

(iii) Annual Report of the Technical Teachers' Trainning Institute, Calcutta, for the year 1972-73.

[Placed in Library. See No. LT-B207/74 for (i) to (iii)]

(iv) Annual Report of the National Book Trust, India, New Delhi, for the year 1972-73. [Placed in Library. See No. LT-6208/74]

Annual Accounts 1971-72 of the University Grants Commission and related papers

SHRI D. P. YADAV: Sir I also beg to lay on the Table a copy (in English and Hindi) of the Annual Accounts of the University Grants Commission for the year 1971-72, and the Audited Report thereon, under sub-section (4) of section 19 of the University Grants Commission Act, 1936. [Placed in Library. See No. LT-6210/74]

Council of Architecture (Second Amendment) Rules, 1973

SHRI D. P. YADAV: Sir, I also beg to lay on the Table a copy (in English and Hindi) of the Ministry of Education and Social Welfare (Department of Education) Notification G.S.R. No. 543(E) dated the 31st December, 1973, publishing the Council of Architecture (Second Amendment) Rules 1973, under sub-section (2) of section 44 of the Architects Act, 1972. [Placed in Library. See No. LT-6211/74].

I. Delhi School Education Rules, 1973

II. Victoria Memorial (Second Amendment) Rules 1973

SHRI D. P. YADAV: Sir, I also beg to lay on the Table the following papers:

I. A copy of the Delhi Administration Notification No. F. 5/15/72-Education dated the 31st December, 1973, publishing the Delhi School Education Rules, 1973, under sub-section (3) of section 28 of the Delhi School Education Act, 1973, together with a statement (in English and Hindi) giving reasons for not laying simultaneously the Hindi version of the Notification. [Placed in Library See No. LT-6213/74.]

II. A copy (in English and Hindi) of the Ministry of Education and Social Welfare (Department of Culture) Notification G.S.R. No. 46 dated the 29th December, 1973, publishing the Victoria Memorial (Second Amendment) Rules, 1973. [Placed in Library. See No. LT-6212/74.]

CALLING ATTENTION TO

A MATTER OF URGENT PUBLIC IMPORTANCE

Reported shut down of Baroda Petro-Chemical Unit due to defective Compressor Supplied by West German Manufacturer

[Mr. Deputy Chairman in the Chair].

SHRI HARSH DEO MALAVIYA (Uttar Pradesh): Sir, I beg to call the attention of the Minister of Petroleum and Chemicals to the reported shutting down of two units of the Indian Petro-Chemicals Corporation Limited, Baroda, due to the defective compressor supplied by a leading West German Manufacturer, resulting in loss of production to the tune of rupees four lakhs per day and the steps taken by Government in the matter.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAH NAWAZ KHAN): Sir, The Indian Petrochemicals Corporation Limited, Baroda—a public sector undertaking of the Central Government—have a contract with Messrs Krupp Chemienlagenbau, West Germany, for basic engineering for all the constituent unit in the Aromatics projects of the Gujarat Petrochemical Complex, including reforming isomerisation, para-xylene separation and DMT units, expert assistance for supervision for detailed engineering to be done in India, erection and start-up as well as for supply of employment and materials required to be imported for this project.

2. The paraxylene unit was mechanically completed in July, 1973, and was commissioned in September 1973. The functioning of this unit has been hampered due to malfunctioning of one equipment, namely, propane refrigeration compressor. This compressor failed within minutes of initial run. Certain repairs were carried out and it

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failed again after 130 hours of operation. After further repairs were carried out, the compressor ran for approximately 510 hours and failed again on 24th January, 1974. The rotor assembly of this compressor was air-shipped to West Germany for the third time to the works of Messrs Linde who were the suppliers of this machine, for further repairs. The rotor assembly, duly repaired, has been received back at site on 25th February 1974. The foreign experts from M/s Linde and M/s Krupp have also arrived and the Corporation expect to re-commission the paraxylene plant in a few days' time. The Government is concerned at the repeated failure of the propane compressor. The reasons for repeated breakdowns are under investigation by the overseas manufacturers of the compressor as well as by the foreign engineering contractor and the remedial measures will be taken after the reasons for failure are identified. Arising out of this experience, the corporation is taking action to procure another compressor as an insurance spare.

3. The DMT units was commissioned in March, 1973, on the basis of imported paraxylene which is the feed-stock for the DMT unit. Since paraxylene forms the main raw material for the DMT unit and in view of the world-wide shortage of petrochemical raw materials and the consequent non-availability of paraxylene in the world markets, the DMT Unit was shut down in August 1973. The unit was recommenced towards the end of December 1973 with the availability of Paraxylene from IPCL's own paraxylene unit. The DMT unit has again been shut down from the beginning of February 1974 consequent on the closure of the IPCL's paraxylene unit which was closed down due to the failure of its propane compressor.

SHRI HARSH DEO MALAVIYA: Sir, I must very regretfully say that this is a usual stereotype reply which is drafted by the officers in the Ministry and read in the House. It does not answer the serious question which this Calling Attention poses, before us, before the House and before the country. Sir, it has become almost chronic.

