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19/1/68
R. N. SINGH DEO
CHIEF MINISTER



ORISSA STATE

D.O. No. CM

BHUBANESWAR

Date: 16th January, 1968.

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My dear Mr. Masani,

I enclose herewith copy of letter of Sri P.K. Deo, M.P., addressed to the President, Swatantra Party, Orissa Unit, Bhubaneswar, with copies of its enclosures. The letter raises important issues of policy and principle which I feel should be discussed and decided by the Central Parliamentary Board and the Central Executive of the Party.

Yours sincerely,

Sri M.R. Masani, M.P.,
148, Mahatma Gandhi Road,
Bombay-1.

Letter dated 9.1.1968 from H.H. Maharaja P.K. Deo of Kalahandi, M.P.,
4, South Avenue Lane, New Delhi, addressed to The President,
Swatantra Party, Orissa Unit, Bhubaneswar.

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Subject: Discrimination regarding Kalahandi District.

I enclose herewith my correspondence with the Minister for Industries regarding the location of the Aluminium industry in the State. From the Minister's letter dated 3.1.1968 it is learnt that the aluminium plant is going to be set up by J.K. group either at Rayagada or Jeypore where the industry will depend on Machhkund power and bauxite from Kalahandi district. This is one of the several instances I have brought to your notice earlier where step-motherly treatment has been meted out to the Kalahandi district by the previous government. The same is being perpetuated by the present Ministry. We have not yet reconciled when the paper plant scheduled to be located at Kesinga for which all the preliminaries and land acquisition proceedings were in progress, was shifted one fine morning to Rayagada by the previous government on the ground that electricity from Hirakud is not readily available at Kesinga. The Rayagada paper mill is fed by all the raw materials from Kalahandi district and now this aluminium plant will be fed by all the bauxite from Kalahandi district. We have thrown into the winds all the promises we have given to the people in backward areas that their areas will be developed. We have completely forgotten about the Indravati Project which will not only irrigate 4 lakh acres of land but will generate 600 MW of electricity and will provide all the power needed for industrial development of not only this particular area but the entire State. Besides the bauxite of south Kalahandi, large deposits of bauxite have also been located in Khariar-Nowapara Plateau in Kalahandi district and in the Gandhamardan Plateau of Bolangir district. So the most ideal place would be Kesinga for the future aluminium plant of the State where the Hirakud power line will meet the Machhkund power line to form an all Orissa grid. I am constrained to say that even though the Kalahandi district has been very rich with forest and mineral resources with great potentials for hydro-power development and the second largest surplus district regarding food, it has all along been exploited without taking care to improve the standard of living of the people or to develop the area either industrially or economically. Though nature has endowed with all the facilities, it is the colonial policy of exploitation which has brought this district to the state of misery and distress for which the government has to be blamed. How long the people of Kalahandi district will continue to be persecuted and denied their legitimate right? We cannot have two aluminium plants in that area? Taking into consideration all the aspects I have mentioned in this letter the location of the aluminium plant has to be decided on a long term basis. If the J. K. Group are not keen to have it at any other place except Rayagada and Jeypore they should be asked to drop the idea of having an aluminium plant in Orissa. I know there are other parties with vast experience in this field who will be willing to take up this

this aluminium industry. I take strong exception at the letter of Shri Harihar Patel, the Minister for Industries, regarding the location of aluminium plant. I hope it is not the decision of the Cabinet. If the Ministry decides to delay the implementation of the Indravati Project and go ahead with the aluminium plant at Rayagada or Jeypore and deny the Kalahandi district of its legitimate claim for development I would like to state categorically that I will withdraw my support for this Ministry and it may be understood in whatever interpretation you deem it. At this discriminatory decision of the government the people's representatives of Kalahandi district will have no other option but to dissociate from the Ministry. I request you to kindly place this matter in the next meeting of the Executive and till then the Minister for Industries should be instructed not to proceed with his commitment.

H.H. Maharaja P.K. Deo
MEMBER OF PARLIAMENT
(LOK SABHA)

4-South Avenue Lane,
New Delhi.
9.1.1968.

