

## RAJYA SABHA

Monday, the 2nd August, 1971/Sravana 11, 1893 (Saka)

The House met at eleven of the clock,  
MR. CHAIRMAN in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### IDIKKI PROJECT

\*294. SHRI M. K. MOHTA:†

DR. B. N. ANTANI:

Will the Minister of IRRIGATION AND POWER/सिंचाई और विद्युत मंत्री be pleased to state:

(a) whether it is a fact that the Idikki hydro-electric project which was scheduled to be completed in 1971 is not likely to be completed even by the end of 1973;

(b) whether it is also a fact that the cost of the project which was initially estimated at Rs. 40 crores has exceeded Rs. 70 crores with not even half the work completed;

(c) if so, the reasons therefor and the extent to which the expenditure is likely to rise further as a result of the delay in its completion; and

(d) the steps contemplated by Government in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER/सिंचाई और विद्युत मंत्रालय में उ.मंत्रि (SHRI BAIJNATH KUREEL): (a) to (d) A statement is laid on the Table of the House.

#### STATEMENT

(a) The Idikki Hydro Electric Project which was expected to be commissioned in the late 1970 has been delayed and the first generating unit is now programmed to be commissioned in 1974.

(b) The estimated cost of the project, as sanctioned earlier was Rs. 49.22 crores. This has since been revised to Rs. 68.2 crores in 1968. The total expenditure incurred upto the end of March 1971 is about Rs. 34 crores.

(c) Delays in the progress of project have been mainly due to labour disputes, resulting in frequent strikes, and stoppage of work. This has resulted in increased costs.

Also other reasons for increase in the costs are:

(1) increase in the unit rates since 1961.

†The question was actually asked on the floor of the House by Shri M. K. Mohta.

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(2) increase due to change in type of structures, i.e., changing Kulamavu dam from earth dam to masonry dam and Cheruthoni dam from masonry to concrete. These were done with a view to complete the project two years earlier.

(3) increase in the cost of electrical machinery as a result of devaluation and increase in costs.

The Kerala State Electricity Board has reported that as per present conditions, the project cost is likely to touch Rs. 80 crores.

(d) The following steps have been taken by Government to ensure that the first unit at Idikki is commissioned according to revised schedule:

(i) A high level Board under the Chairmanship of the Minister for Power, Kerala State has been set up to review the planning and execution of the project and to recommend remedial measures to overcome the bottlenecks experienced from time to time;

(ii) An Industrial Relations Committee has been set up entrusted with prompt settlement of labour disputes;

(iii) Additional construction machinery is being obtained.

SHRI M. K. MOHTA: Sir, this is an extremely serious matter. The Idikki project in Kerala is very important to the economy of Kerala, and although the project report was prepared in 1963 the estimated cost there was considered to be only Rs. 40 crores. The hon'ble Minister says that the cost now is likely to touch Rs. 80 crores. Information from private sources suggests that even this is a conservative figure; the actual cost may be Rs. 90—100 crores. Sir, the hon'ble Minister says in paragraph (d) of the statement:

“An Industrial Relations Committee has been set up entrusted with prompt settlement of labour disputes;”

One of the three major reasons for the delay is due to labour disputes resulting in frequent strikes. May I ask the hon'ble Minister whether he has taken up at the highest possible level in the Cabinet or with the Prime Minister the desirability of curbing the Naxalite activity which results in terrorism and indiscipline and which has resulted in 50 strikes up till now on the project site which has completely paralysed the work of the project?

Secondly, Sir, May I ask whether the Kerala Government has requested, in the meantime, the Central Government to set up an atomic power plant or perhaps a thermal power station based on furnace oil and, if so, what is the decision of the Government in respect of these two requests of the Kerala Government?

DR. K. L. RAO: Sir, it is true that the Idikki project, which is a very important one especially for Kerala, is very greatly delayed due to labour problems, and myself and the High Commissioner of Canada, who is very much interested in the project because they are financing it, both of us go almost every three months, discuss with the Chief Minister and other Ministers there. They are also very anxious about the project. Unfortunately, some undesirable elements have entered into some of the project areas. They are not under the control of any organised labour union or leader. That has been the main trouble. We have been thinking of so many other alternatives of organising the work through other agencies. Still we are watching because the Chief Minister has promised that he will take very drastic action if the labour gives trouble.

