

RAJYA SABHA

Monday, the 5th August, 1968/jj/A

14*A Sravana,, 1890 {Saka}

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

MEMBER SWORN

Shri Rizak Ram (Haryana)

ORAL ANSWERS TO QUESTIONS**REORGANISATION OF PUBLIC SECTOR
STEEL PLANTS**

*297. SHRI A. G. KULKARNI : f
SHRI N. R. MUNISWAMY :

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

(a) whether the reorganisation plan of the
Public Sector Steel Units is now complete ;

(b) if so, what are the details of the
reorganisation scheme ; and

(c) whether Government have finally
decided upon the selection of the Chairman of
the Hindustan Steel Ltd.?

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL, MINES AND
METALS (SHRI P. C. SETHI) : (a) and (b)
The details of the Management Reorganisation
of Hindustan Steel Limited are contained in
the Statement of the Minister for Steel, Mines
and Metals which was laid on the Table of the
House on the 20th March, 1968. The question
of the re-constitution of the Board in terms of
this Statement is under the active con-
sideration of Government.

(c) The new Chairman of Hindustan Steel
Limited joined on 29th May, 1968.

Shri A. G. KULKARNI : These public
sector units have got a pride of place in our
public sector and their utter failure to show
results has really created a frustration. In view
of this may I know from the Government
whether the Government have thought over
this? And what are the reasons

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

1—19R.S./68

for the change in policy ? In 1963 Mr. C.
Subramaniam announced a policy and on 20th
March 1968 another policy has been
enunciated. May I know what led them to
change the policy and whether while changing
the policy the Government has taken into
consideration the maladies which are inbuilt
in the steel sector like high inventory,
bureaucratic management of lack of
imagination in product diversification?

SHRI P. C. SETHI : Madam, the Board of
Directors of the Hindustan Steel Ltd. was
reorganised in 1963 and later on this question
was again reviewed once by the Public
Undertakings Committee and its 28th Report
was placed on the Table of the House.
Secondly the Pande Committee also reviewed
this question and their Report is also available.
In 1967 we had the Administrative Reforms
Commission's Report and they also suggested
certain changes. Fourthly the former Steel
Minister visited the U. K. and studied the
structure of their Steel Companies and
Corporations. In view of all these, particularly
in view of the 28th Report of the Public
Undertakings Committee this reorganisation
has been undertaken and on account of this
reorganisation there will be a full-time
Chairman and two full-time Deputy Chairman
and three functional Directors besides other
members of the Board of Directors. This was
necessitated in view of the change in emphasis
from production on tonnage basis, to the
consumer sensitiveness and to effect
economics in the plants. It is, true, Madam,
that the Hindustan Steel Ltd. has not shown
results as desired and these changes are
contemplated with a view to effect economies
and have more effective budgetary control.

SHRI N. R. MUNISWAMY : Madam, the
Minister has mentioned the structural changes.
In view of these structural changes I want to
know how far they have been able to succeed
in infusing efficiency in the management in
order to meet the challenges of the new
conditions that are coming up because of the
heavy losses incurred by these production
units.

SHRI P. C. SETHI : I have already said,
Madam, that the Chairman has

been appointed. Mr. Chandy has taken over on 29th May and the Deputy Chairman is also in position and we are in search of three functional Directors.

SHRI A. G. KULKARNI : May I know from the Government if one of the reasons for the failure of the public sector, in particular the Durgapur unit, is the rivalries among the labour unions ? Similarly there is another desire of the labour not to fall in line as regards work force adopted by the feasibility studies. May I know whether the Government is going to stand strong in dealing with such elements which are not in national interests and which are hampering production in the steel sector ?

SHRI P. C. SETHI : Madam, it is true that the labour situation in the Durgapur steel plant particularly has not been very happy and it is on account of the inter-Union rivalries. It is also a fact that on account of the labour situation the production has gone down in Durgapur. We are now trying to see that the genuine demands of the labour are met sympathetically. With regard to the particular demand about work force it will perhaps be difficult for the Government and the management to accept their demand because in respect of the work force we have to go by certain scientific basis and if the demand is to put in a larger number of men when the actual production has not been gone into, it is difficult to accept the demand.

SHRI ANANT PRASAD SHARMA : For filling up posts some minimum criterion is laid down. May I know what is the minimum criterion laid down and what are the conditions for filling up posts in the Hindustan Steel Ltd.?

SHRI P. C. SETHI : Madam as far as the appointment of the Chairman is concerned it is the general administrative ability that has to be taken into consideration and it is from that point of view we have selected Mr. Chandy.

SHRI ARJUN ARORA : May I know if it is not wrong on the part of the Government to blame labour for the losses suffered by the Durgapur steel

plant whereas the fact is that the Government has not been able to appoint a General Manager for that plant for the last one year because the General Manager whom the Government wants to remove refuses to go cut and the Government are helpless in the matter? There is no General Manager and no management of the plant at Durgapur and in the circumstances it will be very wrong of the Government to blame labour and the inter-Union rivalries.

SHRI P. C. SETHI : Madam, the Durgapur Steel plant has a General Manager now. Gen. Wadhera has taken over as Director-in-charge.

SHRI ARJUN ARORA : He is not the General Manager.

SHRI P. C. SETHI : He is the Director-in-charge. Because of the difficulty and the case in the High Court filed by the former General Manager we could not appoint a General Manager as such but a Director-in-charge has taken position. It is also true that there are certain technical difficulties which have been found out by the Pande Committee. At the same time it is also very true that the labour situation in Durgapur is not happy.

VIGILANCE WORK BY SENIOR DEPUTY GENERAL MANAGERS OF RAILWAYS

*298. SHRI A. C. GILBERT: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that in the Zonal Railways, Senior Deputy General Managers also look after the vigilance work;

(b) whether it is a fact that some of the Senior Deputy General Managers have been detected to have indulged in corrupt practices themselves;

(c) if so, the number of such Senior Deputy General Managers, Zone-wise who indulged in corrupt practices during the last 5 years; and

(d) the nature of corrupt practices indulged in by each of them and the action taken against each of them?