

and other materials, and also a large number of persons have to be taken from the Islands to India and from India to the Islands. Secondly, the charges that are being charged by others are exorbitant, whereas we charge them at a very reasonable rate, and that is why chartering is essential.

**Shri M. L. Dwivedi:** May I know whether there is any likelihood of increasing the frequency of these trips?

**Shri Datar:** If there is any necessity, that question will be considered.

**Shri Jaipal Singh:** Are we to understand that a large number of persons, A. B. C...to Z cannot be accommodated by the regular services that obtain?

**Mr. Deputy-Speaker:** Are we arguing the matter now? That is not the question. These services are meant for transporting timber and other things.

**Shri S. C. Samanta:** May I know the market value of the two steamers, the 'Maharaja', and the 'Bharat-khand'?

**Shri Datar:** I cannot give their market value, but I can give the cost of chartering.

#### RADIO TUBES AND ELECTRICAL MATERIALS

\*857. **Shri M. L. Dwivedi:** (a) Will the Minister of Defence be pleased to state whether the prospects of establishing a concern to produce radio tubes and other electrical materials, have materialised?

(b) Who are the foreign experts and foreign firms to give technical assistance or guidance in this direction and on what terms?

(c) Has any agreement been arrived at?

(d) Where is the factory likely to be located?

(e) What will be the capital and other assets of the concern?

(f) By what time is the production work likely to commence?

**The Deputy Minister of Defence (Shri Satish Chandra):** (a) to (e). A contract has been entered into with a French Firm, namely, Compagnie Generale De Telegraphie Sans Fil, Paris for the setting up of an Electronics and Tele-communications factory in this country. It is proposed to locate the factory at Bangalore and

the total outlay involved is about Rs. 7 crores. The factory will be set up with the technical assistance of the French Firm who will send a number of experts for establishing and initially running the factory and for training Indian personnel who will take over from French personnel as early as practicable. The factory will be managed entirely by Government.

(f) 1956.

**श्री एम० एल० द्विवेदी :** मैं पूछ सकता हूँ कि जो फ्रेंच फर्म इस काम में हिस्सा लेने जा रही है, उसका इस काम में क्या इंटरैस्ट होगा, या गवर्नमेंट उसको क्या पेमेंट करेगी ?

**श्री सतीशचन्द्र :** इस प्रश्न का उत्तर इस सेशन में मैं करीब चार बार दे चुका हूँ। उस कम्पनी में और इंडस्ट्री में कोई हिस्सा फ्रेंच फर्म का नहीं होगा, यह बिल्कुल गवर्नमेंट की पूंजी से शुरू की जा रही है। फ्रेंच कम्पनी सिर्फ इस में टेकनीकल एडवाइस के लिए यहां पर है।

**श्री एम० एल० द्विवेदी :** टेकनीकल एडवाइस के लिये गवर्नमेंट उनको क्या देगी ?

**श्री सतीशचन्द्र :** वह एक टेकनीकल कांट्रेक्ट है, उस कांट्रेक्ट में फिक्सड एमाउन्ट और परसेंटेज आदि है, अगर आन्युरेविज़ मैम्बर चाहें तो मैं उनको फिर कभी बता सकता हूँ।

**Shri T. N. Singh:** May I know the average percentage paid to this concern of advisers, for the work done by them?

**Shri Satish Chandra:** Sir, I think I have not been properly understood. There are certain payments for services to be rendered in connection with the drawing up of the plans and other details. Then there will be certain payments in connection with the selection of plant and machinery and the services directly connected with the purchase and installation of the plant and machinery. Certain other payments will be made for technical advice and assistance rendered by that company, and so on.

**Shri T. N. Singh:** I wanted to know the percentages to be paid to this concern of advisers, in respect either of

output of materials or in respect of any machines purchased by them.

**Shri Satish Chandra:** There will be a small percentage paid to them in the initial stages of production.

**Shri Gadgil:** Will the hon. Minister be pleased to lay a copy of the Agreement with that firm, on the Table of the House?

**Pandit K. C. Sharma:** Has any sum been paid to this concern in advance, or is there any agreement to make any advance payment?

**Shri Satish Chandra:** No, Sir. No advance payment has been made. But as I said, all the details regarding the method of payment etc. are given in the Agreement. It is a lengthy technical document, and I do not think it will be in public interest to lay its copy on the Table of the House.

**Shri Joachim Alva:** What is the policy of the Government in placing the orders with the French experts, especially for defence materials, to be ordered from a Government which has got pockets in our country?

**Shri Satish Chandra:** That question should be put to the Minister of External Affairs.

**Mr. Deputy-Speaker:** No question of policy can be asked during question hour.

**Shri V. P. Nayar:** May I know whether this Agreement has been so drafted as to be enforceable by law, in case there is a breach by one of the parties?

**Shri Satish Chandra:** Every Agreement is subject to the jurisdiction of some law.

**Shri Kelappan:** For the machinery to be purchased, what is the percentage allowed to this firm?

**Shri Satish Chandra:** There is a fixed amount for that work. It is not on percentage basis. A fixed amount is to be paid for the technical advice and the purchase of machinery. After the factory has been set up, and has begun to manufacture the goods according to the stipulated programme a percentage on the total value of production will be paid in the initial stages for a few years.

**Shri Gadgil:** In view of the great interest shown by the Members of the House in the contents of the Agreement, will the hon. Minister consider the desirability of keeping a copy of it on the Table of the House?