Things purchased from abroad go wrong and then there is running back, going back to repair it but things do not improve. We are suffering a loss of rupees four lakhs per day. I do not know how much would be the total loss by now.

We find, Sir, unfortunately a very great tendency on the part of our Ministers to come up in defence of the officers. I hope that in the question that I am going to pose, this particular tendency of our Ministers will not be brought into play. First of all, I would like to know when was this purchased? I want to know the exact date. Who were the Indian personnel responsible for the purchase and also who were the Indian personnel who were supposed to check up as to whether the material supplied was good enough? These are two concrete questions. Thirdly, how many times has this failed? He said 3 or 4 times—I do not know. I would like to know how many times it has failed and when was it air-freighted to West Germany for repairs? Who paid the air freight? According to the Press report, there was an agreement between IPCL and Krupps but Krupps on their part—the notorious firm of Krupp in West Germany who created Hitler—did not supply it directly but through another firm, some Messrs. Linde in West Germany. So I would like to know whether in the agreement which was entered into between IPCL and Krupps, there was a provision for compensation payment, to us for defective supply and whether there was a guarantee period that if this thing would not work within 2 years, they would repair it without any other cost. This is a usual guarantee period. Was there something like this? Then I would also like to know whether it is a fact that as a result of the stoppage of IPCL Aromatics projects—a project which manufactures 24,000 tonnes of DMT, so many other factories, petrochemical factories are out of action? I would like to know from the hon. Minister as to how many such factories and projects and other things have closed down and for how long and what is the loss that was incurred. And I would also like to know from the Minister whether the Government, in view of this sad experience with a West German firm, will bear this experience in mind in any of its future deals with West German firms. And lastly, Sir, as we all

know, the petrochemical industry in Germany—in West Germany and also in East Germany—is most developed. In East Germany also, they have a huge petrochemical complex already developed. So, in dealing with these questions in future will the Government also approach the market of the German Democratic Republic and other markets?

SHRI SHAH NAWAZ KHAN: Sir, the contract was entered into in the year 1968 with M/s. Krupps for basic engineering of all constituent units in the Aromatics complex and it was later assigned in 1969 to the newly formed Indian Petrochemicals Corporation. It was commissioned in March, 1973. There a guarantee clause for compensation of the bill of actual lading. Due to certain reason, mainly introduction of indigenous components in the plant, the guarantee period had expired.

SHRI HARSH DEO MALAVIYA: Will you kindly read that clause?

SHRI SHAH NAWAZ KHAN: That clause is not available with me now. There was a clause in which there was a guarantee period of 24 months from the date on which the bill for actual lading was presented. But, unfortunately, due to various reason, the actual commissioning got delayed and that guarantee period could not be effective.

SHRI N. G. GORAY: The Germans must be aware that we don't do it.

SHRI SHAH NAWAZ KHAN: M/s. Krupps are a very well known firm with international fame and so are the Lindes. M/s. Linde had in the past supplied equipment of this nature to many other countries. It is true that the failure of this equipment has affected a number of other factories which are based on this D.M.T. material which is produced by them. As I said earlier, while reading the statement, Sir, in the first instance the machine failed within a few minutes and then it was repaired and put back into commission. It worked for 130 hours and then it failed. Then it was

repaired and operated for 510 hours and failed once again. Then it was sent back to Germany. They have repaired the machine and sent it back on 25th February. And with the machine, they have also sent a number of their experts to find out what exactly is wrong with this.

SHRI SHAH NAWAZ KHAN: Sir, we have found out that the actual bearing of the rotor has been giving way. The exact defect, the exact problem, has not yet been located fully. Their experts have come and they are associating some other experts also to find out whether there is anything wrong with the bearings or whether it is a defect caused by excessive vibrations because the machine is working at the rate of nearly 23,000 revolutions per minute, a very high rate indeed and these revolutions may be causing excessive vibrations. In order to pinpoint the defect, they are associating the best available experts in the world in this task and we hope that they will be able to pinpoint the defect.

SHRI HARSH DEO MALAVIYA: Sir, some of my very important questions have remained unanswered. I wanted to know the names of the Indian personnel who were responsible for the purchase of this equipment and the names of the Indian personnel who were responsible for checking up this equipment after it had arrived in India. That is number one.

My second question was as to who paid the air freight. It has been stated that the equipment was taken to Germany thrice and brought back equal number of times. I want to know who has paid the air freight for taking it out of the country and bringing it back all these times.

My third question is whether this experience will be borne in mind in future in the dealing of Government with West German firms especially Krupps which is on their list of most reputed firms. I would also like to know whether Government will contact the German Democratic Republic where there is a very big petro-chemical industry.

SHRI SHAH NAWAZ KHAN: Sir, since the guarantee period had already expired,

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the Indian Petro-Chemicals Ltd. had themselves to bear the freight. But, we have taken up the matter with their Ambassador and the result is awaited.

SHRI A. G. KULKARNI: Very nice. Very nice.

श्री हर्ष देव मालवीय : यह तो बताइए किन आफिसरान ने यह डीलिंग की ?

