says:

"There shall be no debate on such statement at the time it is made but each member in whose name the item stands in the list of business may.....ask a question;"

But here the hon. Member is making a speech.

MR. DEPUTY-SPEAKER: There is no debate going on. He is placing certain facts before the House and then he is coming to the question.

PROF. P. J. KURIEN: He can only ask a question. Rule 197(2) says clearly "there shall be no debate."

MR. DEPUTY-SPEAKER: This is no debate. His statement is being followed by a question.

PROF. P. J. KURIEN: He is making a speech on the Janata regime. Why should he make it?

SHRI K. LAKKAPPA: First I would like to make a brief statement. Vijayanagar steel plant is the pride of Karnataka. For the location of this steel plant regional imbalance is another additional reason. Even after the establishment of Bhilai and Durgapur steel plants, there is regional imbalance in those areas. Unless I give all these facts and pose the question, how can the hon. Minister answer my question?

MR. DEPUTY-SPEAKER: Come to the question proper.

SHRI K. LAKKAPPA: I want to say that the statement of the Minister does not deal with all the facts of

the case. The detailed project report is ready, the required land has been acquired and Rs. 6 crores have been allocated. All that is necessary to start the construction work is only a green signal from the Union Government. Even that was given a long time ago. Yet, there are contradictory statements now about the location of this steel plant.

My hon. friend, Shri Pranab Mukherjee, has stated that there should be a shore-based steel plant, because we want to invite foreign aid, and that the delay or constraint is only due to the financial resources of this country. Even otherwise we can mobilise internal resources and also invite foreign aid for this steel plant. I would like to know how this shore-based steel plant will be helpful either for export or import or for obtaining foreign aid. I would like to contradict it.

This is the history of the case.

"It was in 1970 that the Government of India commissioned the Central Engineering and Design Bureau of Hindustan Steel Ltd., a predecessor of today's Metallurgical and Engineering Consultants (MECON), to pinpoint suitable locations for new steel plants."

Their expert opinion contradicts the shore-based plant. So, that suggestion is entirely wrong, and it will only sabotage the establishment of the Vijayanagar plant.

Further, it says:

"There were other considerations also that made CEDB choose this site. First, besides iron ore, practically every other input of the required quality needed for a steel plant is available in plenty close to the site. Limestone and dolomite can be obtained from the rich deposits around Bagalkot, 350 km. away. Quartz and manganese ore are available around Sandur, only 20 km. distant."

[Shri K. Lakkappa]

That is the place from where my hon. friend Shri Ghorpade hails.

"For the huge quantities of water that the steel plant will require, there is the Tungabhadra reservoir, adjacent to Hospect, 30 km. away. A steel plant needs land, large tracts of it, preferably flat and having a firm subsoil which will bear the giant loads to which it will be subjected. The terrain and sub-soil of the selected site have just these characteristics. An added advantage is that the area is barren and not put to agricultural purposes."

MR. DEPUTY-SPEAKER: What about the availability of coal?

SHRI K. LAKKAPPA: Coal based steel plant is the only solution. Shore-based has a lot of disadvantages.

MR. DEPUTY-SPEAKER: You want more funds.

SHRI K. LAKKAPPA: They have stated very clearly:

"However, more even than political or provincial considerations, parochial ones began raising their head, the first example of which was the choice of Rourkela in Orissa...

MR. DEPUTY-SPEAKER: You are going to all steel plants in India.

SHRI K. LAKKAPPA: All steel plants have to be discussed because of this failure, because they want to take away the Vijayanagar plant and see that Paradip is operated.

In comparison with other locations, this site has barren land, and there is no question of rehabilitation or payment of compensation. Already there is a broad gauge railway line operating at Dornakal. Around this area there is a large deposit of high quality ore required. Coal is the only point. It has to come from Bihar. The transport facility is also there.

MR. DEPUTY-SPEAKER: It is 2500 kms. from there

SHRI K. LAKKAPPA: That is not much. We have Madras Port and Mangalore port. With a view to setting up a shore-based plant, they want to shift it to Mangalore. But there we do not have railway lines, land and even the infra-structure to set up the steel plant. All this would lead to escalation in cost.

