

ing board at the top to integrate their work?

**Shri Lal Bahadur Shastri:** In every Ministry the work is tremendous and if there are different departments it leads to better efficiency and more effective working. I might inform the House that the Food and Agriculture Minister is in overall charge of that department or that ministry also.

#### Supply of Shoes to Miners

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\*907. { **Shri Kishen Pattanayak:**  
**Shri Yogendra Jha:**  
**Shri Yashpal Singh:**  
**Shri Gauri Shankar**  
**Kakkar:**  
**Shri Hukam Chand**  
**Kachhavaiya:**  
**Shri S. M. Banerjee:**  
**Shri Buta Singh:**  
**Shri Ram Sewak Yadav:**

Will the Minister of Labour and Employment be pleased to refer to the reply given to Starred Question No. 496 on the 14th December, 1964 and state:

(a) whether the tender given by M/s. Ruby Industries was the lowest, if so, which firm submitted the next higher tender and what rates were quoted by it;

(b) whether any proper enquiry was made into the experience and capacity of Ruby Industries before entering into the agreement;

(c) whether it is a fact that orders were placed even before entering into agreement and acceptance of tenders;

(d) whether fresh tenders were invited at the time of increasing prices and whether the increased price was applicable to orders already placed at the original price; and

(e) whether prices were increased even after complaints were received about the bad quality of the shoes?

**The Minister of Labour and Employment (Shri D. Sanjivayya):** (a) The

tender given by M/s. Ruby Industries was the lowest. Information about the next higher tender is contained in the statement laid on the table of the House. (Placed in Library, see No. MLT-4205[65].

(b) Enquiries from the Director General of Supplies and Disposals revealed that M/s. Ruby Industries was one of the few registered firms for the supply of such material to Government.

(c) The supply of shoes to the miners was to be made by the colliery companies in accordance with Coal Award and accordingly orders may have been placed by some collieries even before entering into an agreement with M/s. Ruby Industries, but no supplies were made before the tender was actually accepted by the Chairman of the Joint Purchase Committee.

(d) No. The prices were increased in accordance with an Arbitration Award. The increased prices were to be paid in respect of supplies made on and after 1st September, 1962 according to the Award.

(e) There were some complaints which were looked into. The increase in prices was allowed owing to increase in the cost of raw material that had occurred between the date of tender and date of signing of the Agreement by the Joint Purchase Committee—a period of about a year.

**श्री किशन पटनायक :** यह जो स्टेटमेंट है इसको देखने से मालूम होता है कि जो रूबी इंडस्ट्रीज का टेंडर था उससे बाकी कम्पनियों के टेंडर बहुत ज्यादा ऊंचे नहीं थे। लेकिन फिर बाद में जब उसका दाम बढ़ा दिया गया रिविजन में तो इनसे ज्यादा भी हो गया या बराबर हो गया। मैं जानना चाहता हूँ कि यह कहां तक मुनासिब है कि एक तो टेंडर को एक्सेप्ट करते वक्त लोएस्ट टेंडर को ले लिया जाता है लेकिन बाद में इस तरह से बढ़ा दिया जाता है कि जो दूसरे

हायर टेंडर ये वे नीचे हो जाते हैं और उसके लिए यानी हायर प्राइसिस के लिए कोई टेंडर मांगें नहीं जाते हैं ?

**Shri D. Sanjivayya:** At the time when the tenders were invited, as I said earlier, the tender of Ruby Industries was the lowest. After the agreement was entered into, the Ruby Industries made out a case that in the meanwhile the prices of raw materials have gone up. Therefore, an arbitrator was appointed and his award was implemented.

**Mr. Speaker:** What was the time lag?

**Shri D. Sanjivayya:** About a year.

**श्री किशन पटनायक :** इन बातों को देखते हुए कि करोड़ों रुपये का यह मामला था और रूबी कम्पनी को लाखों रुपये का मुनाफा इसके जरिये दिया गया, श्रमिकों को जूते मिल नहीं पाये और जो मिले भी उनके बारे में हजारों शिकायतें आई हैं और अभी तक इस घोटाले के बाद एवार्ड का इम्प्लेमेंटेशन स्थगित है, क्या मंत्री महोदय इस सारे घोटाले के बारे में एक ज्यूडिशल या हाई पावर्ड इनक्वायरी कमिशन बिठायेंगे ?