श्री शाहनवाज खां : वह तो मिनिस्ट्री करती है ।

श्री हर्ष देव मालवीय : कौन आफिसर हैं साहब, नाम तो बताएं । जिम्मेदारी किसकी है ? वी मस्ट पिन् अप समबडी ।

श्री शाह नवाज खां : मिनिस्ट्री में किया गया । जिम्मेदारी तो मिनिस्ट्री की है जब भी कांट्रक्ट करते हैं ।

श्री हर्ष देव मालवीय : आफिसरों का नाम तो बताइए ।

MR. DEPUTY CHAIRMAN: He does not know the names.

SHRI SHAH NAWAZ KHAN: Sir, when we invite global tenders from the various countries of the world, a committee of experts is appointed who look into these tenders. There is a prescribed procedure for placing global orders. Whenever any foreign aids are available we utilise them in placing orders with the countries from which those tenders are forthcoming.

SHRI NIREN GHOSH (West Bengal): Sir, the Ministry of Petroleum and Chemicals and the technical persons associated with the project are in a thorough mess and they are messing up all things in the Ministry of Petroleum and Chemicals. I would like to know whether it is a fact that polyester fibre units are lying idle for want of D.M.T. I would also like to know whether it is a fact that the price of one tonne of D.M.T. has increased from Rs. 12,000 to Rs. 25,000 and Government is inclined to purchase it. I want to know whether this equipment was airlifted to West Germany four times. Hon. Minister may kindly tell us whether it is the same firm which has been responsible for supply of defective design etc. to the Travancore-

Cochin Fertilizer project and Durgapur Fertilizer project. Is it the same West German firm which did not at first agree that there were any defects in the design but later on agreed that there were defects in design? How is that the guarantee period expired and you just slumbered like Kumbhakarana and did not take any action to bring in that clause into operation whereby they would have to pay for the damage. Not only that but because of DMT you downstream other projects. Naptha is in serious danger and it is in short supply in India. The Koyali and Ankleshwar oil wells have gone dry. The Petroleum and Chemicals Ministry had a faulty planning. They depended on the Ankleshwar oil wells but the same have gone dry. Is it not due to that fact that you are searching for paraxylene equipment. It is a commodity which has registered a hundred percent increase in price.

MR. DEPUTY CHAIRMAN: You must confine yourself to the subject matter.

SHRI NIREN GHOSH: It is not out of this?

MR. DEPUTY CHAIRMAN: Out of this one Calling Attention you cannot travel to all other products of petroleum.

SHRI NIREN GHOSH: Due to this compressor, all these compressed reactions have taken place. You must take into account those things. Otherwise, what is the meaning of putting this question? The main threat to the project lies in the non-availability of Naphtha and the entire petrochemical complex will dwindle on account of this. The associated firms will also be affected. I would, therefore, like to know what steps you are going to take in order to rectify this situation and if you are not in a position to tackle the situation, will you resign? Will the Minister resign?

MR. DEPUTY CHAIRMAN: That will do, Mr. Niren Ghosh.

SHRI NIREN GHOSH: Will he resign for bringing this disaster to India?

SHRI SHAH NAWAZ KHAN: As far as Naphtha is concerned, the Government is in a position to assure the House and the

country that there will be no shortage in Naptha. Negotiations are already in a very advanced stage and we are very hopeful to meet all the requirements of the country so far as Naptha is concerned.

SHRI NIREN GHOSH: By importing!

SHRI SHAH NAWAZ KHAN: By importing and producing more.

SHRI NIREN GHOSH: If you are importing, at what price are you doing that?

SHRI SHAH NAWAZ KHAN: The hon. Member knows that we are importing about 2/3rd of our requirements of petroleum products.

MR. DEPUTY CHAIRMAN: Mr. Niren Ghosh, you confine yourself to the subject matter. You should not raise matters which do not arise directly from this.

SHRI NIREN GHOSH: I do not agree with the Chair.

MR. DEPUTY CHAIRMAN: You will have to agree with me because you cannot discuss the entire products. I am very clear on this. The Minister need not answer your question. If he thinks to answer it, it is for him to do so.

SHRI NIREN GHOSH: Sir, the DMT and Naptha are closely associated with this and because of this the disaster has taken place.

MR. DEPUTY CHAIRMAN: Not because of this compressor.

SHRI SHAH NAWAZ KHAN: Naptha is no problem. We have sufficient stocks of Naptha. Only this compressor has caused some difficulties. As I have already stated, it has been received back and within the next few days we will recommission the same. We hope that we will be able to meet the requirements of various plants.

SHRI NIREN GHOSH: Sir, he has not answered my various points. I want to seek your protection.

MR. DEPUTY CHAIRMAN: No, I cannot give you any protection if you ask questions which do not directly arise out of this.

SHRI NIREN GHOSH: I asked whether the Government was purchasing DMT from abroad, whether it is a fact that the price of one tonne of DMT has increased from Rs 12,000 to Rs. 25,000 and the Government is inclined to purchase it, whether the same firm is responsible for supply of defective design etc. and what is going to happen in future.

MR. DEPUTY CHAIRMAN: Yes, please sit down. Yes, Mr. Kalyan Roy.

