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**CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE****FAILURE OF THE GOVERNMENT TO APPOINT FULL-TIME GENERAL MANAGERS IN THE THREE STEEL PLANTS**

**SHRI CHITTA BASU** (West Bengal) : Sir, I beg to call the attention of the Minister of Steel, Mines and Metals to the situation arising out of the failure of the Government to appoint full-time General Managers in the three Steel Plants of the Hindustan Steel Limited.

**ENQUIRY RE CALLING ATTENTION NOTICE****THE SITUATION IN WEST BENGAL**

**SHRI BHUPESH GUPTA** (West Bengal) : Sir, before the answer is given, the Prime Minister is here. I have my calling attention notice pending for two days. Again I have given a notice about the Bengal situation.

**SHRI ARJUN ARORA** (Uttar Pradesh) : What is this, Mr. Bhupesh Gupta? You are not the Minister of Steel. You cannot rise like this. Sir, he is not yet the Minister of Steel.

**SHRI BHUPESH GUPTA** : I am not answering.

**SHRI ARJUN ARORA** : Then sit down.

**SHRI BHUPESH GUPTA** : I was asking the Prime Minister. You have not understood it.

**MR. CHAIRMAN** : I shall come to it after that. Mr. Chitta Basu.

**SHRI CHITTA BASU** : I have already called his attention.

**CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE****FAILURE OF THE GOVERNMENT TO APPOINT FULL-TIME GENERAL MANAGERS IN THE THREE STEEL PLANTS—continued.**

**THE MINISTER OF STEEL, MINES AND METALS (DR. M. CHANNA REDDY)** : Sir, at the outset, I would like to express my thanks for the interest taken by hon. Members in the efficient management of the public sector steel plants in which heavy investment of national resources has taken place. Such keen interest is a source of strength

to me in dealing with the difficult problems confronting these enterprises. I would hasten to reassure the House that there are adequate and secure arrangements for the day-to-day management of the HSL Plants. The apprehension expressed perhaps arise out of misleading reports appearing in the press. I am happy to have this opportunity to furnish full information to the House and to remove some of the misunderstandings. In the Bhilai Steel Plant, the present incumbent has been functioning as General Manager since December, 1966. He has recently proceeded on leave for medical treatment. In his absence on leave the day-to-day affairs of the Plant are looked after by a Committee of Senior Officers belonging to the Plant.

At Rourkela, the General Manager was in position till a few days back. Consequent on this Officer's appointment as Deputy Chairman, HSL, I have already selected an Officer to fill the post of General Manager. His case for appointment is being processed. Meanwhile, the Committee of senior Officers is dealing with the day-to-day affairs of the Plant. I expect that the new General Manager will assume Office very shortly.

As far as Durgapur is concerned, the House is aware of the steps I took to revitalise the Management in the wake of the Report of the Pande Committee. This involved the removal of the General Manager from service, alongwith the Chief Superintendent of the Coke oven Plant and the Foundry Manager. The Government's decision in regard to the General Manager could not, however, be carried out on account of injunction orders received from the Calcutta High Court. It will be appreciated that a new General Manager cannot be appointed till the decision of the High Court become available. At the instance of the Government, however, the High Court had agreed to relieve the former General Manager of his powers. Thanks to these orders; it was possible to appoint the General Manager of the Rourkela Steel Plant as a Director of Hindustan Steel Limited and place him incharge of the Durgapur Steel Plant in addition to his own duties. This was done in view of this officer's prior association with the Durgapur Steel Plant and special knowledge of its problems. Apart from this, a new General Superintendent was posted at Durgapur. Besides, two Assistant General Superintendents have been placed in position to reinforce the management. To place the coke-oven

[Dr M Channa Reddy]

batteries back on their feet, a new Chief Superintendent has been placed incharge of this unit I have already made the selection of another officer for the post of General Manager of the Plant and the case of his appointment is now being processed. Until he joins there, the Committee of Senior Officers has been constituted to deal with day-to-day matters.

I have been keen that the Head Office of Hindustan Steel Limited should also be strengthened in order that they provide effective assistance to the Plant Managements besides exercising their control and policy functions properly. As a first step towards this a new post of Deputy Chairman has been created, besides that of the Chairman I propose to initiate further measures in this direction as part of the scheme of reorganisation the details of which are being worked out.