Subject: Location of an Aluminium plant in Kalahandi district.

My dear Shri Patel,

Kindly refer to your letter dated the 3rd instant. I never expected that Kalahandi district which is rich in forest and Mineral wealth with large hydro-electric potentials will continue to get the same colonial treatment of exploitation even in the hands of the Swatantra ministers who have been elected on a definite policy and programme which include the development of backward areas and implementation of the Indravati Hydro-electric Project. I am yet to understand why the Indravati Project could not be taken up at an early date. Even if it is delayed a power intensive industry like aluminium industry can be located in Kalahandi district by the extension of 440 KV transmission line to the plant site. When the power shortage in Calcutta and in industrial field of Bengal could be met from the Rihand Power house in Uttar Pradesh and specially when the aim is to have an all India grid, the location of the aluminium plant a few miles away from the proposed site could not be a relevant ground for overlooking Kalahandi's claim. Rayagada or Jeypore are also quite far from the Machhkund power house and when it is contemplated to have an all Orissa grid by inter-connecting Machhkund, Hirakud and Talcher Thermal, the plea taken in your letter is not convincing.

We have not yet reconciled to the shifting of the paper mill from Kesinga to Rayagada, because site had already been selected in Kesinga and also acquisition proceedings were going on, when, all of a sudden, it was decided to shift it to Rayagada because Orissa Govt. has failed to supply power in time from the Hirakud power house. The paper mill at Rayagada draws all its raw-material from the Kalahandi forest and by exploitation of the Kalahandi forest wealth Rayagada is being benefited. So if the same policy will be pursued by exploiting the bauxite ores of Kalahandi district and having the aluminium mill in Koraput district as envisaged in your letter thereby denying the development of a backward district, like Kalahandi, there is no other conclusion to draw except that this Government has also been following the footsteps of its predecessors.

Besides the large bauxite deposits in South Kalahandi there are also large deposits in Khariar-Nowapara Plateau in Kalahandi district and in the Gandhamardan Plateau of Bolangir district. So the ideal location of the future aluminium plant will be no other place than Kesinga which is situated on the Tel river and will be of equidistant from all these three mining sources and where ultimately the Machhkund and the Hirakud transmission lines will join. We cannot have two aluminium plants from these sources. There will be only one aluminium plant in this area and its location has to be properly planned taking into consideration all the aspects I have mentioned. If the J.K. group are not willing to have it anywhere in Kalahandi district then there will be other people who will be interested and they have got vast experience in this field. On hearing from you I will proceed with further negotiations with them and will submit concrete proposals to you.

But for God sake do not precipitate a decision as it will be a very bitter pill to swallow and will have its adverse repercussions. I am referring this matter to the President of the Swatantra Party (Orissa Unit) and till a decision is reached, I request you not to go ahead with further negotiations with J.K. Group and thereby doom for ever the prospects for development of backward areas to which we are all pledged.

Yours sincerely,

Sd. P.K.Deo.

Shri Harihar Patel,
Minister for Industries,
Govt. of Orissa,
Bhubaneswar,
Orissa.

Copy of D.O. letter no.50-I dated 3rd Jan'y. 1963 from
Shri Harihar Patel, Minister for Industries, Orissa State,
Bhubaneswar, to H.H. Maharaja Shri P.K. Deo., M.P., 4-South
Avenue Lane, New Delhi.

Sub: Location of an Aluminium Plant in Kalahandi
district.

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Please refer to your letters dated 22.9.67 and
26.9.67 suggesting the location of the proposed Aluminium
plant in Kalahandi district. You are aware that Aluminium
is a power intensive industry and its location depends on
the proximity to a power source. The parties who intend
to establish the plant will naturally select a site as
near an existing power project as possible. Since Indravati
project is yet to come up, it will not be possible for the
Aluminium Industry to be set up in Kalahandi now. You will
be interested to know that the proposed Aluminium plant to
be set up by J.K. Group will be ~~ink~~ either at Rayagada or Jeypore
where the industry can depend on Machhkund power and bauxite
from Kalahandi district. Thus the plant would also be able
to serve the interests of Kalahandi area also.

With kind regards.

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