

There has to be a certain complementarity in the world economy. In India, we are finding that you cannot have urbanization without the development of the rural areas. It just makes no sense. Similarly, on a world scale, you cannot have further progress if the disparities go on growing. It won't work. The point was brought out very well at the conference that there has to be joint thinking internationally in order to stimulate commerce and industry all over the world.

I have found one thing, that people in industry everywhere think alike, in the North, South, East, or West. If you get accustomed to the needs of industry, you start developing the kind of thinking industry demands, and that kind of thinking creates a certain pattern, which transcends everything else. . . . I wish Godspeed to the other industrialists in the rest of the world, particularly to my brothers in the steel industry. I wish them early recovery from the present distress.

Interview: V. Subramony

'Rourkela has helped develop the region'

Rourkela Steel managing director V. Subramony is an expert in blast furnaces. He had 22 years of technical experience at Bhilai Steel Plant before he became technical director at SAIL headquarters in Delhi in 1978. The interview was conducted by Hartmut and Ortrun Cramer on March 22.

EIR: We would like to discuss the role Rourkela Steel Plant has played in the development of the Indian economy and in this area.

Subramony: It has fulfilled three important tasks. First, it has been playing its important role in providing the much-needed flat products like sheets and plates. . . . [Secondly] Rourkela adopted the LD converter [basic oxygen] process, a modern technology which gave us the opportunity to develop cadre and train people here.

Thirdly, it contributed to the development of the whole area. This plant is located in Orissa state, one of the poorest states in India. Most of our employees come from the local region, particularly peasants, members of tribal groups, and underprivileged people. Rourkela has given a great push to the development of the area, and it also helped to develop a good number of ancillary industries in the area.

We have built peripheral development projects, which in addition to improving the life of the people in the steel town, have also helped in building infrastructure—like pumps and irrigation systems—as well as some schools and cattle and poultry farms. We have given a great boost to the cultural and educational development of the population. We go around the area and talk to the people once a week and offer our help.

We have more such plans in hand, which we want to accelerate. . . .

We have worked out a modernization plan for the steel facilities, and with this we also would like to make some changes in the design limitations, since the plant is over 20 years old. We want to replace certain old units, add one or two mills for enriching our product mix in order to make higher value items, and we also want to slightly expand the plant from the present 1.8-million-ton capacity to 2.5 million tons of steel per year.

EIR: The German-Indian collaboration which built Rourkela Steel Plant—did this stop or is it continuing?

Subramony: It's continuing. The first expansion from 1 million to 1.8 million ton capacity was carried out by our own design organization, but the equipment was provided by Germany. For the present modernization phase, we also have had discussions with German industries for quite some time.

They proposed to send a team of German consultants to Rourkela to study the need for modernization. But we felt that the exact needs, limitations, bottlenecks, and difficulties would be known better to people who are already working in the plant. We are keeping in touch with the German industries and our manufacturers there. Right now, we are buying a lot of spare parts from them.

The main problem for the modernization plan will be financing. The supply of equipment will depend on that. This has still to be finalized, but we hope to reach an agreement shortly.

EIR: In West Germany, it is sometimes said that Rourkela was not a success, since there have been many problems. This argument is used, by people from the Club of Rome or Brandt Commission, to demand an end to all big development projects. The steel plant and the beautiful town of Rourkela show that this argument is nonsense. But what have been the problems here objectively?

Subramony: A steel plant's performance depends to a great extent on the design and the quality of the equipment. It also depends to a great extent on the raw material base, the cultural level of the workers, and the organization of production. In the 1950s we set up three steel plants at the same time, one with the collaboration of the British at Durgapur, one with West Germany in Rourkela, and one with the Russians in Bhilai. Obviously, there has been a lot of keen observation of what was happening in the three plants. It is a fact that Bhilai had done much better than the other two plants.

There have been certain setbacks for this plant; sometimes it was considered to be in quite serious trouble after the completion of the 1.8 million ton capacity in 1966. But then production started picking up. Looking back, looking at the concepts of design, I am not wrong in saying that there were some inherent weaknesses in this plant. Compared to other steel plants in this country, it has got a very poor raw material base. Coal, of course, is a problem for all the steel plants,

but the iron ore and limestone in Rourkela are of a much poorer quality than that of any other steel plant in the country. What makes the steelmakers shudder is not the poor quality as such, but the fluctuation in the quality. There has not been deliberation at the plant on how to make the quality consistent. This is definitely the plant's main weakness.