**Shri D. Sanjivayya:** It is no doubt true that the Ruby Industries got a little more than what they could have got according to the earlier agreement because of the award. Coming to the complaints, one complaint was that the rubber sole was of a poor quality. Later on, the company agreed to replace it by a leather sole. With regard to the other complaint about the quality itself, it was referred to the Chief Inspector of Textiles and Clothing, Ministry of Defence at the expense of the manufacturer. He said that the material and the footwear had been found to be according to specifications.

**श्री यशपाल सिंह :** क्या सरकार यह बतायेगी कि यह ज्वायंट पर्चेज कमेटी खत्म कर दी गई है या एग्जिस्ट कर रही है ?

अगर खत्म कर दी गई है तो खरीद फरोख्त का काम कौन कर रहा है ?

**Shri D. Sanjivayya:** The Joint Purchase Committee was appointed at that time. It is a tripartite body.

**श्री गौरी शंकर कक्कड़ :** क्या यह सही है कि सरकारी अफसरों को आर्डर फार्म ले कर कम्पनी एजेंटों की तरह मालिकों से आर्डर लेने का निर्देश दिया गया था और उस पर कई अफसरों ने इसलिए एतराज किया था कि यह उनके सम्मान के खिलाफ है ?

**Shri D. Sanjivayya:** I do not know whether the officers interfered or intervened in this work. I will make enquiries.

**श्री हुकम चन्द कछवाय :** जूतों के लिए टेंडर कब मांगे गये थे, इनका विज्ञापन किन किन अखबारों में आया था, मंत्रालय को पहला आर्डर किस तारीख को दिया गया था और एप्रोमेंट के पहले भी कुछ आर्डर दिये गये थे क्या ?

**Shri D. Sanjivayya:** I have already answered the question whether the orders were placed before the agreement. Tenders were invited on 3-11-60 and the reconstituted advisory body decided on it on 27-3-61 and the agreement was entered into on 28-11-61.

**श्री हुकम चन्द कछवाय :** किन किन अखबारों में यह विज्ञापन आया था ? इसका जवाब नहीं आया है ।

**Shri D. Sanjivayya:** I am not in a position to say what was the mode of advertisement?

**Shri S. M. Banerjee:** The hon. Minister has stated that the tender of Ruby Industries was the lowest. Later on, they asked for revision of prices. I would like to know whether at that time fresh tenders were invited and, if not, why not. May I also know whether it is a fact that the Ministry,

rather the then Minister, was so eager to give the benefit to the Ruby Industries that he appointed a special officer who had no knowledge of labour laws, who was the retired Director of Employment Exchanges, for the purchase, and that officers were asked to take the company's order forms and book orders to which many officers objected because it affected their prestige? I want to know whether this is true because I know the Ruby Industries very well.

**Shri D. Sanjivayya:** With regard to Ruby Industries, their tender was the lowest. It was accepted and an agreement was entered into by the Joint Purchase Committee with the Ruby Industries. When the agreement is existing and they want a revision of rates, there is no question of inviting fresh tenders. (*Interruption*). An arbitrator was appointed and his award was accepted..... (*Interruption*). Let me complete my answer.

**Mr. Speaker:** Order, order. The Minister is trying to give the answer. Whether it is satisfactory or not, whether the Members are satisfied or not, they have other remedies.

**Shri Ranga:** But his answer must be consistent with his earlier answer. If you were to look into the records— it is there in writing on his own pad—he said earlier that at the time of entering into the agreement, the revision was made. Now he says that after the agreement is made.....

**Shri D. Sanjivayya:** May I state the position? The tenders were invited. The Ruby Industries' tender was the lowest. It was accepted and an agreement was entered into with them. After the agreement was entered into with them, they came forward to say that the prices of raw materials had increased and they wanted a higher price. Therefore, an arbitrator was appointed and his award was accepted.

With regard to the second question which my hon. friend Mr. Banerjee put, I do not know what happened at that time.

**Mr. Speaker:** Shri Ram Sewak Yadav.

**Shri S. M. Banerjee:** May I seek your protection? Kindly hear me.

**Mr. Speaker:** If the hon. Members want that it should come in the form of some discussion, that is a different thing.

**Shri S. M. Banerjee:** The second part of my question was, whether it is a fact that an officer, the ex-Director of Employment Exchange, was specially appointed and he was asked to take the orders from this company because the ex-Labour Minister and everybody in the Ministry was interested in this.

**Shri D. Sanjivayya:** I have already answered that question. As to whether any officer or officers of the Department intervened or interfered with regard to the question of securing orders, I said, "I do not know. I will make enquiries."