Then, about the other question, Sir, about Kerala having an atomic power station or thermal station using furnace oil, the main point here is that Kerala has lot of hydro-electric power. But in order to increase greater value of the hydro electric project power generation it will be better to have a station based either in the conventional method or through atomic energy because then the peaking load can be easily taken by hydro-electric projects which may be cheaper and much better. Therefore, we have been thinking of how to do this. First, we are thinking of setting up a thermal station at Cochin. In fact, one was sanctioned some years ago but has been given up because furnace oil is not available. The Ministry of Petroleum and Chemicals is not able to spare furnace oil for this purpose; they have got many other uses for furnace oil. Therefore, they are not able to give any spare furnace oil. So we are thinking of how best to generate base load power. May be, we may have an atomic power station somewhere in the Southern region. A portion of that power will have to come to Kerala. But it is not definite.

SHRI M. K. MOHTA: Sir, a brief question. Sir, in view of the fact that the delay in the completion of this project is likely to cost the Kerala Exchequer revenue to the extent of a hundred crores of rupees a year, and also in view of the fact that industrial development in Kerala has come to a virtual standstill for want of power, may I know what interim arrangement have the Government in mind? Can the hon'ble Minister suggest some date by which the proposed atomic power plant would be commissioned so that Kerala might get some relief, or is there any other interim measure? Moreover, Sir, may I ask whether it is a fact that the equipment that has been purchased from Canada is lying ready there with

spaces for shipment? What are the plans of the Government in respect of that equipment?

DR. K. L. RAO: It is true that if the Idikki project is not commissioned early, there will be a shortage of power in Kerala instead of a surplus. We are expecting Kerala to have a surplus of power and to be able to contribute power to the southern region. So, the only way to overcome the shortage is to expedite the Idikki project. Atomic energy or any other method will take seven to eight years. So, that is not the solution. The only solution to overcome the shortage of power in Kerala is to expedite the work and see that the Idikki project goes through as quickly as possible. It is true that the equipment is there and everything is there. There is enough of money also for the project. Everything is set and the project is going on very well except in some parts of the project—not in every part—and in Kulamavu in particular. In Kulamavu it is delayed on account of the unfortunate labour trouble. Therefore, what we can do now is only to take this most seriously and try to expedite this project. Any other project will not be of much help to Kerala.

SHRI R. T. PARTHASARTHY: Sir, I would like to know from the Government whether the estimated cost of Rs. 40 crores for the Idikki project would now demand at least Rs. 70 crores or more, whether this increase is due to wrong planning besides labour trouble and, if so, what are the reasons therefor.

DR. K. L. RAO: The original cost was Rs. 49 crores, not Rs. 40 crores. That was based on the 1961 estimate. Later on it was revised and sanctioned for Rs. 68 crores. And recently the Kerala Government has stated that it might go from Rs. 68 crores to Rs. 80 crores. I do not think it will go beyond Rs. 70 or Rs. 75 crores because the machinery and everything has been purchased. The prices have been settled and there will be no increase on account of the electrical machinery. The only increase will be due to labour trouble and that also cannot go excessively. I expect it will be between Rs. 70 and Rs. 75 crores.

SHRI R. T. PARTHASARTHY: My question was whether it was due to wrong planning.

DR. K. L. RAO: I am coming to that. I wanted to say that the original estimate was 49 crores and not Rs. 40 crores. I have already given in the statement the reasons for this increase. It is not due to wrong planning. It is mainly due to increase in the cost of machinery and labour. For example, an unskilled labourer who was getting Rs. 2.20 per day in 1961 is now getting Rs. 5.30 per day. It has gone

up more than double. Similarly materials have gone up very high in cost. Added to that, the stoppage and delay in work also contributed to the increase. So it is not wrong planning. In this project there is a certain amount of increase which we could have avoided if the labour had not given so much trouble as it is giving now.