MR. DEPUTY-SPEAKER: Put the question

SHRI K. LAKKAPPA: I would like to know whether the Government of India have, during the last ten years and during the last six months, asked for any aid from foreign countries for implementation of this steel plant. The site has been selected and technical opinion has been obtained. Everything has been done. The Government of Karnataka have also spent Rs. 6 crores. But nothing has been allocated in the present Central Budget. If the Government of India want to mobilise resources for setting up the plant, they could have asked for financial assistance from foreign countries. When the world technical opinion has been that Vijaya Nagar is the ideal site for the steel plant, what are the constraints? Why is it that the financial aid from other countries has not been invited? The delay, a long one, has resulted in escalation of the cost. What are the reasons for the delay and who is responsible for it? Is there something fishy in this? The people of Karnataka are feeling today that the world aid has not been asked for. The fact that no provision has been made for the steel plant in the present Budget is a clear dereliction a slur and an insult to the people of Karnataka. The reasons for the delay should be explained. Why is it that foreign aid has not been invited for construction of this steel plant? What is the loss that we have incurred because of such a long delay? Why is it that not even Rs. 30 or 40 crores have been allocated in the Budget?

Will the hon. Minister give an assurance that the site of the Vijaya Nagar steel plant will not be changed? It should be implemented. A time-bound programme should be drawn up for the purpose.

MR. DEPUTY-SPEAKER: You are repeating the same points, five or six times. As a Presiding Officer, I have been following you.

SHRI K. LAKKAPPA: I know that, sitting in the Chair, you are following whatever I say. But I have to convince my people.

MR. DEPUTY-SPEAKER: Everybody will appreciate that you are responsible for setting up the steel plant at Vijaya Nagar.

SHRI K. LAKKAPPA: Will the Minister give an assurance that he will provide funds for this? He must also assure that Vijaya Nagar steel plant will be implemented, that it will be located at the place that has been suggested by the expert opinion. I want to know whether he will fulfil the aspirations of the people of Karnataka and, ultimately, wipe out the regional imbalance and implement the setting up of the steel plant at Vijaya Nagar and not to give any room for rumours about the shifting of the location of the steel plant from Vijaya Nagar.

SHRI PRANAB MUKHERJEE: I understand the sentiments of Mr. Lakkappa. But, at the same time, I am afraid, he has not understood the points which were mentioned. He started from the presumption as if Vijaya Nagar Steel Plant has been approved. I have repeatedly pointed out that it is yet to be approved. The Government is yet to take a decision that the steel plant will be established at Vijaya Nagar.

SHRI K. LAKKAPPA: Why delay?

SHRI PRANAB MUKHERJEE: No question of delay. The Government is yet to take a decision that the steel

plant will be established at Vijaya Nagar. Certain allocations were made because we received certain feasibility report, detailed project report was made available and certain studies were made.

It is not unusual that sometimes we want to do something. But it depends upon our means. He is repeatedly asking: what is the constraint? The constraint is very simple. If I have Rs. 750 crores, tomorrow, I can start Vijaya Nagar Steel Plant, first Phase. But the constraint is that we must have that much money. Unnecessarily, he has confused the whole issue saying about shore-based steel plant, Paradip, regional imbalance and all that. There should be a steel plant at Vijaya Nagar because limestone is there, manganese ore is there, first class iron ore is there and all that. Some sort of a commitment has been made. But, at the same time, he should neither bring in Vizag nor Paradip nor other things.

I have explained in detail, not once, on a number of occasions, so far as shore-based steel plant is concerned, we are to get 100 per cent financial assistance. We are to pay back the debt and we cannot do it unless there is an arrangement of exporting 50 per cent of the total production. That is the logic. We do not have coking coal even to maintain the present level of production. We have to import coking coal. Ash content is going high. He should keep in mind all these technical things.

He is suggesting as if MECON has suggested Vijaya Nagar as the most ideal place. That is not correct. My hon. friend is wrong there. Vijaya Nagar comes 7th. If he wants to have gradation, I can give him. If he had not raised it, I would not have brought in this thing. I would like to give the gradation....

AN HON. MEMBER: By whom?

SHRI PRANAB MUKHERJEE: It is done by MECON whom he mentioned (*Interruptions*). It is Mr. Lakkappa

[Shri Pranab Mukherjee]

who mentioned MECON. According to MECON which is the new name—it was CEDB which made earlier proposition, MECON is a successor body—Paradip is the first, Bokaro and Bhilai expansion are the second and third, Haldia is the fourth, Vizag comes next and then comes Vijaya Nagar, then comes Mangalore. Therefore, he should not raise these technical issues without going into details of these things.

I am not saying that there is not a case of Vijaya Nagar Steel Plant... (Interruptions) I am not yielding, it is not proper.

MR. DEPUTY-SPEAKER: Whatever Mr. Lakkappa says will not go on record. The Minister is not yielding.