SHRI KALYAN ROY (West Bengal): The statement made by the Minister makes a very pathetic reading. I do sympathize with him but let us not forget our obligations to the people. It seems, Sir, it is not an alliance between the Krupps and experts but it is an alliance between the Krupps and crooks of our country. The Government and even the President's Address says that the low production was due to workers and even you shoot down workers on the ground that they obstructed production. Here, production worth hundreds of crores of rupees has been stopped and yet nobody has been accused, nobody has been hauled up. Sir, that day serious allegations were made against some officials of the Khadi Gramodyog Board and the Ministry of Industrial Development gave the names on the requests of the Members of Parliament. We would like to know who are the negotiators for this compressor, what are their names. Was the inspection made? Was there any trial running of the machinery? Fourthly, you have stated that it was airlifted to West Germany four times. May I know up till now what is the total expense for sending it to West Germany and bringing it back and what is the foreign exchange involved? Sir, the Government of India is refusing to give the foreign exchange of only 20,000 dollars required for the consultants of Hooghly Bridge. Here I have been told that up till now 20,000 marks have been spent for sending it abroad and bringing it back causing a severe drain of foreign exchange. May I also know whether the present Managing Director pointed out to the Government about its defective functioning, its design and other things? How far is he responsible? Should the Government not institute an enquiry or hand over the entire

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thing to the C.B.I.? Pending the enquiry, they should remove the officers till the enquiry is completed.

SHRI SHAH NAWAZ KHAN: Sir, as I said earlier, the Committee set up by the Ministry made all the negotiations.

SHRI KALYAN ROY: Your Ministry is the culprit. Your Ministry is the accused. How can we have faith in your Ministry? How can you enquire into your own fraud, your own guilt and your own cheating?

SHRI SHAH NAWAZ KHAN: The normal inspections were carried out. It is unfortunate that there have been failures and we are trying to rectify them. We hope that within the next few days, the plant, will be recommissioned.

SHRI A. G. KULKARNI: Ignorance is bliss. You don't know what that compressor is.

SHRI SHAH NAWAZ KHAN: It is a refrigeration compressor.

(Interruptions)

MR. DEPUTY CHAIRMAN: Let him answer.

SHRI SHAH NAWAZ KHAN: Normal inspections were carried out. It is unfortunate that the plant has failed. We are trying to locate the defects. So far, the exact defect has not been located. Therefore, I do not think any officer of the Ministry can be held responsible for it. We are associating the best experts in the country with this problem and we hope that they will be able to pinpoint the defect. At present, I am not in a position to give the exact figures of the total expenditure.

SHRI KALYAN ROY: Approximately.

SHRI SHAH NAWAZ KHAN: About 2 lakhs of rupees.

SHRI KALYAN ROY: What is the foreign exchange involved? I have information that 200,000 German marks have been spent so far which is twice the amount which was required for the Hooghly project. He is not answering my question. I asked only four questions. Who was the negotiator who signed this

contract? Was there defect in the design? Was there any trial run of the plant and the compressor?

SHRI SHAH NAWAZ KHAN: Whether there is any basic defect in design is yet to be established and when the experts whom we are associating with the enquiry, are able to locate the defect, then only we can say that the design was defective. At this time, we are not in a position to say anything.

SHRI KALYAN ROY: I asked for the names of the negotiators.

SHRI SHAH NAWAZ KHAN: I do not have the names.

श्री हर्षदेव मालवीय : चार लाख रुपये रोज का नुकसान होता है। इतने दिनों से बन्द है तो कितना नुकसान हुआ, आधे करोड़ का, एक करोड़ का, दो करोड़ का ? यह तो बताइए।

MR. DEPUTY CHAIRMAN: Let Mr. Tyagi ask the question.

श्री ओझ प्रकाश त्यागी (उत्तर प्रदेश) : उपाध्यक्ष महोदय, मैं यह बात जानना चाहूंगा कि जब से यह मशीन आई तब से यदि ठीक काम करने लगती और कारखाने का कार्य अगर होता रहता तो गर्वनमेट को इस कार्य के न होने से कितनी हानि हुई है। अगर कार्य शुरू हो जाता, जिस प्रकार कंप्रेसर आया और मशीन फिट हुई होती और वह काम करने लगती और तब से अब तक जो अब बन रहा है कारखाना, तो इसमें कितनी हानि हुई यह मैं जानना चाहूंगा।

दूसरी बात मैं यह जानना चाहूंगा कि किस आदमी ने मशीन खरीदी। मैं नाम नहीं जानना चाहता कि कौन गया, कौन नहीं गया, लेकिन जो गया उसने क्या वहां जांच की और उस कंप्रेसर के आने के पश्चात् क्या जांच की गई और जांच करने की रिपोर्ट आपके पास क्या है ? यदि वह रिपोर्ट गलत है तो उनके खिलाफ आपने अभी तक ऐक्शन लिया है या नहीं ?

तीसरी बात यह कि कंप्रेसर की कीमत क्या है और अब तक की हानि के हिसाब से यदि दूसरा कंप्रेसर आप मंगा लेते तो गर्वनमैंट को अब तक जो हानि हुई है उससे कितनी बचत होती।

इस प्रकार का डिस्मिशन लेने में जिस आदमी ने दोष किया उसके खिलाफ आफ ऐक्शन लेने का विचार कर रहे हैं कि नहीं ?