I might state that the Chairman of Hindustan Steel has retired only on 6th of this month. In addition to the creation of a new post of Deputy Chairman and appointing a very senior and experienced Officer Shri A N Banerjee on the post, I am also making attempts to secure the services of a capable and an experienced person to be appointed as Chairman of the HSL. I am fully conscious of the feeling that this post would be extremely important and a search has to be made for a suitable person from a larger area and different sectors including private sector. It is from this point of view I have been attempting for the last 3 months or more to select a suitable person. This also would involve certain relaxations in the usual set of rules, so that the selected persons can have the flexibility and also free hand to deal with the situation properly and fully and to assume the responsibility in its real sense of the entire organisation of the Hindustan Steel Limited. I am happy to add that the Cabinet Committee has in principle approved this approach and also the necessity of the flexibility of the terms and conditions for this post.

The House will agree with me that the efficient running of the Steel Plants depends as much on the competence of the middle and higher management levels as on the abilities of top management. It has been my endeavour to strengthen and encourage this core of personnel, in which the HSI Plants seem well placed, so that there is both

efficiency and continuity in management.

SHRI BANKA BEHARY DAS (Orissa) I raised this question in a supplementary. Now it has come in the shape of a calling attention notice.

SHRI CHITTA BASU. The fact is that a previous notice was not admitted, it was rejected on the 11th. It is admitted today. Anyway, it has been admitted. Sir, the public sector steel plants are very vital for the economy of our country as a whole. For the three public sector steel plants we have already invested a huge sum of about a thousand crores of rupees but the result has not been as satisfactory as was expected. So far as my report goes the result has to some extent, been disastrous. It incurred a loss to the tune of Rs 22 crores for the year 1966-67 and it is feared that the loss may rise to a very big figure of, say, Rs 40 crores for the coming year.

Again, Durgapur is a significant unit of the industry. As far as I am reported it is at present working at 50 per cent. of the rated capacity.

MR CHAIRMAN Why do you not put the question?

SHRI CHITTA BASU I am coming to it. I am also reported that certain new units in Durgapur have been completed. But nobody knows when all these new units will be brought into production.

MR CHAIRMAN Again you are going on with a big speech. You ought to put a question.

(*Interruption by Shri A D Mani*)

SHRI CHITTA BASU You are not the Chairman. I do not require your help. Then you see, Rourkela witnessed a great labour unrest only a few months ago. All these things constitute a very grave apprehension for this hon House.

MR CHAIRMAN Mr Chitta Basu I must again tell you that I can not allow you to make a speech. You have made enough speech. Now put your question otherwise I shall go to the next questioner.

SHRI CHITTA BASU Having regard to these very disquieting facts, may I know, Sir, from the hon Minister what steps have so far been taken or are being contemplated to be taken to meet this very grave challenge? That is number one.

Secondly, may I know whether the Government of India is contemplating to form a statutory Board like that of the British Steel Corporation for controlling and protecting the public sector steel plants of our country?

**DR. M. CHANNA REDDY :** Sir, the points that have been raised just now relate to the loss incurred by the different plants of the H.S.L. But of the factors which really led to the loss, this factor of the General Managers may be only one. But this cannot be the only and the sole factor, Sir. Particularly when in the Rourkela Steel Plant the question of bonus was raised, the General Manager was very much in position.

All the workers went on strike and created a certain confusion and dislocation in the production programme. That is how losses have been incurred in Durgapur, Sir. But things are now improving since the Pande Committee's report has been published and necessary action has been taken. The steps that have been taken subsequently have been clarified, Sir, in the statement that I have made. It is our earnest desire and attempt to see that proper management is provided for and losses are eliminated.

