

because newsprint is available there in large quantity?

Shri Karmarkar: With regard to import of newsprint, licence is given for all areas. Most of it comes from soft currency areas at present, but if newsprint comes from any country we are prepared to welcome it.

Shri M. L. Dwivedi: May I know whether there has been a rise in the prices of newsprint as compared to last year?

Shri Karmarkar: In September 1951 it was quoted at £ 115 to 120 per ton as compared to £ 40 to 50 per ton in the corresponding period of 1950. But now the prices have fallen.

Shri L. J. Singh: May I know whether the newsprint to be imported for 1953-54 will be increased or decreased, as compared to 1952-53?

Shri Karmarkar: It is likely to increase, but we are trying to control it if supplies are not sufficient.

MACHINE TOOL FACTORY

*886. **Shri S. C. Samanta:** Will the Minister of Production be pleased to lay on the Table of the House a copy of the agreement entered into by the President of the Republic of India with the Swiss Firm in connection with the establishment of a Machine Tool Factory at Jalahalli near Bangalore and state:

(a) whether the building for housing the factory has been constructed;

(b) whether the expenditure incurred or to be incurred in building the premises for the factory has been included in the capital;

(c) whether the 15 per cent. shares to be had in the name of the Swiss Firm will be paid for by Government to the Swiss Firm;

(d) whether the necessary plant and machinery have been imported; and

(e) if so, what is the imported cost of the same?

The Minister of Production (Shri K. C. Reddy): A statement showing the salient features of the agreement entered into with the Swiss firm, is laid on the Table of the House. [See Appendix VI, annexure No. 18.]

A copy of the Agreement is also available in the Library of Parliament.

(a) The factory will for the present be housed in hangers whose erection is nearing completion.

(b) Yes.

(c) 10 per cent. of the issued and subscribed capital of the Company will be paid for by Oerlikons. In addition, when the factory goes into production, 5 per cent. of the shares of the Company will be assigned by Government to Oerlikons, free of charge, in consideration of the transfer by the Swiss firm of the licence for the manufacture of machine tools in the factory.

(d) and (e). Orders for plant and machinery worth about Rs. 100 lakhs have been placed abroad. The shipment of the machinery has started and some consignments have already arrived at Jalahalli.

Shri M. L. Dwivedi: In view of the fact that the terms of contract entered into by the Government with a similar firm, namely Schlierens, were enforceable not in this country but in Switzerland, may I know whether the terms of this agreement are enforceable in this country or in their country?

Shri K. C. Reddy: They are enforceable in this country, but if there is any dispute between them and us it is referable to arbitration for which a clause has been provided in the agreement.

Shri M. L. Dwivedi: What will be the total investment to be put forth by Government in connection with this deal?

Shri K. C. Reddy: I do not know exactly what the hon. Member wants, but I can venture an answer. If what the hon. Member wants is the amount invested by the Government so far in the building of this factory, the issued capital of this Company is Rs. 3 crores, and so far the Government have placed orders for machinery worth about hundred lakhs.

Shri M. S. Gurupadaswamy rose—

Shri M. L. Dwivedi: I have one more question.

Mr. Deputy-Speaker: The hon. Member may have a hundred questions. I must distribute the questions overall the Members.

Shri M. S. Gurupadaswamy: May I know whether the experts that have come to Jalahalli have no work at present and have been invited to come here prematurely and the invitation could have been postponed till a later date? Is it a fact that many of the experts are not having proper work to do and are idling away their time?

Shri K. C. Reddy: I am afraid the information of the hon. Member is not correct.

Shri K. K. Basu: Arising out of the question, may I know the name of the country from where the goods were imported and actually who certified as to the quality of the goods?

Shri K. C. Reddy: With regard to the latter part of the question the Oerlikon Company has certified regarding the quality of the goods. Regarding the country from which they have been imported, they have been obtained from several countries on the Continent and elsewhere.

Shri M. L. Dwivedi: It is mentioned in the statement that for the direction and supervision of the production of the factory the firm, namely Oerlikons, will be responsible. May I know who will be responsible for the management of the company?

Shri K. C. Reddy: The management will vest in a Board of Directors.

Shri Joachim Alva: Did Government have any information or did Government seek any information in regard to the activities of this firm which was one of the major firms listed in the supply of arms to the Egyptian Government, in connection with the failure of the Egyptian forces against the Israeli forces?

Shri K. C. Reddy: I am not aware of the relationship of the firm with the Egyptian Government, but it is one of the most outstanding firms in the sphere of production of machine tools.

Shri K. K. Basu: What is the provision in the agreement if there is a breakdown of the arbitration clause? Which country will have jurisdiction in determining the issue?

Shri K. C. Reddy: If the hon. Member will look into the copy of the agreement which I have placed in the Library of the House he will get the answer. But I do not think, so far as I know, that the matter is referable to any court at all.

Shri S. C. Samanta: With reference to the answer to part (d) of the question, may I know whether over and above the imported plants any indigenous plants have been procured, and whether any indigenous firms have expressed their wish to sell their plants to Government because those firms will die very soon?

Shri K. C. Reddy: I am not aware of any specific offer. But all such machinery as is locally available has

certainly been looked into, and I may say for the information of the hon. Member that some reparation machinery has been secured for the purposes of the factory.

NILOKHERI DEVELOPMENT BOARD

*887. **Shri K. C. Sodhia:** (a) Will the Minister of Planning be pleased to state what grants and loans have been given to Nilokheri Development Board during 1951-52 and 1952-53?

(b) What was the annual budget of this body during the last two years?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) There is no Development Board for Nilokheri. The colony is administered direct by the Central Government.

(b) 1951-52.....Rs. 12,29,710
1952-53.....Rs. 8,52,000.

Shri K. C. Sodhia: What is the total population of the colony?

Shri Hathi: About 5,000.

Shri Nambiar: May I know whether many of the industries which were in Nilokheri are not functioning?

Shri Hathi: I cannot follow the question.

Shri Nambiar: Whether the many industries which were working in Nilokheri are not functioning today?

Shri Hathi: They have been functioning.

Pandit Thakur Das Bhargava: What is the total amount of investment in Nilokheri?

Shri Hathi: Rs. 95 lakhs.

Shrimati Renu Chakravartty: May I know whether any body else purchases except the Government from Nilokheri?

Shri Hathi: I think many others do purchase.

Shri Nambiar: May I know whether there is large scale unemployment in Nilokheri due to the closure of so many industries?

Mr. Deputy-Speaker: This is general administration which is not under review.

LUBRICANTS

*888. **Shrimati Renu Chakravartty:** (a) Will the Minister of Works, Housing and Supply be pleased to