

## RAJYA SABHA

*Tuesday, the 27th July, 1982/Sravana '5, 1904  
(Saka)*

The House met at eleven of the clock,  
Mr. Chairman in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### Project to manufacture Armoured Personnel Carrier

♦241. SHRI V. GOPALSAMY: f SHRI  
L. GANESAN:

Will the Minister of DEFENCE be pleased  
to state:

(a) whether there is any proposal under  
Government's consideration to start a project  
to manufacture Armoured Personnel Carrier;  
and

(b) if so, whether Government have  
selected the location to start a factory for the  
purpose?

THE MINISTER OF DEFENCE AND  
HOME AFFAIRS (SHRI R.  
VENKATARAMAN): (a) and (b) Yes, Sir.

SHRI V. GOPALSAMY: Mr. Chairman,  
the armoured personnel carrier, otherwise  
known as the Indian combat vehicle, is chiefly  
used by the Army to move troops in difficult  
terrain. This Indian combat vehicle is gene-  
rally capable of movement on land as well as  
on water. So far we have been importing  
these vehicles from foreign countries. Now, I  
appreciate Government have taken such a  
decision to manufacture indigenously this  
prestigious carrier because in part (b) of the  
reply, he has said, "Yes".

I would like to know from the hon.  
Minister which place has been selected for  
starting such a project.

fThe question was actually asked on the  
floor of the House by Shri V. Gopalsamy.  
882 RS—1.

SHRI R. VENKATARAMAN: Medak in  
Andhra Pradesh.

SHRI V. GOPALSAMY: Mr. Chairman, I  
am really shocked at this answer...

MR. CHAIRMAN: Why should you be  
shocked?

AN HON. MEMBER: He wanted it in  
Tamil Nadu.

MR. CHAIRMAN: You have shocked Mr.  
Reddy.

SHRI V. GOPALSAMY:...because  
steel fabrication forms part of the work.  
Trichy in Tamil Nadu is an ideal place for  
locating this project because this advanced  
technology is readily available at the Welding  
Research Centre attached to the BHEL  
Complex at Trichy; the other potentialities,  
the required skilled resource, of the talented  
and experienced staff and workers are also  
available in the Ordnance Factory at Trichy.  
Previously, whenever Defence Ministers  
visited, they had given assurances that Trichy  
would be selected...

MR. CHAIRMAN: Mr. Gopalsamy, I will  
cut short the whole thing. Are you asking for  
another or are you wanting that the Andhra  
one should go out to Tamil Nadu?

SHRI V. GOPALSAMY: I want to say that  
because it was assured by the Ministry. And  
some officers were sent for special training to  
Russia also from the Ordnance Factory at  
Trichy. I am very sorry because we have lost  
our share and it has gone to some other place,  
to Medak in Andhra Pradesh.

Anyhow, I would like to know from the  
hon. Defence Minister— even before he  
became Defence Minister, the decision would  
have been taken, I think—whether Trichy also  
will be considered for starting another project.

SHRI R. VENKATARAMAN: Sir, a number of places were considered among which Trichy is one. The decision to locate it in Medak was taken on the basis that it was a backward district and also because, there are no industries there.

SHRI V. GOPALSAMY: Trichy and Pudukottai are really very backward. Our hon. Defence Minister- himseU knows; he comes from there.

SHRI R. VENKATARAMAN: I cannot accept that Trichy is backward because one of the biggest engineering units, BHEL, is located at Trichy...

SHRI V. GOPALSAMY: What about Pudukottai?

SHRI R. VENKATARAMAN:... and people will not accept it.

I can understand the hon. Member's anxiety to have something in Tamil Nadu. As and when other projects, come up, Trichy will be duly considered.

SHRI B. SATYANARAYAN REDDY: Sir, the Minister told us that they have selected Medak as it is a very backward area and there are no industries there. I would like to draw the attention of the Minister that there are more backward areas in Andhra Pradesh than Medak, areas like the Mahboobnagar District and Adilabad District which are very backward. There is no facility even for irrigation; there are no industries in these districts. Like-wise there are many other districts in Andhra Pradesh which are very backward compared to Medak! So, I would like to know from the Minister whether you have taken into consideration all these factors in selecting Medak for this factory. Or has the Minister taken into consideration the fact that the Prime Minister happens to be the MP. from that constituency? I would like to know whether the Minister is going to reconsider it

and have the factory in the most backward place in Andhra Pradesh like the Mehboob Nagar and the Adilabad Districts.