**Mr. Speaker:** He had already said it.

**श्री रामसेवक यादव :** क्या यह सही है जैसा कि रूबी कम्पनी के एक पत्र से साबित होता है कि रूबी कम्पनी से करोड़ों रुपयों का मस्विदा तत्कालीन मंत्री श्री नन्दा तथा मंत्रालय के एक सचिव और कम्पनी के मालिक श्री भौमिक ने बैठ कर बनाया था और श्री नन्दा ने इस मामले में इतनी दिलचस्पी इस कारण से ली थी कि उनके ज्योतिषी श्री बालिराम की दोस्ती श्री भौमिक के साथ थी ?

**Shri D. Sanjivayya:** I do not know who is interested. But on record, as I could see from the file and other papers, the agreement was prepared by the Joint Purchase Committee and the agreement was entered into by the

Joint Purchase Committee with the Ruby Industries.

**Shrimati Renu Chakravartty:** When the agreement was entered into, it must have been for a specific number of shoes and for a specific period. When they demanded for an upward revision of their prices, is it not the rule that if there is to be a new price to be given within a short period of six months, then new tenders have to be invited because there may be other people in the country who can give you those shoes at that price? What was the reason for not having done that?

**Shri D. Sanjivayya:** May I state the position again? At that time, the tenders were invited. Their tender was the lowest. Then, we asked everybody else whether they were prepared to supply shoes at the rates quoted by Ruby Industries and nobody came forward. Later on, the agreement was entered into. After that, they wanted a revision. When there is the agreement existing, how can we annul the agreement and go in for fresh tenders— (*Interruptions*).

**Shri S. M. Banerjee:** Let it go to the Public Accounts Committee.

**Shri J. B. Kripalani:** Does it satisfy you, Sir?

**Mr. Speaker:** What the hon. Members are trying to emphasize is this. After the agreement had been entered into with a particular contractor for the supply of shoes, he asked for an upward revision of the price. When it was decided that the price might be raised, was it not advisable to give others also an opportunity?

**Shri D. Sanjivayya:** The only answer that I can give on this occasion is that no opportunity was given at that time. An arbitrator was appointed to look into the case, because of time-lag; about an year's time-

lag was there, and meanwhile, the prices did rise.

**Shri P. R. Patel:** The hon. Minister had stated that the prices were revised later on after the agreement had been entered into, and something more was given. I want to know what that something more was.

**Shri D. Sanjivayya:** I can give the details. The original prices were as follows: In regard to leather sole of composite construction, the price was Rs. 22.25

**Shri P. R. Patel:** I want to know what that little more was.

**Mr. Speaker:** When the hon. Minister is giving that answer, why should there be questions again and again?

**Shri D. Sanjivayya:** It was Rs. 22.25 earlier, and according to the arbitrator's award, it would be Rs. 24.50. Similarly, in regard to the welted sole type, the price was Rs. 21.25, and according to the arbitrator's award, it would be Rs. 25.00.

**Shri Eaghunath Singh:** The question was about the total amount.

**Some hon. Members:** What is the total amount?

**Mr. Speaker:** I can get the answers from the hon. Minister, but there ought not to be simultaneous voices from so many sides of the House.

**Shri Shivaji Rao S. Deshmukh:** Is it part of the policy of the Government as a whole that a Government tenderer must be ensured profits at any cost if the prices go up, and if so, if the prices go down, will the profits also decrease?

**Shri D. Sanjivayya:** What is the question?

**Mr. Speaker:** He wants to know whether if the prices had decreased Government could have asked for a downward revision of the prices.

**Shri D. Sanjivayya:** Probably Government could have considered that.

**Shri Ranga:** It is a wrong answer. Have Government ever considered this step whenever the prices went down? Arising out of the answer of the hon. Minister, I would like to ask him one question. It is a wrong answer that he has given.

**Shri D. Sanjivayya:** What I said was that probably Government could have considered that.

**Shri Ranga:** That is never done.

**Shrimati Subhadra Joshi:** May I know whether those tenders had supplied any shoes during those six months and if so, at what price, and if not, why not?

**Shri D. Sanjivayya:** In fact, the award came into existence only from 1st September, 1962. Before that, they had supplied as many as 68,000 pairs while the total contract was for 2.5 lakh pairs.