SHRI K. LAKKAPPA: *

SHRI PRANAB MUKHERJEE: Mr. Lakkappa may agree or may not agree. But he has not understood the objective, he has not understood the problem. I am sorry to say that. He said that I have insulted the people of Karnataka. How have I insulted the people of Karnataka? I the Finance Minister made a mistake in putting the figure and if he rectifies the figure, is it an insult to the people of Karnataka? Is it an insult to the Karnataka people? He says 'What is your argument?'. He says the Karnataka people have been insulted. The Karnataka people have not been insulted. (Interruptions).

13 hrs.

MR. DEPUTY-SPEAKER: MR. Lakkappa, you are a senior Parliamentarian, you should not behave like this. I am not permitting you. Let him reply.

SHRI PRANAB MUKHERJEE: Unnecessarily he has raised the question of regional imbalance. Where is the

regional imbalance? There is no regional imbalance. (Interruptions).

MR. DEPUTY-SPEAKER: No, I am not permitting you. When the Minister is speaking, no. Please sit down, Mr. Lakkappa.

SHRI PRANAB MUKHERJEE: We are prepared to have a debate on the question of regional imbalance. (Interruptions). I am not conceding that point. There is no regional imbalance. (Interruptions).

MR. DEPUTY-SPEAKER: No, no.

SHRI PRANAB MUKHERJEE: If tomorrow somebody comes and says, 'what is the ratio of public sector investment?' (Interruptions).

MR. DEPUTY SPEAKER: No, please sit down. (Interruptions).

SHRI PRANAB MUKHERJEE: Sir, I refuse to answer the question.

MR. DEPUTY-SPEAKER: Now Mr. M. V. Chandrashekara Murthy.

SHRI PRANAB MUKHERJEE: Sir, I would like to have the assurance that they would like to listen. If three or four people simply go on shouting, what is the point of my replying? (Interruptions).

MR. DEPUTY-SPEAKER: Mr. Lakkappa, this is not correct. I am very sorry. Please sit down.

SHRI PRANAB MUKHERJEE: I strongly refute that there is any regional imbalance. There is no regional imbalance; there is no intention of the Government of India to create regional imbalance. Mere shouting will not convince anybody.

13.02 hrs.

The Lok Sabha adjourned for Lunch till Fourteen of the Clock

The Lok Sabha reassembled after Lunch at two minutes past Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]
Calling Attention to Matter of Urgent Public Importance—Contd.

Reported delay in implementation of Vijayanagar Steel Plant in Karnataka—Contd.

MR. DEPUTY-SPEAKER: Mr. Pranab Mukherjee, have you completed your reply or do you want to continue?

SHRI PRANAB MUKHERJEE: I would like to add only two points. Firstly, as I have started by saying, the Government has yet to take a decision about the establishment of the steel plant. So far as the time schedule as we are contemplating now is concerned, the detailed project report is available with the SAIL and we are expecting to have their examination complete by September. Thereafter, it will go to the Public Investment Board, and after a decision is taken in the Public Investment Board necessary allocations will have to be made. I have also mentioned on an earlier occasion that, when the decision will be taken, that is, by the SAIL Board and the Government of India, since the allocation which has been made is quite inadequate, we will have to make fresh allocation through supplementary grants.

In regard to shore-based steel plant, as I have explained, the hon. Member is completely on the wrong understanding. When we seek financial assistance for a particular project, it is not always on hundred per cent of our terms. The mutual interest is to be fulfilled. Under the present scheme as it is, we have to export half of the total products to meet our debt charges. That is why, it must be a shore-based steel plant. Even the preliminary reports which we have received from the two parties, particularly the German Company, Mannasman Demag, and the

British Davy Steels have also indicated their costs and other types of project on the basis of shore-based steel plant.

These were the two points I wanted to add.

MR. DEPUTY-SPEAKER: Mr. Chandrashekhara Murthy. Not present Mr. H. N. Gowda.

SHRI H. N. NANJE GOWDA (Hassan): The people of Karnataka trusted when the hon. Prime Minister, Shrimati Indira Gandhi, laid the foundation stone because, when the Prime Minister of a country lays the foundation stone, it is pre-supposed that such a project is technically feasible. So, people believed it. Though some people at that time canvassed in Karnataka that it was only a political declaration to mislead the people, the people of Karnataka never trusted those who were doing this canvassing, but trusted the Prime Minister because when the Prime Minister lays the foundation stone, it has got all the sanctity. So, people were under the impression that it was technically feasible. The Government of Karnataka, by 1975, had acquired 5,000 and odd acres of land, and on this land, there is no problem of rehabilitation, no problem of having to pay compensation. Of course, the Project Report was submitted to SAIL in April, 1977. The other Project Reports were also submitted. Unfortunately, maybe because the Kannadigas are having no better luck, the other projects were cleared, but this project is still pending examination by the Steel Authority.

