

RAJYA SABHA

*Monday, the 5th August, 1968/†the
14th Shravana, 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 : †
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 Hindu-
stan 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 pub-
lic 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

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 considera-
tion 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 review-
ed once by the Public Undertakings
Committee and its 28th Report was
placed on the Table of the House.
Secondly the Pande Committee also re-
viewed 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 Direc-
tors. This was necessitated in view of
the change in emphasis from produc-
tion on tonnage basis, to the consumer
sensitiveness and to effect economies 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 bud-
getary control.

SHRI N. R. MUNISWAMY : Madam,
the Minister has mentioned the struc-
tural changes. In view of these struc-
tural changes I want to know how far
they have been able to succeed in in-
fusing 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

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

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 out 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. Wadhwa 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?