**Shri Satish Chandra:** I have already said that it is not in public interest to lay a copy of that Agreement on the Table of the House. It is a lengthy technical document relating to defence industry.

**Shri Feroze Gandhi:** May we know whether the new Minister of Defence Organisation has seen this Agreement?

**The Minister of Defence Organisation (Shri Tyagi):** When I was in charge of the Finance Ministry, I had seen that Agreement.

**Shri V. P. Nayar:** The hon. Minister said in reply to my question that all Agreements are within the ambit of some law. Of course, it is unfortunate that he thinks so. But may I ask whether Government are aware...

**Mr. Deputy-Speaker:** No, no. We are not entering into a general discussion.

**Shri V. P. Nayar:** I am putting a question on this, Sir. May I know whether Government are aware that there have been cases of Agreements with foreign firms, which could not be enforced?

**Mr. Deputy-Speaker:** The hon. Minister stated that with respect to this particular Agreement, it is enforceable by law.

**Pandit Thakur Das Bhargava:** May I enquire whether any liquidated damages have been fixed, if this firm fails to observe the conditions of the contract?

**Shri Tyagi:** The difficulty in placing that document on the Table of the House is...

**Pandit Thakur Das Bhargava:** My question does not relate to that. My question is different. I want to know whether there has been the fixing of any damages, in case of default or breach of the Agreement.

**Shri Satish Chandra:** In such a case payments will not be made to the company. Moreover, the payment of a small percentage which is fixed on actual production has been included, in the agreement to safeguard against that contingency.

**Mr. Deputy-Speaker:** Next question.

**Shri Kelappan:** May I submit that my question has not been answered.

**Mr. Deputy-Speaker:** I have allowed more than twenty supplementaries on this question.

**Shri Kelappan:** But my question has not been answered, regarding the percentage allowed, for the machinery to be purchased. I wanted to know what was the amount fixed.

**Pandit Thakur Das Bhargava:** The hon. Minister has stated, that so far as specification, giving of the plans etc., and the purchasing of the machinery etc. is concerned, a certain percentage is allowed. They are all preparatory to the manufacture of goods, which means that before goods are manufactured, these sums will be paid. Supposing the firm...

**Mr. Deputy-Speaker:** Are we arguing that matter now?

**Pandit Thakur Das Bhargava:** I will put my question. Supposing the firm fulfils that part of the contract, but does not enable us to manufacture the goods, will we be entitled to any damages or not?

**Shri Satish Chandra:** I may again point out that there is no fixed percentage in the initial stages, as the hon. Member has stated. For drawing up the plans and for technical advice etc. payment is to be made in a lump sum. The percentage comes in only when the production has actually started. Moreover, this company is only a firm of technical advisers. Whatever has been achieved and whatever plant and machinery have been purchased belongs to us. If a particular firm of technical advisers is not able to help us, we will be free to engage other technical advisers.

**Shri Kelappan:** My question was, what that lump sum was?

**Mr. Deputy-Speaker:** What lump sum?

**Shri Kelappan:** The amount fixed.

**Shri Tyagi:** I have no objection in giving the figures. In fact my colleague was reluctant to place the document on the Table of the House, not because he was trying to keep any figures of expenditure from the House—House itself sanctions all this money—but it was more on strategic grounds; because in the document there is also a mention of articles of strategic importance which are to be manufactured in the Factory. It is not perhaps in the public interest to put it on the Table of the House as to what is going to be manufactured.

As regards these figures, I might inform the House that about 2 lakhs will be payment for services to be rendered in connection with drawing up of plans and details of the buildings

and the construction of the factory; about 12 lakhs is the amount which shall be paid in connection with the selection of plant and machinery and services directly connected with the purchase and installation of the plant and machinery; about 40 lakhs shall be payment for technical advice and assistance rendered by the company. Payment in the nature of royalty on actual production is, as my colleague has just now said, on a percentage basis. It is 3 per cent. on the 1st crore worth of goods produced; then over one crore upto 2 crores it will be 2 per cent; and from 2 crores and above it will be only 1 per cent. That will be commission.....(Interruptions). The agreement will be for 10 years.

**Mr. Deputy-Speaker:** Next question.

**Shri Joachim Alva rose—**

**Mr. Deputy-Speaker:** I will proceed to the next question. This question has been answered at length. Any hon. Member may take it up and then discuss during the debate whether it is reasonable or unreasonable. It is not in our province here during Question hour.

**Shri Satish Chandra:** May I add.....

**Mr. Deputy-Speaker:** Next question—  
Mr. Sodhia.

#### CONTRIBUTION TO EDUCATIONAL INSTITUTIONS

**\*558. Shri K. C. Sodhia:** (a) Will the Minister of Rehabilitation be pleased to state what was the total contribution made by the Ministry of Rehabilitation to the various educational institutions as a help for the education of children of displaced persons during 1951-52 and the current year?

(b) What was the total number of children so helped in (i) Secondary Schools and (ii) Colleges?

**The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle):** (a) and (b). The information is being collected and will be placed on the Table of the House in due course.

**Shri K. C. Sodhia:** Are any institutions directly managed by the Ministry opened for this purpose, and if so, what are they?

**Shri J. K. Bhonsle:** No, Sir. We do not run any institution direct.

**Shri Gidwani:** Is it a fact that Government intend to stop the grant for