The most unfortunate thing that has happened is this. Our hon. Minister came to this august House on the 24th and announced it. I am mentioning this because this is what has warranted us to raise the discussion here. We never wanted to irritate the hon. Minister. In fact, he

[Shri H. N. Nanje Gowda]

knows better than the others about Karnataka because he is so much attached to Karnataka; we know that he is eager to help us. But the point is this. On the 24th in this august House, it was announced that Rs. 30 crores were allotted. Subsequently in Karnataka there were hundreds of public meetings rejoicing over it and congratulating the Government of India and Prime Minister Shrimati Indira Gandhi. Also in the Karnataka Legislature, on 31st, both the Houses adopted a unanimous Resolution thanking the Government of India. My humble request is this. To the proceedings of this House which is the highest sovereign body of our country, greater sanctity should be attached. Again on the 6th, the hon. Minister comes and issues a statement rectifying his earlier statement. This has created a lot of annoyance in Karnataka. I do not want to plead in detail about the merits because the hon. Minister himself is aware that the iron content in that iron ore is the highest in the country, 63 to 68 per cent. In fact, the pellets they prepare out of dust iron do not have so much of iron content; the pellets are having an iron content only of the order of 62 to 64 per cent. But here the iron content is upto 68 per cent...

MR. DEPUTY-SPEAKER: Come to your question.

SHRI H. N. NANJE GOWDA: I am coming to it. The Chair was kind enough to use its discretion in the residuary powers and to allow some hon. Members to speak...

MR. DEPUTY-SPEAKER: That is over.

SHRI H. N. NANJE GOWDA: In fact, we had given a notice to allow a discussion under the Chair's residuary powers, and we did not insist on that when the Chair ordered that this matter would be coming up as a Calling Attention.

About the investors to come to our project—I am told; it is for the Minister to clarify it in the House—no enquiry was made about the Vijaya Nagar Steel Plant. Only for the shorebased steel plant, there was an enquiry by the Government of India as to whether there is any person to finance it and to take up the job by having foreign finance. But, for the Vijaya Nagar Steel Plant I am told, there was no enquiry to that effect. I want the Minister to clarify whether there was any foreign finance available. I request him to assure this House that an enquiry will be made, global enquiry for financing this Project will be made immediately.

The problem is like this. It has taken ten long years. The people always think that they are fooled by us. We were thinking that government with all its eagerness will help us. The ordinary people, the voters, the mass of Karnataka think that they are fooled. Since we are a party to this business, kindly tell us whether it is possible or not. At least tell the truth if it is possible or not. Let us declare finally that it is not possible. If it is possible, let us know by what date you are going to provide such and such an amount and by what date the work will commence on a top priority basis or on a war footing. Let us declare that. May be, shore-based plant may have its own advantages. I am not disputing it. For example, in Russia, they do not have any shore-based steel plant. U.S.A., which is the second largest steel producer, has 90 per cent of their steel out of shore-based project and not from anywhere else. In India, in fact, the coal problem was there. The hon. Minister has brought to our notice that now there are infrastructures available with the thermal and hydel power projects that are coming up. Besides, they have not to face any problem so far as this project is concerned. There is no compensation problem. It has got many advantages. In fact when the Prime

Minister came to lay the foundation stone for the power plant so many years ago, according to press, a complete, detailed study was available to Government by the Steel Authorities themselves.

Now let us finally understand it. That is my request. I am not irritating him. I want to know the truth. Kindly say if it is possible or not. If it is possible, let us know when the Government proposes to take this up. If it is not feasible, then kindly declare that it is not feasible. Let the people not be fooled for ever by us. That is all my request to the hon. Member.

SHRI PRANAB MUKHERJEE: Sir, I am neither fooling nor am I getting irritated. I am only placing the facts. It is a statement of facts. I appreciate the spirit of the hon. Member; I appreciate the eagerness of the people of Karnataka. The foundation-stone was laid in 1971. Until 1980 we are not in a position to tell whether the project is going to be established or no. I only explained my difficulties, with which I was confronted. In regard to the statement, perhaps, the hon. Member will appreciate that I have nothing to do with it. The Finance Minister quoted a figure and subsequently he corrected it. When it was told that Rs. 30 crores had been allocated for the Vijaya Nagar Steel Plant. There was a lot of enthusiasm in the minds of the people of Karnataka. And, as the hon. Member mentioned, even Resolutions were passed on the floor of the State Legislature congratulating the Government for taking this up. Now they are placed in an awkward position. Therefore, I had discussed this with the Finance Minister as to what we should do. In the very beginning, I told you in reply to the clarifications sought by Shri Janardhana Poojary that two decisions had been taken. Firstly let, the D.P.R. be prepared, according to time-table, by September. Let it be cleared by P.I.B. And then investment decision has to be taken by Government. We will try

to do that. I cannot commit blanketly if I cannot fulfil it, again you may come and say that you made a commitment but you could not fulfil that. The moment it is cleared we can come forward with supplementary demands for making additional allocations for this. There will be no problem.