**श्री निरंजन वर्मा :** आपने वक्तव्य में जो कारण बताये हैं उन कारणों के अतिरिक्त क्या यह बात सही है कि वहां के मजदूरों ने यह धमकी दी है कि उनके साथ पक्षपात होता है और अन्याय होता है और उन्हें जितनी काम करने की सुविधाएँ दी जानी चाहिये उतनी नहीं दी जाती है और इसके कारण वहां पर हड़तालें होती रहनी हैं और आपकी तरफ से भी वहां पर पूरी तरह से लोहा नहीं दिया गया, इस कारण से भी उन परियोजनाओं को जारी करने में देर हो रही है।

**DR. K. L. RAO:** No, Sir, the hon. Member is not correctly informed of the facts. The labour is treated best there. Of all the projects I have seen, the labour is treated best in Kerala. The costs have gone up very high. A skilled labourer was getting Rs. 3.50 per day in 1961. Now he is getting Rs. 6.60. The increase has been very high. Therefore, there is no question of the labour not being treated well. Regarding the other question, steel and cement requirements are all fully met. That is one of our very high priority projects. We are even prepared to give them additional finances. This year Rs. 10 crores has been set apart. If the project shows progress, we are prepared to give them additional funds. We are giving it the highest priority.

**SHRI P. C. MITRA:** May I know whether it is a fact that the minimum labour wage in Kerala is Rs. 5 and that most of the strikes that were caused were due to the refusal of the contractors to pay the minimum wage that had been fixed by the Government of Kerala earlier? May I also know whether, after the ushering in of the new Government of Shri Achuta Menon, there have been any strikes and what action the Government envisages to prevent the strikes? The Chief Minister has assured that he will take drastic action. What action, if any, has been taken either on the contractors or on the labour if there has been any strike during the present Ministry?

**DR. K. L. RAO:** I do not think there can be any complaint from the labour. They are being treated very well as I have submitted earlier. They are being given excellent treatment,

**SHRI ARJUN ARORA:** But they are not being paid well.

**DR. K. L. RAO:** They are being paid very well. If there is any place in India where they are being treated very well, it is at that spot. Yet, during the time of Shri Nanboudiripad and also now the only trouble has been that of labour. Some trouble was there before and it has been continuously going on, and it has been beyond the control of the Government and union leaders. I am daily in touch with the union leaders, the leaders of the CPI, CPM, etc. Only Naxalites I cannot get into touch with because I do not know who is a Naxalite. We are trying to do our best in all ways. I would submit that under Shri Achuta Menon's Ministry vigorous action is being taken and there is much greater determination on the part of the Government to see that they take every effective step to prevent labour trouble from impeding the project.

**SHRI K. P. SUBRAMANIA MENON:** The Minister has given four reasons for the increase in cost. Would he please state what the increase is in the cost of each of these items separately so that we can have an estimate as to what the main reason is for such increase? Secondly, may I know whether it is not a fact that some at least of the labour problems there were created by the contracting firm, the Hindustan Construction Company, by refusing to implement the agreements reached by the labour leaders and the Company under the auspices of the Government? Thirdly, may I know whether this Company has resorted to this sort of practice in order to delay the project because in the agreement with the Electricity Board there is a clause that the Company will be compensated for delays in commissioning the project?

**DR. K. L. RAO:** The Hindustan Construction Company, I am glad to say, has been doing an excellent work here in spite of the very large amount of labour trouble. It has done very good work in Pamba Project and it is also doing very good work here. The Kerala Electricity Board has nothing to complain so far as far as I have heard. They have been dealing with labour very well. I would submit that the trouble on account of labour is really not at every construction works. It is at a place called Kulamavu. It is entirely at a different place, and there it is the Naxalites who seem to be in great majority. The trouble spot in Idikki is at Kulamavu. That is the critical item. That is where we get the trouble. The rest of the work is being done. Because of this trouble the project could not be completed. The trouble is entirely at a different place. With regard to the other question, the honourable Member wanted to know the excesses that are there for each item. So far

as we have analysed, it is about Rs. 4 crores on account of change of design, Rs. 10 crores on account of devaluation and in crease in the cost of electrical machinery, and the rest is due to the increase in labour wages.

