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Mining in Pithoragarh: Companies abscond after destroying hundreds of lives

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In the hope of employment and development in their area, the people of Chandak, Mostamanu, Sikadani, Dhari, Dhunga, Tadigaon, Punedi, Silpata, Siloli, Mad, Maila, Manesera, Dhunauda, Bhunigaon villages in Pithoragarh district gave their grazing lands, watersheds and van panchayat lands to magnesite companies. The pain of broken dreams is clear in their eyes. Whenever anyone goes to the area to evaluate the situation, they ask whether the factories will be reopened. Unemployed hope that they may get their remaining wages and other dues. The shopkeepers who sold products worth lakhs on credit to workers are in a similar situation. Even eight years after all iron scrap was removed from the factory in Tadigaon, the discouraged villagers, stung by the deceit, are still uncertain. Some have started some small business; some are astound and some have died untimely, due to lack of money for treatment.

Directly or indirectly, the owners of the two magnesite factories in Chandak and Tadigaon, have absconded with the hard earned money of more than 1200 workers and crores of the various banks. The bad intentions of the owners were the primary cause. But it was also a result of the process of globalisation which led to the decrease in the import duty in the 90s, due to which Dead Burnt Magnesite (DBM) produced here lost to Chinese and Korean DBM. The DBM imported from China and Korea was not only cheaper but also better in quality. Indian steel companies readily bought the imported magnesite. There were no buyers for the locally produced magnesite. When it became impossible to stay in competition, the factory owners locked the factories without paying the workers their dues or paying off the loans taken from the banks.

32 years ago, a private company from Orissa, Orissa Industries Limited, found magnesite in the hills of Chandak, five kilometres from Pithoragarh city. It took a 20 year lease in the name of Magnesite and Minerals Company for the 514 hectare area and started mining. Initially, the mined raw material was sent to another unit of the same company to be refined. With the adverse impact visible in just four-five years time, the villagers started pressurizing the company to provide employment and ensure protection to the environment. With efforts of the then district administration, a unit to refine the raw magnesite was set up at Baleti village below Sikadani village in 1978 and workers were inducted. A better furnace was set up in 1982 and the other one was closed down. In 1986, a rotary kiln furnace was set up which was used for only 15 days a month. Due to technical reasons pollution control devices could not be set up then. The factory worked well for the next 20 years and the owner J K Jhunjhunwala got good profits from it. The company availed the 75 per cent transport subsidy provided to industries that set up units in

the hills and other subsidies announced by the government to increase the rate of industrialization. The factory produced 45 to 50 tonne of DBM everyday. The company earned about 1.5 lakh rupees every day from it. But after getting various facilities, when the company had to operate on its own strengths, the management sighted financial losses and low production to illegally lock up the factory on July 13, 1998. The workers had not been paid since 1997. On March 5, 1999, 83 workers were removed.

The management, by unannounced lock up and removal of workforce, embezzled the worker's wages as well as other dues. Despite deducting Rs 52 lakhs from their wages as future fund, the amount was not deposited in the worker's accounts. This amount has now become Rs 70 lakh. This way besides wages for 15 months, gratuity, bonus, etc., the management embezzled crores from the electricity, telephone, transport department and various banks. The workers union formed a protest committee and took the case of the factory's assets worth Rs 4 crores and raw material worth Rs 1.5 lakhs to the Industrial Reconstruction Board. In November 2000, the board granted the right to sell the complete assets of the factory to the sale committee. The committee included heads of financial institutions and representatives of workers. The factory's requisitioning was given to Regional Industrial Investment Corporation. The corporation had put in Rs 98 lakhs in the company. After the formation of Uttaranchal, the worker's protest committee was hoping that the issue will be resolved. But till now even after assurances of three chief ministers, nothing has been done and the protest committee has lost hope.

The closing of the Chandak factory has affected 295 permanent employees, 30 supervisors, managers, 28 casual workers and many others. The markets, once alive with the workers of the factory, are now desolate. Shopkeeper Trilok Chandra Pandey's 2 lakh rupees have been trapped in the hope that once the company's assets are sold, the workers will get their dues and so his dues will also be cleared. Satish Chandra Patni points towards his desolate shop and says, "Everything has been lost. The entire market has been destroyed." Devendra Singh Bisht of Sikadani village was working in the factory along with his two brothers. Due to unemployment the family is now on the verge of starvation. The grazing lands and agricultural land had been affected by the mining and the pollution from the factory; and this impact is still visible. The only earning member of Jeevan Singh's family in Sikadani is now unemployed and their farmlands have become barren due to mining and dust from the factory. Unemployment has driven the company's driver, Mahendra Singh of Dhunga village, to insanity. Having arranged for liquor he just roams around the Chandak market. Former teacher in Chandak, Haiderbaksh used to grow fruits and vegetables. But dust and pollution from the factory has destroyed his apple orchard of more than a thousand trees. The company acquired the van panchayat land of Dhunga and Godiya villages to store raw material and cleared more than 2,500 trees of banj and reetha with permission from the forest department for road construction. Blasting has affected water sources in the region.