चौथी बात मैं यह जानना चाहता हूँ कि उस मशीन की चार महीने के लिए गारन्टी थी, तो चार महीने के अन्दर अन्दर यह आशा की जाती थी कि आप कंप्रेसर को चालू करके देख लेंगे। उस गारन्टी पीरियड में काम क्यों नहीं हुआ ? वह मशीन क्यों नहीं फिट की गई ? इसका दोष किसके ऊपर है ? उसके विरुद्ध आप क्या कार्यवाही कर रहे हैं ?

अन्त में मैं यह जानना चाहूँगा कि जिस कंपनी से आपने इस कंप्रेसर को लिया और उसके बाद फैक्टरी में रिपैरिंग के लिए भी गए, तो उस कंप्रेसर को ले जाने और लाने में, उसकी रिपैरिंग पर जो खर्चा हुआ है इसकी जिम्मेदारी कंपनी पर होगी या सरकार पर होगी, इस सम्बन्ध में आपने क्या डिस्मिशन लिया है ? अगर यह खर्चा गवर्नमेंट कर रही है तो क्यों ?

श्री शाहनवाज खाँ : यह कहना कि हमें कुल कितना नुकसान हुआ है, यह तो जरा मुश्किल है। लेकिन मैं आपको बता देना चाहता हूँ कि इसकी जो इन्स्टाल्ड कैपेसिटी है वह 24 हजार टन पर ऐनम और डी० एम० टी० की कीमत 12 हजार रुपया पर टन है। कितने दिन बन्द रही आप अनुमान लगा सकते हैं...

श्री ओम् प्रकाश त्यागी : मैं आपसे पूछ रहा हूँ, मैं क्यों हिसाब लगाऊँगा ? अंदाज़न बता दीजिए।

MR. DEPUTY CHAIRMAN: He does not have the figure evidently.

श्री शाहनवाज खाँ : जैसा मैं पहले बता चुका हूँ कि यह जो गारन्टी पीरियड था उसके अन्दर इसको कमीशन नहीं कर सके क्योंकि कुछ कंपोनेंट्स थे जो अपने देश के अन्दर से ही लेने थे। उन्होंने वह कंपोनेंट्स हमको टाइम पर नहीं दिये। इसलिए गारन्टी पीरियड में देर हो गयी। यह तो आप जानते ही हैं कि और भी कई प्रोजेक्ट्स

हैं जहाँ इंडिजनस प्रोडक्शन को एनकरेज करने की वजह से काफी डिलेज हो गई है। फटिलाईजर प्रोजेक्ट्स में भी इंडीजीनस कंपोनेंट्स टाइम पर नहीं देने की वजह से देर हो गई।

श्री ओम् प्रकाश त्यागी : इसके लिए आपने उन अधिकारियों को या उस फर्म को, उनमें से किसी को दोषी ठहराया ? उनको आपने दण्ड दिया या नहीं ?

श्री शाहनवाज खाँ : वह तो यहाँ पर जो इंडिजीनस फर्म थी उन्होंने सप्लाई नहीं किये।

श्री ओम् प्रकाश त्यागी : तो फर्म को भी दण्ड दिया या नहीं। आफिसर दोषी हैं या फर्म दोषी है ?

MR. DEPUTY CHAIRMAN: They operate according to the terms of the contract, I suppose.

SHRI SHAH NAWAZ KHAN: Yes.

SHRI N. G. GORAY (Maharashtra): The answers that were given by the Minister only go to prove the cavalier manner in which we are dealing with everything, including such a vital plant as the one about which these questions are being put. He has a long report on this. They say that this plant is worth Rs. 160 crores and these two particular machines have been lying idle for the last six months. This is what the report is saying. I would like to know from the Minister, when he says that the guarantee period expired before the machine could be put to use, does he not take into account the fact that as soon as the machine was put to use and it was on stream, within a few hours it broke down. That means the machine was defective or our own engineers did not have adequate know-how. According to the report which I have before me the West German company first argued that there was no defect in the machine. Now they have accepted that there was some faulty design. Then, they said that something was wrong with the Gujarat crude. That objection also has now been withdrawn. This failure can be

[Shri N. G. Goray]

squarely put on the company, that it is because of their defective machine and defective design. Now, what is the sense in saying that the guarantee period has expired before the machine started working? Whether it was during the guarantee period or after the guarantee period, it is now more than certain that the machine itself was defective. This has been admitted by Krupps. So, this particular argument that the guarantee period has expired does not hold water at all. Therefore, I would like the Government to go deeper into this. According to you this machine was checked up by our engineers. What is this checking up if these people could not find out what the defects were? Otherwise, this checking up must have been a very normal thing. They just made it a sort of routine inspection and passed it on. I would like to know whether you have checked up these people who checked the machine and whether there was any collusion between them and the Krupps company or not has to be found out. All these things will have to be taken into account. Otherwise, these big nations go on cheating developing countries like ours. We have not got adequate know-how. They know it. They also know that the contract has no value because we will not be able to use the machinery in a given time. All these things will have to be taken into consideration and do not play ducks and drakes with the Rs. 160 crores that have been invested.