\*295. [The questioner (Shri Suraj Prasad) was absent. For answer vide cols. 27-28 infra.]

#### DELEGATIONS FROM USSR TO STUDY WORKING OF INDUSTRIAL UNITS

\*296. SHRI T. G. DESHMUKH:

SHRI A. G. KULKARNI†:

SHRI N. P. CHAUDHARI:

SHRIMATI VIMAL PUNJAB DESHMUKH:

DR. (MRS.) MANGLADEVI TALWAR:

SHRI S. B. BOBDEY:

Will the Minister of INDUSTRIAL DEVELOPMENT/औद्योगिक विकास मंत्री be pleased to state:

(a) the number of various delegations received from the U.S.S.R. to study the working of the industrial units pertaining to his Ministry during the last two years; and

(b) what was the nature of their observations and what steps Government have taken to implement their suggestions to improve the working of these units?

#### THE MINISTER OF INDUSTRIAL DEVELOPMENT/औद्योगिक विकास मंत्री

(SHRI MOINUL HAQUE CHOUDHURY):

(a) and (b) A statement is laid on the Table of the House.

#### STATEMENT

(a) and (b) A high level delegation headed by Mr. Antonov, Soviet Minister for Electrical Industries visited the Heavy Electricals Equipment Plant, Hardwar of the Bharat Heavy Electricals Limited during December, 1969. The members of the Delegation examined the stage of development of manufacturing capacity at the Heavy Electrical Equipment Plant, Hardwar and expressed their satisfaction with the progress made in construction, erection, and related activities. They made certain recommendations regarding the steps to be taken for filling in the order-book quickly, especially for 200 MW thermal generating sets and speeding up the construction of the Electrical Stamping Shops and Cast-Iron Foundry. They made certain general suggestions regarding the strengthening of commercial and design departments in the factory. The Soviet Minister had a final round of discussions

with the then Minister of Industrial Development on 22nd and 24th December, 1969 and also with the Minister for Irrigation & Power on 24th December, 1969. The Management of the Bharat Heavy Electricals Ltd., has been following up the recommendations and implementing them to the maximum extent possible.

Another delegation consisting of Soviet experts and headed by Mr. N. A. Bezous, Deputy Minister of the Ministry of Instrumentation of U.S.S.R. visited Instrumentation Ltd., Kota in February-March, 1970 and reviewed the progress of the Plant, its economy and plans for further development. At the end of the discussions a Protocol was signed in New Delhi on the 6th March, 1970. According to the Protocol in order to provide sufficient load for the production capacities available at the plant and to meet the requirements in diversified range of products for the fertiliser and chemical industries, the Soviet side confirmed its agreement to provide for manufacture at the Kota plant, when required, of new types of pneumatic instruments, functional blocks, transmitters and controllers. Design documents and other facilities for training of Indian specialists in the plants in the USSR and deputation of Soviet specialists would be agreed to between the Kota plant management and the Soviet authorities. In pursuance of the provisions of the above Protocol the proposal of the company to manufacture pneumatic instruments has been approved by the Government. The scheme is presently under implementation.

Apart from these two delegations a delegation headed by Mr. S. A. Skachkov, Chairman, State Committee of the USSR Council of Ministers for Foreign Economic Relations visited India in February, 1970; the delegation apart from visiting Bokaro and Bhilai had general discussions on the state of working of the various public sector industrial undertakings set up with Soviet Collaboration with the Ministries concerned.

SHRI A. G. KULKARNI: May I know whether the Minister is aware that the sum total of the whole statement boils down to two or three problems? In the Russian aided plants located in India particularly—the same story is there in all other aided plants—there is always under-utilisation of the capacity. Then there is the problem of management and sales of the products. May I know from the hon. Minister whether in view of the facts mentioned by him in the statement itself, it has been seen that under-utilisation is the bane of these projects in the public sector? It was pointed out by Skachkov Mission previously that the USSR will help this country in finding out orders for the products manufactured in India from third countries. They have assured like

†The question was actually asked on the floor of the House by Shri A. G. Kulkarni.