**MR. CHAIRMAN :** Mr. Arora.

**SHRI CHITTA BASU :** Sir, he has not answered the other point, as to whether they are contemplating to have a Board.

**MR. CHAIRMAN :** That is all right, somebody else will put that question.

**SHRI ARJUN ARORA (Uttar Pradesh) :** Sir, the statement made by the hon. Minister makes it obvious that there is a gap in the top management and this gap did not arise all of a sudden. The fact that the Chairman will retire on the 6th of December should have been known to the Minister and the Government long before. And the Minister has created a condition in which one Mr. A. N. Banerjee—he may be a competent officer, I have nothing against him—is supposed to be doing three jobs at one and the same time. He is General Manager of Rourkela; he is General Manager-designate and Director-in-charge of Durgapur; and now, he has been made the Deputy Chairman of the Hindustan Steel Limited. So there is a vacuum in the top management of H.S.L. which the hon. Minister is somehow trying to fill

by appointing one man, howsoever competent, to three posts. He has also revealed that the General Manager of the Bhilai Steel Plant has been ill for the last three months and has now gone on leave. So that plan also does not seem to have a General Manager. This Hindustan Steel Limited involves Rs. 1,000 crores or more of public money. It is correct on the part of the Minister to say that subordinates also do their jobs. But the management has a function to perform and it appears that he has been neglecting that function. May I know when the permanent incumbents to the four posts which are lying vacant will be appointed? If somebody has gone on leave on account of sickness, as a Doctor he should know that there is no certainty as to when he will come back. May I know when the Minister hopes to appoint permanent incumbents to all the four posts?

**DR. M. CHANNA REDDY :** Sir, the hon. Member has raised some points out of some misunderstanding. It is not correct to say that Mr. Banerjee—I am thankful to the hon. Member for how he feels about his competence—has been working in three places. The factual position is that he is working only as Deputy Chairman of H.S.L. and nothing more. Therefore, Sir, the question of his working in three capacities would not arise. Regarding Rourkela and Durgapur, as I have said, we have selected officers and the gap is only for the period between 6th December and now. But even for this gap, I am prepared to apologise; I am sorry for it. Even this I should have been able to avoid, but we have some difficulties in getting appropriate men in an enterprise of this type with a huge investment. Regarding the question of Bhilai's General Manager, because I happen to be a Doctor, apologise; I am sorry for it. Even this Member that I should not be in a hurry to replace him immediately by a permanent General Manager. I hope and I wish that the General Manager will be able to come back very soon and till then, we have made arrangements, with all the senior officers constituting a Committee, to look after the responsibilities and the obligations of a General Manager. That system is working sufficiently satisfactorily.

**SHRI KRISHAN KANT (Haryana) :** I am very happy that the Bhilai Steel Plant represents the political complexion of Russia—the country from which we

[Shri Krishan Kant]

got assistance for it; instead of individual leadership, there is collective leadership there now.

Now, Mr. Arjun Arora has put a very pertinent question. When vacancies were about to arise and new people were to be appointed, was it not possible for us to look a year ahead and see that this situation was going to come and that we should take care to select and appoint people in time? That is number one. Now, on the other hand, we find that in the Industrial Management Pool—there was a question on it last Friday—further selection has been stopped because too many people were recruited initially. The reply that the Home Minister gave was :

“The reason why there has been no fresh recruitment in the Industrial Management Pool is that initially there were so many people recruited and they were all not used for posting, etc. Now they are being used. Apart from that, there are some surplus people that come from time to time from various public sector concerns and they are also adjusted.”

So, on the one hand, we have surplus of people who have no jobs and on the other, jobs are lying vacant. I want to know how the Government is thinking of co-ordinating these things so that there are no surplus people without jobs and there are no posts lying vacant and proper adjustments are made.

DR. M. CHANNA REDDY : Sir, on the question of collective leadership, I do not know whether the hon. Member meant it as a sincere compliment or paid it in a left-handed way. But I would say, Sir, that this would certainly help. This was done as a temporary arrangement but this will also continue even after the General Manager comes and it will function as an advisory Committee at that level, and that is really a very useful thing. Regarding the other point about vacancies, Mr. Arjun Arora also raised it; I am sorry, I forgot to mention about it. The question was how soon we will be able to fill these posts and why there are some officers in the Industrial Management Pool without postings while there are some vacancies. This is a matter which requires to be considered and looked into from the point of view of the suitability of the officers. We have selected some officers. We had naturally to draw upon other places where they were already working

and it took some time for negotiations, and they have now agreed. The names of the officers have been finalised and it is being processed by the Cabinet Committee and it is already under circulation. My own feeling is that it should be possible in the next one or two weeks to get those people to actually take charge of the posts to which they have been appointed. The other point that was mentioned was why I did not visualise in advance this position. I had visualised it and for three months I have been trying to get the appropriate men. For an industry of this type with a huge investment of over Rs. 1,000 crores, not many people with experience are easily available. Therefore, there was this delay. I am not trying to find any justification for it. I would say I am sorry, but it was inevitable in the situation.