SHRI R. VENKATARAMAN: Sir, a number of backward districts were considered. We have now a policy that as far as possible new units, particularly in the Government and defence sector, should be located in no-industries districts and in most backward districts. I do not think my hon. friend will deny that Medak is a backward district.

SHRI SATYANARAYAN REDDYs  
There are other backward districts.

SHRI R. VENKATARAMAN; All over India, for the information of the hon. Member I can tell, 100 districts have been identified as no-industries districts. Therefore, you will have to give them as and when new projects are set up.

MR. CHAIRMAN: It is a case of what Orwell said, more equal than others.

SHRI R VENKATARAMAN; Some people are more equal. All people are equal but some people are more equal.

Another thing, I want to make clear. The fact that the constituency is the Prime Minister's constituency,' does not disqualify it from being given the project.

MR. CHAIRMAN: I think the last sentence was hardly required. That will bring in the question *of* more equal than others.

SHRI R. VENKATARAMAN; Because the insinuation was made, I said it.

SHRI N. P. CHENGALRAYA NAIDU: Is it not a fact that Andhra is more backward compared with Tamil Nadu? In Tamil Nadu in every district there are industries. At Avadj

there is a big tank factory. In Andhra Pradesh in the defence sector this is the first factory that is being started. Why should Mr. Gopalsamy have objection?

SHRI V. GOPALSAMY: The infrastructure is readily available in Trichi in Tamil Nadu. That is my point. It is an ideal place, better than Medak.

SHRI N. -P. CHENGALRAYA NAIDU: There are better facilities in Andhra than in Tamil Nadu.

SHRI V. GOPALSAMY: Because of local patriotism he is saying like that.

MR. CHAIRMAN: If there is one thing that I do not want, it is the fight between the States—on these things. I think it is not good for our country.

SHRI SADASHIV BAGAITKAR: May I know from the hon. Minister what procedure was followed before reaching this Orwellian decision? The cost structure is bound to be affected if the ancillary industries are not available, if the transport cost increases, which is very likely to go up in Medak and if steel and other factors which would be required for this project are to be brought from long distances. So, I would like to know from the hon. Minister, before the decision was made regarding Medak, whether any other proposal was there? Was any committee constituted to have comparative studies of the different sites suggested for the project and finally this was selected? Was any such procedure adopted, and if no such procedure was adopted, what would have been the cost structure of this project in Medak had it been placed somewhere else? That, I would like to know from the hon. Minister.

SHRI R. VENKATARAMAN: Sir, a procedure was adopted. A committee was constituted, and that committee recommended three

States—one, Andhra Pradesh; another, Karnataka; third, Maharashtra. Government went into the recommendation of all these various places and finally chose Andhra Pradesh, to place the project at Medak—because it is backward.

There is always a conflict in principle. If you want to locate industries which have economic viability, then, you have to concentrate them where there are facilities. If you go on concentrating, then, you will be offending the principle of regional dispersal and correcting the regional imbalance. Government attaches very great importance to the principle of correcting regional imbalances and that is why they have chosen the principle of locating major industries in backward areas and in no-industry districts.

MR. CHAIRMAN: I think that is enough. Question No. 242.

SHRI NIRMAL CHATTERJEE: What is the meaning of economic viability when it refers to defence industries? Will the Minister kindly explain.

SHRI R. VENKATARAMAN: Sir, we balance considerations. We do not go only by economic viability. We do not go only by backwardness. We balance these considerations and arrive at a decision.

SHRI NIRMAL CHATTERJEE: What is the meaning of economic viability in terms of defence industries?

SHRI R. VENKATARAMAN: Economic viability is calculated in various terms. In certain places, raw materials will be available. In certain places, labour may be cheap. In certain places, infrastructure like power may be available. All these considerations are taken into account in coming to a decision.

SHRI NIRMAL CHATTERJEE: You have not answered my question...  
(Interruptions)