In regard to the availability of the assistance from abroad, in all fairness to the hon. Member, I say that before it was brought to the notice, I had a discussion with him and I told him informally that I was exploring the possibility of getting some additional financial assistance for this project also. But unless we get foreign commitment it is not possible for me to commit myself on the Floor of the House.

PROF. N. G. RANGA (Guntur): What about giving priority?

SHRI PRANAB MUKHERJEE: So far as priority aspect is concerned, priority is given but there are two points. One is to give priority to establish a new plant out of hundred per cent financial assistance. We have not established a single new plant after 1970 with hundred per cent. domestic resources. Whatever we have done is to have expansion of existing steel plants because it costs less and whatever new plant we are having is tied up with financial and technical assistance given by Soviet Union. Out of our own resources no steel plant has been established. If any other plant had been taken up keeping apart Vijaya Nagar, then the hon'ble Member could have raised the objection, well you have established a steel plant out of your own resources and why you have not taken into consideration the Vijaya Nagar project. Up till now no such decision has been taken. Only in respect of Vishakhapatnam, decision has been taken where we are getting some technical and financial assistance from Soviet Union for establishing that plant. In regard to other steel plants where no decision has been taken only exploratory talks are going on.

[Shri Pranab Mukherjee]

So, Sir, priority is being given. If there had been no need for this plant I would have come and said we have taken the decision not to establish. We are still exploring the possibility of how much we can meet from our own resources and how much we will get from external resources.

In regard to quality of ore nobody would dispute that the quality of Hospet ore is of high order and we are earning money by exporting it but at the same time as the hon'ble Member is aware today due to political changes those who were at the back of Kudremukh iron-ore project are backing out. Sometimes we are confronted with such situations which we cannot control and, as such, we shall have to bear.

14.18 hrs.

STATEMENT BY MEMBER RE.
REPORTED DISAPPEARANCE OF
SUGAR DESPATCHED BY F.C.I.
FOR MADHYA PRADESH

PROF. MADHU DANDAVATE (Rajapur): Mr. Speaker Sir, with your permission I make the following statement under Direction 115:—

While replying to the Call Attention notice in Lok Sabha on 25th July, 1980 on the reported disappearance of sugar from Maharashtra despatched to Madhya Pradesh for fair price shops, Shri Rao Birendra Singh in the reply to the Call Attention notice, mentioned in his written statement in the House that "there should be no misapprehension that the quantity has disappeared."

Even when I pointed out to the Union Minister of Agriculture the details of the disappearing of sugar as mentioned in the 'Hindustan Times' of 24th July, 1980, the Minister did not budge from his statement and

emphasised that "there is no question of any large quantity disappearing in transit. Otherwise, the F.C.I. people at the receiving end would know".

The news report from Bhopal extensively appearing in the National Herald of 26th July, 1980, however, stated that the spokesman of the Madhya Pradesh Government had contradicted the Union Minister's denial of the disappearance of sugar based on Food Corporation of India reports.

The most surprising aspect of the episode is the news revealed by Times of India (Delhi Edition) of 27th July, 1980 under the caption "C.B.I. to investigate F.C.I. sugar muddle" in which it is stated that "a C.B.I. official is understood to have arrived here (Bhopal) to look into the sugar muddle of the Food Corporation of India".

The report further states that "according to official sources, he (CBI official) is likely to be assisted by the economic cell of the State Police, which has been asked by the State Government to investigate the alleged shortfall in the supply of sugar from Maharashtra by the F.C.I."

It is thus clear that the statement made by the Union Minister of Agriculture in the House on 25th July 1980 is inaccurate and hence the Minister should come out with the correction of the same".

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION (SHRI BIRENDER SINGH RAO): Sir, under Direction 115, I beg to make the following statement:

In the statement made by me on 25th July, 1980 in response to the Calling Attention Notice given by Shri G. M. Banatwalla and other Members regarding the reported disappearance of two trainloads of sugar despatched by the Food Corporation of India for Madhya Pradesh, I had said that there should be no misapprehension that the