EIR: Aren't there means to solve this problem?

Subramony: There are technologies available to improve the situation, and we are taking care of the problem within the present modernization [of the] plant.

We are also trying to solve the fuel problem. The plant consumes a great deal of oil, and oil is not available today, since costs have gone so high. You can always find imbalances in every steel plant; it is nothing new with Rourkela. But we are going to remove these imbalances in our modernization drive.

Here in the steel industry in India we are proud of Rourkela. It has done its job, and it is doing its job, and whether it is German industrialists or equipment suppliers or the public sector, everyone can be very proud of what they have done here in India. Nothing has gone wrong; technical problems or design problems remain, but they can be taken care of. Nothing is 100 percent perfect in the world. The attempts are really good, and the equipment is doing very well. . . .

I have no doubt that German industry will come forward with full enthusiasm as they did in the beginning, to help Rourkela out this time as we want to modernize and expand.

Interview: Naresh C. Nayak

'The latest technology is appropriate'

Naresh C. Nayak, general manager for the works at Rourkela Steel Plant, has been there since the plant opened in 1959. He was recruited to the team of engineers selected to build the plant when he worked as an engineer in Germany. This interview as conducted by Hartmut and Ortrun Cramer at the Rourkela Steel plant March 22.

EIR: Mr. Nayak, you were here in Rourkela from the very beginning, 24 years ago. At that time you must have regarded yourself as a pioneer. Do you still feel the same?

Nayak: Very much so! This is one of the greatest satisfactions for me and people like me, who started their career with the steel industry in Rourkela.

EIR: Can you explain how Rourkela was developed?

Nayak: As far as I know, the idea came up in the immediate

post-war period, when the Federal Republic came into being. Pandit Nehru was the prime minister; he thought first of all about the development of core industry. Steel was very important in his mind. He looked for industrially advanced countries which could collaborate with us. West Germany offered help.

Experts from India and Germany selected Rourkela as a site for several reasons. One was that ore is very near at hand, about 100 kilometers from here. It is on the main Calcutta-to-Bombay railway line. Hydroelectric power was available in the area, together with limestone and coal, and lastly it was thought that the site here for a town was very beautiful.

The two giant companies Krupp and Demag formed the Indien Gemeinschaft Krupp-Demag, to bring in what technical assistance was needed from Germany industry, and to work with Hindustan Steel, Ltd., which was formed here. These two companies developed the concept for the plant and recruited the personnel.

EIR: Since the area here was basically a total desert, how did you solve the problem of recruiting the workforce, both skilled workers and technicians, and educating them for their task?

Nayak: The nucleus of the workforce, mainly the executives and the engineers, was recruited by the initial board of Hindustan Steel, which toured Europe and the United States, to find Indian nationals who were interested in joining their company. . . . I was with AEG in Stuttgart when the initial board interviewed us at Essen. . . .

They also looked for experienced people in India, from Tata Iron and Steel Company at Jamshedpur, from a small firm in Karnataka, South India, and for some people from Rourkela. These people were sent to Germany to join those who had been working in Germany, the United Kingdom, or the United States. . . .

At the same time recruitment of the so-called diploma holders and science graduates for the intermediate supervising positions was started, as well as the ITI [Industrial Training Institute] certificate holders, people who had a one-and-a-half-year training course to qualify as fitters, electricians, and welders. . . .

Then, in our own training institute, they were put through an intense program here in Rourkela. The engineers, the first batch like us, the pioneers, were trained in Germany. But every year new graduate engineers were recruited here, some of whom were sent to the United States.

EIR: You have people coming to Rourkela from all over India, belonging to various religions and ethnic groups. Did you have any problems in the past 24 years?

Nayak: Never any serious problem as far as the various ethnic groups are concerned. In 1964, there was some kind of a communal riot between Muslims and Hindus here. But this was externally provoked. Bangladesh had not been formed in 1964; it was still East Pakistan. Some stories of atrocities