Similar situation prevails in Tadigaon. Here industrialist J P Khetan acquired a 20 year lease on 360 hectares of land in the name of Himalayan Magnesite Company in 1976 promising villagers employment. Before this, in 1972, some other company had got the mining lease and this company was bought by Himalayan Magnesite Company. Later the company increased the lease period by another 10 years. This time before the end of the lease period, the factory was locked. Due to the lock up 500 to 600 people were rendered unemployed. Compared to Chandak, Tadigaon is a more fertile area. That is why villagers still manage to cultivate and raise cattle. A detailed survey done by Mohan Chandra Kandpal, teacher at the Rajkiya Inter College at Suraikhet (Almora) and working in the field of environment conservation, in 1995 revealed that mining and the fumes form the magnesite factory has adversely affected the health of the people and the animals in Tadigaon. For every family, number of animals has reduced by five to six and the produce has been reduced by 30 to 40 per cent.

Devendra Singh Bora of Tadigaon says that before the factory started, the agriculture land of the village was fertile and irrigated. The blasts to mine magnesite have dried water sources, which has reduced the productivity of the farms. The company has created huge craters on around 15 hectares of grazing land and van panchayat land. They were not filled up and now not even grass grows there. He also says that the dust generated by the machines has left its impact on the village. The cattle grazing on grass laden with dust are falling to diarrhoea. But the company has also profited the village in a way. The road constructed by it for its use, is now being used by the villagers. But the public works department refuses to maintain this road constructed by the company. 36 year old Arjun Singh of Tadigaon has worked as a supervisor at the company. The company did not pay him one year's salary and other dues. He says that wrong management practices and unaccounted loans taken from the bank was the reason behind the fall of the company. 84 year old retired subedar major Keshar Singh Bora has worked as the security in-charge for the last 15 years with the company. He lost Rs 72,000 to the company. Even after the factory was closed down, he was asked to supervise the other guards at the factory site. He had till that time spent Rs 15,000 on the guards.

Besides Tadigaon, hundreds of people from Ghunsera, Punedi, Silpata, Siloli, Mad etc., villages lost their jobs due to the closure of the factory. Some changed their line and joined other professions, but most did not get any employment after that. People hold the management responsible for the closing of the company. Once an earth scientist with the company, Dherendra Joshi says that the management flouted all environmental regulations in mining and embezzled during transactions from the owners of the company. People say that some sold their invaluable panchayat land with banj trees to the company in hope of employment. Today, they neither have employment nor forests to sustain them. C M Awasthi, convenor of Magnesite and Minerals Sangharsh Samiti says the same thing. He was employed as a chemist with the magnesite factory at Chandak. Since the closure he has been fighting to get the worker's wages and other dues cleared and the factory reopened. Now he has also given up. There was some hope with the Uttaranchal government. But the

government neither has a concrete policy for the development of the hills nor it has the will. Student leaders and other party politicians too milked the company for money. Now they use the reopening of the factory as a point to get votes from the villagers.

But the factory in Jhirauli of Bageshwar district is an exception to the failure stories of these magnesite companies. However that factory too is running with government help and loans. In 1971, when Jhirauli was in Almora district, Almora Magnesite Limited was established. In 1972, mining of raw material started and in 1974 DBM, produced in soft furnaces, began to be manufactured. In 1976, Uttar Pradesh State Industrial Development Council (UPSIDC) and Tata Refractories Limited gave 10 per cent to Indian Steel Authority and made it a joint enterprise. Currently, UPSIDC owns 41 per cent, Tata Refractories Limited owns 39 per cent and Indian Steel Authority owns 20 per cent in this unit. This area has some 110 lakh tonne deposits of minerals. The company has set up a unit, with a capacity of 36,000 tonnes, in village Matela to produce DBM. But the installed capacity is 24,000 tonnes. The company has two blast furnaces. Each furnace produces 35 to 40 tonnes of DBM every day. The company also has a unit to manufacture 50 tonnes of cement. But not being profitable, this unit does not operate. The company also set up a crusher unit in the mining area in 2003.

Presently there are 495 permanent workers and 250 indirectly involved. All these workers are from Kumaon division, especially Bageshwar and Almora districts. The company has given attention to areas affected by mining and on the security and facilities for the villagers. The company is also aware from an environment point of view. The competition due to globalisation and use of high level technology in production, increasingly expensive manufacturing processes and raw material and the decreasing demand for magnesite has made this factory a sick unit. But being a public sector unit, the management cannot remove the workers. That is why to save itself it is trying its hand on clay mining.

The failures of the magnesite companies have destroyed the people of Chandak and Tadigaon area. But people of Askot have learnt their lessons from them. Here a Canadian multinational corporation Pebble Creek was to start mining ascot ore and had made similar promises of employment to the villagers. The people of Askot have formed a protest committee to protect their employment and local development and are continuously keeping the pressure on the company through constant protests.

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