SHRI SHAH NAWAZ KHAN: First of all I should like to correct my hon. friend that the cost of the plant is not Rs. 160 crores. It is Rs. 28 crores.

SHRI N. G. GORAY: You have corrected me, but I would like to point out that the entire complex costs Rs. 160 crores. These two vital machines, which you say amount to Rs. 28 crores, have brought the whole complex to a halt.

SHRI SHAH NAWAZ KHAN: The compressor costs about Rs. 30 lakhs. It does not cost a crore.

SHRI N. G. GORAY: That does not matter.

SHRI SHAH NAWAZ KHAN: Nevertheless, it has caused tremendous problems and we have taken up this matter at the diplomatic level. We are tackling the West German firm through the West German Government. The matter has been taken up with the West German Ambassador here to use his good offices and make the firm bear all the expenses and replace the thing free of cost. That matter we are taking up at the highest diplomatic level.

SHRI N. G. GORAY: I asked you about those people who checked the machines and could not find the defect in time and now they are discovering it. What steps have you taken against those officers who checked the machines?

SHRI SHAH NAWAZ KHAN: As I have said, not only our officers, but even officers of Krupps and Linde are all here. They are trying to find out what exactly is wrong and whether there is any defect. The fact that it failed within minutes proves that there was something very seriously wrong. But what exactly is wrong, they have not been able to find out. They are still looking into the matter.

SHRI A. G. KULKARNI (Maharashtra): I would have been very happy if Shri Borooah had been present here. But now I would request the hon. Minister to be very calm and composed while replying, because I know, he might not be knowing the details and thus get confused. I want to know about the guarantee period. Perhaps he might not be knowing that in such big contracts, the guarantee period starts from the commissioning of the plant, not from the date of signing of the contract. He does not know the basic thing that the guarantee period of any machine in such a big contract should start from the commissioning of the plant and not from the date of signing of the contract. You go and find out from the contract and it is not there, they have to rectify the mistake. Now you say that you do not have the copy of the contract. I can understand that. But it is the basic point. You will be hauled up for giving wrong information.

I want to know from him another clarification. I challenge—I allege that the officers in your Ministry are responsible in

colluding with this West German firm and supplying this compressor—whether it costs Rs. 3 lakhs or Rs. 30 lakhs, I do not know. I allege now. Please take it now that in the whole world such compressors have been supplied either at two or three places, these compressors running at 43,000 rpm. In this country there are similar compressors, with similar duties, but which are being run at 10,000 rpm or a little more. And this compressor was chosen by an official of your Ministry. I know his name. But I do not want to take his name here, it is not my custom. I say, this compressor was chosen against the established, normal working design and against expert advice available to them, to oblige a foreign firm and an Indian counterpart here. The IPCC, their Board of Directors and your Ministry's official, are responsible. I allege that there is underhand dealing to supply this very compressor which is running at 43,000 rpm, as per my information. So, in this connection, there is a design defect. The Krupp firm has accepted that there is a design defect. They have accepted that. All our friends are asking that when a well-known firm like Krupps has accepted the design defect, naturally it has to pay for all the consequences, and there might be provisions in the agreement. I am also working on a Board of fertiliser manufacturers. I know how the contracts are drawn? Do not try to protect your officer who is responsible for this. Now, I demand on behalf of the Members here; you might not be knowing the facts just now. But I say that this is a deliberate attempt on behalf of certain officers of your Ministry to defraud the Government as well as the country and to, what is called, sabotage a public sector plant producing DMT, which has really created unemployment in this country of lakhs of workers. The CAFI unit has been closed down, the Swadeshi Polytex has been closed down, so many units which are depending on this DMT have been closed down. This is a callous attitude. You are protecting your officers. Sir, I would request you to direct the Minister that either a Committee should be appointed or some such examination should be made of the records of this very contract because, Sir, the compressor and the entire plant are two different things.

SHRI KALYAN ROY: Not by the State.

SHRI A. G. KULKARNI: Any Member of Parliament, I do not mind.

Mr. Shah Nawaz Khan, I warn you and your senior Minister—a cooperative project is taking place for the manufacture of polyester out of this DMT, and thirty crores of the poor weavers are being invested. And I know that an Indian magnate who has foreign technological collaboration with West German firm is trying to influence your Ministry and put the process on the heads of this cooperative. I warn you—if you sign any contract without taking expert advice, you will be further responsible for similar trouble. There is something fishy about compressor. All the Members are demanding that some type of committee should be appointed to investigate into this.

SHRI SHAH NAWAZ KHAN: It is really difficult.

SHRI A. G. KULKARNI: He does not know.

SHRI KALYAN ROY: He could not reply to some points.

SHRI HARSH DEO MALAVIYA: Quite a few crooks are there in this Ministry, Sir.

SHRI A. G. KULKARNI: Mr. Shah Nawaz Khan, you say that you are appointing a committee. Why not?

