

Shri Morarka: A few days back the hon. Defence Minister said that he would make enquiries and let us know. I thought the Defence Minister must have made enquiries and should be able to let us know.

Mr. Deputy-Speaker: I think he would supply the information as soon as he gets it.

Shri Kamalnayan Bajaj: May I know whether in planning the ordnance factory's programme for the production of tractors, civil requirements are also considered, or only the defence requirements are considered?

Shri Baghuramalah: All requirements are, and will be, considered as and when they arise.

Contract for Erection of Blast Furnaces at Rourkela

*1369. **Shri Vidya Charan Shukla:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether there is any penalty clause to deal with delay in supply in the contract executed with the foreign supplier concerned to whom the work of supply and erection of the blast furnaces at Rourkela was awarded;

(b) if so, particulars of the clause; and

(c) whether there have been any occasions to consider the necessity for invoking the provisions of this clause?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). Yes, Sir. For each month of delay in the delivery or erection of equipment, the contractor is liable to a penalty of 1 per cent. of the value of the complete unit in question, subject to a limit of 3 per cent.

(c) There has been some delays and Hindustan Steel is considering whether these were caused by reasons beyond the control of the contractor or not.

Shri Vidya Charan Shukla: May I know if the same contractor is also constructing other blast furnaces in

the Rourkela steel plant, and whether that construction is going on according to schedule?

Sardar Swaran Singh: It is true that all the three blast furnaces in Rourkela are to be supplied and constructed by the same firm. According to the revised schedule of construction, the first blast furnace should have been completed by 20th December, 1958. As against this revised target date, the first blast furnace was finished towards the end of January, 1959. So, there was a delay of about one month. With regard to the other two blast furnaces also, the pace of construction is pretty rapid, but I cannot say whether they will be commissioned on the due dates or not.

Shri Vidya Charan Shukla: May I know by what time this consideration whether to impose a penalty on the contractor or not will be finished, and who are the authorities, the Ministry or the Hindustan Steel (Private) Limited, who are considering this matter?

Sardar Swaran Singh: It is primarily for the Hindustan Steel (Private) Limited to examine any plea that might be put forward by the supplier for delays. It is primarily for them to consider whether those are good justifications for the delay.

Shri Morarka: May I know whether the Government is aware of the rumour that some of the equipment supplied at Rourkela is not quite new and is second-hand and slightly defective?

Sardar Swaran Singh: I take this as a statement, not as a rumour, and I will have a look at it and find that if there is any substance in this, but I will be sorry if there is any such thing, and I hope there is none.

Shri Surendranath Dwivedy: It is a fact that the production in the first blast furnace is not according to the target. Has it been enquired into whether it is owing to the defect in the fire bricks that have been supplied by the current suppliers?

Sardar Swaran Singh: I could not say. It is a fact that the actual production in the first blast furnace at Bourkela is not up to the rated capacity, but I could not say whether this is due to any defect in the fire bricks, but the advice that was received by me was that this was mainly due to the troubles in the big casting machine

Shri Tangamani: May I know whether it has been brought to the notice of the Government that the cement that is supplied by the contractor is of an inferior quality?

Sardar Swaran Singh: That does not arise out of this because this is about the blast furnace, but it is a fact that some of the cement that was supplied by one of the factories nearby was found to be of inferior quality when we tested the core, but that is in the rolling mill section. That, unfortunately, has retarded to a certain extent the progress of construction

Shri Supakar: May I know if sufficient precaution is taken to see that the same defect which has occurred in the first blast furnace causing a shortfall in production does not take place in the case of the second and third blast furnaces when they are constructed?

Mr. Deputy-Speaker: Does he expect that the answer would be 'No'.

Shri Supakar: My question is if sufficient precaution has been taken

Mr. Deputy-Speaker: Government would always say that sufficient precaution is taken. What is the significance of the question?

Expansion of Harness and Saddlery Factory at Kanpur

*1370. **Shri Keshava:** Will the Minister of Defence be pleased to state:

(a) whether there is a proposal to expand the Harness and Saddlery Factory at Kanpur and add a boot section; and

(b) how does this feature affect the small scale industries in the locality?

The Deputy Minister of Defence (Shri Raghuramaiah): (a) Yes, Sir.

(b) It is proposed to undertake manufacture for the present only half of the annual requirements of boots and the other half will be obtained from trade through the Director General of Supplies and Disposals in the normal manner

The production in the Ordnance Factory is not likely to affect the Small Scale Industry as it will only be a very small percentage of the total quantity of boots produced by that industry

Shri Keshava: May I know whether, consistent with our policy of encouraging small-scale industry and co-operation, any attempt at all was made to secure the supply of goods from the small-scale industry and the co-operatives?

Shri Raghuramaiah: The point here is that in the supplies got from the trade we noticed various defects. First of all, there has not been any uniformity, and there have also been other defects, but more than that, we have found also idle capacity in this particular factory. In fact, a number of workmen are officially listed as being on idle-time. Considering all these facts, we have thought it advisable in the interests of the country to have boot manufacture from this factory. But as I have already explained, it will only cover a fraction of the supplies by the small-scale industries making boots in the country.

Shri S. M. Banerjee: May I know when this plant is likely to be established, and whether the foreign exchange difficulties in getting the machinery from Czechoslovakia have been overcome?

Shri Raghuramaiah: I think all the difficulties are got over, and we hope to have this as soon as possible.

Shri S. M. Banerjee: May I know the capacity of this plant, and the