**Shri Ranga:** I am sorry for the hon. Minister because he was not responsible for this unfortunate thing.

**Shri D. Sanjivayya:** Government are responsible, whoever might have been the Minister.

**Shri Ranga:** It was the Government that was responsible, not the present Minister because he was not in charge of it then. But I am sorry to find that the hon. Minister has not realised that there is something wrong in this and that there should be an inquiry into this matter. We would like to know one thing in this connection.

The Public Accounts Committee has stated time and again quite clearly without any room for any hon. Minister to make a mistake in understanding, that once tenders have been called and a tender has been accepted, what-

ever might happen during the period between the acceptance of the tender and the conclusion of the agreement, there should be no revision at all; and if there were to be any revision of the prices, it had never been a downward revision but always upward. If there were to be any such thing, as you, Sir, were yourself good enough to put it, fresh opportunities should be given to the earlier tenderers even if fresh tenders are not called for. How is it that on this occasion no such effort was made at all and this tendered was chosen especially in view of the fact that even much earlier than the tendering, this tenderer had already been preferred? As many as 60,000 odd pairs of shoes had been obtained from them. That is why I would suggest, if I may, on inquiry into this matter,—as has already been suggested by my hon. friends—into all the facts, because it would be quite some time before it goes to the Public Accounts Committee.

**Shri D. Sanjivayya:** All that I can say is this. If there was a mistake in not inviting tenders, at the time when Messrs. Ruby Industries wanted revision, that is a different matter; that has not been done, and we had not invited tenders. I shall examine the whole case again and take whatever steps are required.

**Shri A. P. Sharma:** Who is the owner of Ruby Industries?

**Shri D. Sanjivayya:** One Shri Bhowmick.

**Shri N. Dandekar:** As I understand the matter, this agreement with Ruby Industries contained an escalator clause under which if the prices of raw materials went up, they were entitled to an increase in price, and presumably, the arbitration was in pursuance of that clause. If so, was it a condition of the tender, so that all tenderers were aware that they would be entitled to have an escalator clause in their supply agreement?

**Shri D. Sanjivayya:** I will look into it and see if such a clause was there.

**Shri N. Dandekar:** Was it put down as a condition.....

**Mr. Speaker:** He says he does not have the information at present. He will look into it.

**Shri Sham Lal Saraf:** Shri Dandekar has partly covered my question I will put the other part. In the agreement, was there a clause laid down that there was a possibility of revision of rates under given circumstances? Will the Minister kindly explain whether such a possibility was envisaged, and if so, to what extent, so that this could be covered under that?

**Mr. Speaker:** He will examine that.

#### Left Communists' Link with Peking

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\*908. { **Shri Hem Barua:**  
      { **Shri Hari Vishnu Kamath:**

Will the Minister of External Affairs be pleased to state:

(a) whether it is a fact that the Chinese Embassy in New Delhi has made a statement challenging the Home Minister's statement in Parliament on the 12th March about the Left Communists' links with Peking and describing the above disclosure by the Home Minister as 'completely groundless and sheer fabrication and slander'; and

(b) if so, Government's reaction thereto?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) Yes, Sir.

(b) The First Secretary of the Chinese Embassy was summoned to the

Ministry of External Affairs and an oral protest was lodged against the statement issued by the Chinese Embassy on March 22, 1965. I was pointed out to the Chinese Embassy that the language used by them in their statement was objectionable and not in keeping with normal diplomatic etiquette in relation to the host Government.

**Shri Hem Barua:** Has the Chinese Embassy, by challenging the Government of the host country, not violated the cardinal principles of diplomacy and international ethics? If the Chinese Embassy has done that,—and they have done that in a very slanderous language—why is it that Government have not asked the Chinese Embassy to pack off from this country, short of severing diplomatic relations with China?

**The Minister of External Affairs (Shri Swaran Singh):** It was not considered necessary that such a drastic step should be taken on this basis.

**Shri Hem Barua:** In view of the fact that the Chinese Embassy in Delhi has become a honeycomb of anti-Indian activities and a rendezvous for Indian traitors, as disclosed by the hon. Home Minister in this House, why is it that Government have not considered it desirable to take the minimum step I want them to take, namely, to restrict the movements of the diplomats or personnel of the Chinese Embassy in this country, as they have restricted the movements of the Indian diplomats in Peking?

**Shri Swaran Singh:** It is correct that the movements of members of our Mission in Peking are restricted, just as the movements of diplomatic members of other foreign missions in China are also restricted. Their system is different. In our country, we permit diplomats freedom of