(Interruptions)

MR. DEPUTY CHAIRMAN: Let him answer.

SHRI KALYAN ROY: You do not have to defend your officers. If things are not proper, appoint a Parliamentary Committee. What is the objection to it.

SHRI A. G. KULKARNI: Have a departmental committee; I do not mind.

SHRI SHAH NAWAZ KHAN: We will certainly look into the whole of this matter and if there is anything wrong, we will not hesitate to appoint a departmental committee to go into the whole of this affair.

SHRI KALYAN ROY: What is a departmental committee?

SHRI N. G. GORAY: He is saying, we shall look into the whole matter, as if they have not looked into it and have come here without preparation. Have you not looked into the matter when the plant is shut down for the last six months?

SHRI A. G. KULKARNI: The under-hand deals are being done by your Ministry.

SHRI CHANDRA SHEKHAR (Uttar Pradesh): The only point which has been raised—and a very valid point—by Shri Kulkarni—I do not know the facts—is that this contract was made against expert advice. It seems that the Minister is not aware of this fact. Is he in a position to say that the contract was according to expert advice and if it was against the expert advice, the officer responsible for entering into this contract should be hauled up. This is the minimum that is required, and at least the Minister should explain under what circumstances this expert advice was ignored. I can understand that no committee of the House can be appointed here. But the Minister should certainly make a statement in the House whether the allegation made by Shri Kulkarni . . .

SHRI A. G. KULKARNI: About the design.

SHRI CHANDRA SHEKHAR: . . . about the design and also about going against expert advice is true, because it is a serious matter. It is not a question of two or three lakhs. If the facts are correct, subject to verification, if the officers of your Ministry enter into such deals with foreign firms to sabotage the public sector undertakings, there seems to be no hope for the future of this country. So, it is not a question of blaming one officer or the other. The Minister should be quite categorical and say if anybody has gone against expert advice. If instead of 10,000 rpm they have taken 45,000 rpm, then the Minister should either deny it categorically or should make a statement on the particular issue.

SHRI SHAH NAWAZ KHAN: As far as I am aware, it was not done against any expert advice. The whole matter was considered and a decision was taken in accordance with the advice that was given.

SHRI A. G. KULKARNI: Is the compressor working anywhere in the world except two or three places?

SHRI SHAH NAWAZ KHAN: Yes, two or three places.

SHRI A. G. KULKARNI: Are you sure about that?

SHRI SHAH NAWAZ KHAN: This design of rotor working at 23,000 rpm is working in a number of places in the world.

AN HON. MEMBER: In France.

SHRI SHAH NAWAZ KHAN: Yes, it is working in a number of places.

SHRI A. G. KULKARNI: You enquired about it?

SHRI SHAH NAWAZ KHAN: This rotor works at 23,000 rpm in three stages. This machine has been working in a number of other countries at this speed. But nowhere has this combination of three stages and 23,000 revolutions been made.

SHRI A. G. KULKARNI: This is a unique feature here in India?

SHRI SHAH NAWAZ KHAN: This is a unique feature, I admit. It is working in three stages at 23,000 revolutions per minute.

SHRI KALYAN ROY: A unique feature of corruption.

SHRI SHAH NAWAZ KHAN: I deny that any of our officers did deliberately collude with foreigners and sabotage the public sector. I think it is being rather unfair and unkind to our officers.

SHRI A. G. KULKARNI: What do you say ultimately? Are you enquiring departmentally?

SHRI SHAH NAWAZ KHAN: Yes, yes.

SHRI A. G. KULKARNI: What about the cooperative project also?

MR. DEPUTY CHAIRMAN: The co-operative project does not arise now.

SHRI HIMMAT SINH (Gujarat): It is quite clear that there is much more in it than meets the eye. I could hardly over-emphasise the gravity of this incident. I

have been to Baroda myself on the 12th January and I have seen this plant. It is a sophisticated plant. It is a very valuable plant and it effects the life and assets not only of this particular public sector plant but of several thousands and thousands of people in Gujarat and elsewhere who are dependent upon this plant. The consequential effects, therefore, are very great and very grave. It is no use trying to defend the indefensible. Days are gone now when we should adopt a casual way or callous attitude and try to camouflage things. What is deplorable must be admitted as deplorable.

I understand that this contract was signed with Krupps. And I would like to know from the Minister who are the agents of Krupps in India and what part did they play in signing this contract because there are many business houses in our country who have very intimate connections with West Germany. We know what sort of connections they have and we know what West Germany stands for. We know what relations our country has with West Germany, and we know how in times of crisis the West Germans have reacted to situations in our country. I would, therefore, like to know who are the agents of Krupps in India and when this particular sub-contract was allowed to be signed between the Krupps and the manufacturers of this compressor, Messrs. Linde. I want to know whether any enquiry was made if this particular manufacturer had any previous experience whatsoever of manufacturing such big capacity compressors. If not, what did the Government of India do, and whether this firm of Messrs. Linde have supplied compressors of such a capacity, of this size anywhere else? Why were they allowed to experiment at the cost of our country? If they were allowed to experiment at the cost of our country what was the *quid pro quo* and who were the beneficiaries? These are questions which cannot be ignored, Mr. Minister. And if you try to defend the indefensible, I am afraid, you will be in hot waters.