SHRI M. M. DHARIA (Maharashtra) : Mr. Chairman, Sir, I do appreciate the sincere efforts of the hon. Minister though I have not so far heard from him who are the officers who are responsible for not planning to have proper appointments at the proper time. Unfortunately in our country, Sir, the public sector is all the while being compared with the private sector and because of this gross negligence of ours; many times what happens is that whenever we make a demand for nationalisation or socialisation of any industry, we are immediately told, “Look at the public sector of yours. You cannot even appoint Managers at the proper time.” So under these circumstances, will the hon. Minister assure the House that those officers or Secretaries or whoever they may be who are responsible for not making these appointments in proper time, will be properly dealt with and that there will be proper planning henceforward? And, Sir, in order to have better returns from these industries where we have invested 40 per cent of our total investment in the public sector, will the Minister enquire into all the matters and see that this public sector of ours gives good returns?

DR. M. CHANNA REDDY : Sir, the question is that I should be able to give an assurance to this House. Sir, I am certainly prepared to do it and I submit to the House that it will be our effort to see that no time-gap will be there in future and we will try to do our best. Regarding the other point about who is really responsible for this kind of thing and whether any enquiry will be made and any action taken, I would like to

submit, Sir, that I am very closely associated with all the developments and we had been trying vigorously. The difficulty is that in view of the difficult nature of the work, we have not been able to get appropriate officers. We had to consult the State Governments. We had to consult the various Ministries and the Home Ministry. And ultimately we have also to take the consent of the individual officer. We have tried our best but I am prepared to concede that a little more advance planning perhaps could have avoided this delay. But I can assure the House that this will not happen in future.

**SHRIMATI VIMAL PUNJAB DESHMUKH (Maharashtra) :** Will the Minister of Steel and Mines be pleased to state if the efficiency was impaired due to the absence of the General Managers in these three plants and, secondly, may I know from the hon. Minister the total amount of losses suffered in production because of the failure of the Government to appoint full-time General Managers?

**DR. M. CHANNA REDDY :** Sir, regarding the losses incurred, I have already clarified the position and it would be very difficult to apportion the losses in this manner—due to the absence of the General Managers. There were some other factors, including economic recession, which were responsible for those losses. Even mismanagement is responsible. It is difficult to apportion what exactly the loss would be due to this factor.

**SHRI A. G. KULKARNI (Maharashtra) :** May I know from the Government whether it is seized of the anxiety shown by the House as regards the delay in the appointment of full-time General Managers? I am very sorry to say that the Government have not taken enough care especially when so much new investment is made in the steel plants. Even a shopkeeper who has got a very small shop ordinarily calculates all the risks in advance but the bureaucracy is not at all planning. I do not understand the reason for it. Now may I know from the Government whether, in the new set-up which the Minister is going to plan, he is thinking of inviting the private sector people who have got great ability to run such big plants, like Tatas or Kirlorkars, who have got patriotic records to their credit? Is he inviting them to advise the Government how to run them very efficiently? I would request the hon. Minister to consider this thing also.

**DR. M. CHANNA REDDY :** Sir, the first part I have already covered and I appreciate the hon. Member's anxiety expressed in this direction. Well, it is a fact that planning could not be done so precisely. Regarding the future organisation and also association of the private sector, I have made it clear in my original statement that we are prepared to take any man, including from among those who are in the private sector. If they come forward, we are prepared to make some relaxation and give flexibility with regard to working conditions of the technicians. It is an extremely difficult job. If I have the hon. Member's co-operation in getting anything done, I would very much welcome it.