Another thing which comes to light is that lot of experts come from West Germany and they are stationed in Baroda. I know what type of behaviour they indulge in. It is typical Nazi arrogance and inso-

lence the representatives of this country display in our country. It is nothing short of the philosophy of racism.

MR. DEPUTY CHAIRMAN: Let us confine ourselves to the Calling Attention.

SHRI HIMMAT SINGH: Therefore, I would like to know, when he says that we have taken up the matter with the West German Ambassador here, whether we did not think it fit also to take it up with our Embassy in Bonn? What is our Embassy in Bonn doing? These are questions which are very important. Sir, I endorse completely the demand made by my friend, Mr. Kulkarni, that there must be a full-fledged enquiry into this, and if you would permit me, there must be also an half-an-hour discussion on this subject.

SHRI HARSH DEO MALAVIYA (Uttar Pradesh): Sir, since it is a very important question on which hon'ble Members are greatly exercised and the hon'ble Minister will not hear, may we request you to allow half-an-hour discussion on this question?

SHRI SHAH NAWAZ KHAN: Messrs. Linde's West Germany are a very well known firm. They have the necessary experience and they have been supplying equipment of this type to various other countries in the world.

SHRI HARSH DEO MALAVIYA: Not this capacity.

SHRI SHAH NAWAZ KHAN: They have been supplying machines of this particular type to other countries.

SHRI HARSH DEO MALAVIYA: Not this capacity.

SHRI SHAH NAWAZ KHAN: This is a debateable point.

SHRI HARSH DEO MALAVIYA: I know it for a fact.

SHRI SHAH NAWAZ KHAN: I quite agree with the hon'ble Member that it is a very regrettable matter that this rotor compressor has failed and has caused so much harm to our country. It is a very regrettable thing. But we are trying to repair the damage as quickly as we can. In the Ministry we will go into this matter in detail and if we feel that there is any failure on the part of any individuals, necessary action will then be taken.

SHRI HIMMAT SINH: Who are the agents of M/s. Krupps in India? Why don't you answer that?

MR. DEPUTY CHAIRMAN: Mr. Pitamber Das.

SHRI PITAMBER DAS (Uttar Pradesh): The hon. Minister said he would look into the matter. Can the hon. Minister assure this House that he would look into the matter in the light of the allegations made and the discussions held in the House, and inform the House about his findings?

SHRI SHAH NAWAZ KHAN: Sir, I have noted with great respect the observations made by all the hon. Members. I will certainly look into the whole matter and then place the thing before the House.

MR. DEPUTY CHAIRMAN: Almost all the Members are unanimous on this. So I think the Minister should take the matter seriously and enquire into the whole thing and give a report to the House.

We shall now continue the discussion on the Motion of Thanks on the President's Address. Mr. Sen Gupta, can you finish in 10 minutes? Then we can adjourn for lunch.

MOTION OF THANKS ON THE PRESIDENT'S ADDRESS—contd.

SHRI DWIJENDRALAL SEN GUPTA (West Bengal): Mr. Deputy Chairman, I have moved five amendments, the last being on the question of corruption. Now, corruption is bad and is universally condemned. This corruption has different shapes. When you find adulteration in food, it is dangerous. When you find adulteration of medicine, it is certainly dangerous. But when you find adulteration or corruption in the process of democracy, in the process of elections, that becomes fatal. I am placing before this House a very important letter written by no less a personality than Profulla Chandra Sen, a former Chief Minister of West Bengal and Congress (O) leader. It is as follows:

"Dear Sri Giri,

We had three by-elections for the West Bengal Legislative Assembly yester-

day (Sunday) from 80-Gaighata, 150-Belgachia and 175-Chinsurah constituencies.

Considering the size of our country, three by-elections for one State Assembly may not appear to be so very important as to attract the attention of the President of India, but after considerable thought, I seriously attach so much significance to the manner in which the three so-called democratic elections were held that I am guided by my conscience to write this letter to you very much in alarm and apprehension. I am alarmed because I can foresee the doom of all the high ideals that you and I have cherished in our more than half a century of public life, if the present fascist recklessness of the ruling party continues unbridled. I am apprehensive because as an aged man still active in public life. I do not desire to see you go down in history as the person who presided over the liquidation of democracy in India.

I refer to the violence, rigging and corrupt practices perpetrated by the ruling party in these three by-elections. The present Government and the ruling party, steeped in corruption, has completely forfeited any respect or support of the people which it might have had. By rigging the by-elections they are apparently attempting to give a false picture of their support and popularity. What I am particularly worried about, however, is that the manner in which corrupt practices and rigging has been nakedly resorted to will compel the people ultimately to lose faith in parliamentary democracy and democratic institutions. This may drive the people to desperation resulting in large-scale violence, symptoms of which are already in evidence in different parts of our great country.

"The rigging that I am referring to was done mainly in the following manners. In some polling stations the ballot papers were issued in large numbers on the night before the poll to agents of the ruling party who stamped them and put them in the ballot boxes before the commencement of the poll . . ."