**SHRI BANKA BEHARY DAS :** Sir, I appreciate the way in which the Minister has replied. He has said that there ought to have been some advance planning but he has not told the whole truth. He has told a half-truth or whatever that might be. The actual position is that Mr. A. N. Banerjee who was the General Manager of Rourkela was appointed, along with his General Managership, as a Director in-charge of the Durgapur Plant and he was hopping between Durgapur and Rourkela, two days in Rourkela and two or three days in Durgapur. There were more and more problems in Rourkela. The hon. Minister has not replied to another question; he was saying that information is being collected. Now one German expert came who has reported that because of not cleaning the condenser pipe every day the loss to the Rourkela Steel Plant was to the extent of Rs. 30 thousand; thus it runs into millions of rupees. He has himself reported it. In spite of this inefficiency in Rourkela, he had to devote three days for Durgapur and I will say that no new man was appointed for Durgapur; the same man was appointed. Then on the 6th Mr. Rao returned, the Chairman of the HSL. Mr. A. N. Banerjee was asked to look after the HSL at Ranchi. So, virtually he has failed because no substitutes have been appointed up till now. He has admitted that it is being processed. He is now looking after Rourkela, Durgapur and Ranchi. As a result of this there are a lot of problems in our steel plants; there is also labour discontent which is mounting. He has also appointed a few new persons and that is also a financial burden on the HSL. Will he kindly explain it?

**DR. M. CHANNA REDDY :** I am sorry to say that the hon. Member in his anxiety to discover the entire truth has treaded on a wrong ground. I have already explained the position. Mr. Banerjee is not holding the General Managership of Durgapur or Rourkela. He is only the Deputy Chairman of the HSL. He only looks after this work. He was asked to look after this work because he was familiar with it. Then the Court's orders were there and we could not immediately think of a separate officer.

Then it has been said that there was some loss according to the German expert's report. This loss was due to various other factors which I have mentioned. It would not be proper to just link up the absence of the General Manager with the loss. I have already explained the details. I am now making an attempt to get them within the next one or two weeks. I have already assured Mr. Arjun Arora about this. They will come and join soon.

**SHRI NIREN GHOSH** (West Bengal) : May I know whether he has received any representation that the Durgapur Steel Plant is not being looked after properly at all? He says that Mr. Banerjee is the Deputy Chairman and is not in-charge of Durgapur. Then who now is in-charge of Durgapur? I have been told that due to this bad management or lack of management the coke-oven batteries have been suffering damage and whatever remains of this plant is being damaged beyond repair at any time and the whole plant is coming to a very sorry pass. Then this Union, this responsible Union, commanding majority has made repeated representations and even now, even after the Pande Committee's Report things are not at all satisfactory. It is almost tantamount to sabotage on the part of the management and the Durgapur Steel Plant is being ruined almost deliberately. There is nobody to look after it. The machines that should not be used are deliberately being used and like that damage is being done and those machines which should be used are being kept idle. I want to know whether it is a fact or not.

**DR. M. CHANNA REDDY :** I am sorry the hon. Member has given me many other details, technical details, of which neither he is aware nor am I aware and nor are we competent to talk about them. The only remaining point is what arrangements were made in the

absence of Mr. Banerjee as the General Manager. In this connection I would like to refer to my original statement in which I have clearly stated that a Committee of Senior Officers has been constituted. Secondly, we have taken special care, in particular for Durgapur which has been in very unfortunate condition, to reinforce the management at various levels. We have brought a new General Superintendent and we have created two posts of Assistant General Superintendents. These posts have been filled with competent people. At the coke-oven batteries there is a new Chief Superintendent and it is properly looked after and is properly taken care of.

**SHRI AKBAR ALI KHAN** (Andhra Pradesh) : I fully appreciate the anxiety of the hon. Minister to see that proper persons are recruited but having urged all the facts about this industry, may I know whether the hon. Minister has given some thought to the fact that some of the very senior and able people, for instance the Chairman of the HSL, were not given extension until better people could be found? Why were they not given extension until you could find better people, because at the top it is really very difficult to get very efficient and experienced people to handle such a delicate situation? In such cases I would like to know why extension was not given to them till junior men competent to handle these affairs could be found.

**DR. M. CHANNA REDDY :** Sir, for the post of the Chairmanship of the Hindustan Steel Limited I am really thinking of getting in an unorthodox manner not any routine type of officer but one who has considerable experience including from the private sector. I am not in a position to disclose details at this stage because I am negotiating and even this morning I discussed with a person whom I had in mind. But this much I can assure you that Mr. Banerjee who is now the Deputy Chairman is able to take care of HSL. There can be no doubt about that.

**SHRI BHUPESH GUPTA** (West Bengal) : Sir, in this House we have on previous occasions made serious complaints about the management of the Durgapur Steel Plant but unfortunately we have not been heeded and our suggestions have been disregarded by the Government. But now you know what has happened after the Report of the Pande Committee and so on. Now my

question here is I do not share his anxiety at all His anxiety is a routine anxiety Who will say that he is not anxious about it? But have any principles been laid down because the top management in the public sector, we find from experience, is not only anti-democratic and hostile to the working class but inefficient and also in some ways connected with the big business in the private sector Now we are told, Mr Chairman, that he is prepared to consult the private sector, the big shots in the private industry to settle the question of this appointment Is he aware of the fact that now the line of the big business people in the private sector is to plant as many of their henchmen as possible in very many public sector undertakings in key managerial positions? I would like to know whether he is aware of such a thing, number one and, secondly, whether he is aware of also the fact that some of the mismanagement in Durgapur was due to the anti-labour attitude of the Durgapur management If so, what assurances are we going to have that the new incumbent, the new General Manager, will take a position different from that of the old incumbent and would not fall in the same category of people who are hostile to the workers and the normal trade union activity? Thirdly, I should like to know why the Government is not evolving a scheme by which from amongst the public sector technical personnel, management personnel who have had nothing to do with the private sector and had not gone there, such offices are filled It may be that some kind of promotion has to be given but in other countries this is done And here a vacancy is created and immediately they go to Tatas or others in order to find one of their men and then the trouble starts again And finally I should also like to know whether we have the assurance that no ICS man whatsoever would be appointed as General Manager or to such posts Therefore I want a better clarification of the policy of the Government (*Interruptions*) Not because you have asked a question accepting his premise I dispute the premise and I think there could be other ways of judging people recognising their merit and finding the people to fill these posts

DR M CHANNA REDDY Sir, I am thankful to the hon Member for rejecting my premise but I would like to assure him that I accept his premise

because he has enough of faith—I presume so—in the public sector successfully functioning Regarding the Durgapur Steel Plant it is not proper, nor fair, to suggest that the management was anti-labour nor would I like to say in a sweeping manner that the labour was anti-management, etc There have been very many reasons for the difficulties that have been created And it is again unfortunate that we should make sweeping remarks about the personnel working in the private sector, that they are being transplanted only to sabotage the public sector movement It is unfortunately a very general and sweeping remark We will certainly try to get people from whatever sector they are in if they are efficient, if they are up to the task, if they can take on the responsibility We will try to find such people and we will welcome them to do this kind of job

#### ALLOTMENT OF TIME FOR SHRI RAJNARAIN'S MOTION RE ALLEGED USE OF FORCE BY POLICE IN DELHI AGAINST U P MINISTERS

MR CHAIRMAN I have to inform Members that under rule 172 of the Rules of Procedure and Conduct of Business in the Rajya Sabha I have allotted one and a half hours for the consideration of Shri Rajnarain's motion regarding the alleged use of force by police against Ministers of the State of Uttar Pradesh in New Delhi

Now Haryana would be taken up Mr. Chitta Basu to continue his speech

#### ENQUIRY RE CALLING ATTENTION NOTICE

THE SITUATION IN WEST BENGAL—*contd.*

SHRI BHUPESH GUPTA Sir, I have been repeatedly giving this Calling Attention Notice Yesterday you said that you had sent it to the Home Minister about the situation in West Bengal Civil disobedience has started against the illegal Ministry functioning in West Bengal Now repression is going on in all places in West Bengal I went to your chamber and pointed out that it was not just the ordinary kind of thing. Police is taking revenge In Uttarpara they have entered the Pearl Mohan College and beaten up the people inside