

(c) whether any press delegation from India has been invited to go abroad; and

(d) whether any press delegation from India has been sent abroad by -Government?

THE PARLIAMENTARY SECRETARY TO THE PRIME MINISTER (SHRIMATI LAKSHMI MENON): (a) Four.

(b) About Rs. 1,25,000.

(c) Yes.

(d) Government have not sent any press delegations to foreign countries at their own expense. They have, however, assisted foreign missions in selecting members of delegations invited by foreign Governments.

#### **RESTRICTIONS ON THE PRODUCTION OF MILL-MADE DHOTIES**

20. SHRI B. C. GHOSE: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have received any representation from the Bengal Mill-owners' Association and the Government of West Bengal protesting against the recent restriction imposed upon the production of dhoties by mills; and

(b) if so, (i) what is the purport of such representation; and (ii) what action has been taken by Government thereon?

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI): (a) Yes.

(b) (i) Requests have been made for exemption of the West Bengal mills from the restriction order.

(ii) The State Government and the Association have been told that individual cases will be considered on merits.

#### **STATEMENT RE. GOVERNMENT HOUSING FACTORY**

3 P.M.

THE DEPUTY MINISTER FOR NATURAL RESOURCES AND SCIENTIFIC RESEARCH (SHRI K. D. MALAVIYA) : Have I your permission, Sir, to make a statement regarding a question put by my hon. friend, Mr. Sundarayya, yesterday in connection with the Prefab. Factory and Dr. Bhatnagar's visit to Sweden?

MR. CHAIRMAN: Yes.

SHRI K. D. MALAVIYA: The Government Housing Factory for the manufacture of prefabricated houses was set up with the technical assistance of Messrs. Structural and Mechanical Development Engineers of England during 1949-50. When the Government found towards the latter part of 1950 that the production in the factory fell short of expectations, the products had some defects and the costs were higher than originally estimated, they set up a technical committee to advise Government on the future programme of the Housing Factory. Dr. S. S. Bhatnagar was the Chairman of the Committee. The Committee made certain recommendations and as Dr. Bhatnagar had been invited by the French Government to visit France at their expense, the Government asked him to visit Sweden and see some of the prefabricated materials used in that country and investigate whether some help might be obtained for the future working of the Government Housing Factory. Dr. Bhatnagar's visit brought back useful information.

The Government Housing Factory is under the Ministry of Production and all matters concerning it are dealt with by that Ministry. The present position is that various proposals were considered and after protracted negotiations with certain parties an agreement was entered into with Messrs. Basakha Singh Wallenberg

Limited on the 6th December 1952 to run the Housing Factory. Important clauses of the Agreement are:

(a) The fixed assets of the Government Housing Factory consisting of land, railway siding, buildings, plant and machinery will be leased to the Hindustan Housing Factory.

(b) The working capital and any machinery that may be required will be provided by Messrs. Basakha Singh Wallenberg Ltd. who will be paid rent on machinery put up by them on the same basis as in the case of the assets leased by Government.

(c) No interest will be paid on the working capital.

(d) Profits of the factory will be divided between the Government of India and Basakha Singh Wallenberg Ltd. in the ratio of 40:60.

The name of the factory will be "The Hindustan Housing Factory Limited". This company will have an authorised capital of Rs. 5 lakhs and a paid up capital of Rs. 1 lakh which has been subscribed in equal shares by the Government of India and Messrs. Basakha Singh Wallenberg Limited. The factory was registered on the 27th January 1953. It is run by a Board of five Directors of which three including the Chairman are nominees of the Government of India. The Board held its first meeting on the 23rd February 1953 and endorsed the agreement of the 6th December 1952. It has taken over the Housing Factory and started manufacture of all forms of wood work for buildings, particularly doors, windows and furniture pending the import of necessary additional machinery required for the manufacture of pre-stressed concrete products.

The factory will produce foam concrete roofing slabs, pre-stressed concrete building components and allied products, wooden doors and windows in standardised patterns and will fabricate steel.

SHRI C. G. K. REDDY (Mysore): Sir, is this Messrs. Basakha Singh Wallenberg Ltd. also a hybrid company, half Indian and half belonging to other nations? If so, who is the other national?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY): Sir, Mr. Basakha Singh is an Indian, Sikh. Mr. Wallenberg belongs to Sweden.

MR. CHAIRMAN: Swiss or Swedish?

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SHRI K. C. REDDY: Swedish. They have registered a private partnership company and, with that company the Government of India have entered into an agreement in the lines indicated in the statement.

SHRI C. G. K. REDDY: Sir, may I know the composition of the Company? Is it 50: 50 (Indian and Swedish) or is it dominated by the Swedish or the Indian interests?

SHRI K. C. REDDY: That is a matter between them. If the hon. Member is very particular to know about the proportion, the respective interests of the Indian partner and the Swedish partner, I will get the information.

SHRI H. D. RAJAH (Madras): fire we having again a question hour, Sir?

THE PRIME MINISTER (SHRI JAWAHARLAL NEHRO) : I think it is predominantly a foreign concern with an Indian Branch. They are experts in this kind of thing. The House knows, Sir, that a great deal has been said about this Housing Factory, some with justification and a great deal without justification. I am not going into the long history but, I have been connected with these enquiries and can say with full confidence that the talk about scandals in connection with the Housing Factory is entirely a mistake. After all, there has been no question of any person making unfair profit out of it which is a test of the scandal. After many attempts—we considered all kinds of ways and

[Shri Jawaharlal Nehru.] processes of running it—we came to the conclusion that the best thing was to allow this particular firm—we had many firms before us which had experience of this kind of work—they had certain Indian partners, but, essentially a foreign firm—to do it because we could rely upon them. They knew the job. It was a sort of thing which had not been done in India before and, even in foreign countries there has been a great deal of failure of such experiments—it was a question of climate, soil and so many other" new factors. Therefore, we entered into this agreement.

PROF. G. RANGA (Madras): I ask for one little bit of enlightenment, Sir. Are the profits going to be calculated on the basis of the paid up share capital and the subscribed share capital or on the basis of Rs. li crores which we have invested and.....

SHRI K. C. REDDY: I will take some time to give a satisfactory explanation, Sir. The share capital is divided into two categories, A shares and B shares. A shares are owned by M/s. Basakha Singh Wallenberg and B shares are owned by Government. The profits of the Company will be shar<sup>e</sup>d between the two in the proportion of 60 : 40 though the ownership of shares is in the proportion of 50:50.

With regard to the second part of the question raised by the hon. Mr. Ranga, whether the Rs. 1J crores will be taken into account in the assessment of profits, etc. It will take me a little time to explain the whole position correctly. The position is this: The assets are valued and decided. Then, on the basis of that and, in accordance with the Tariff Board formula, a depreciation amount is struck. That will be the amount that will be charged as rent to this company which they have to pay. The new company has got to pay the entire working expenses, i.e., Rs. 10 lakhs and for the new machinery worth Rs. 17 lakhs in r<sup>e</sup>der to start production on new lines.

On that Rs. 17 lakhs which they invest, we have to give them rent 01 interest on the same basis that they will give us for our assets leased to the company. So, it is a little complicated arrangement but the main thing is that we want to see the factory start working. We are putting all possible pressures on this new Company which has taken over and it is expected that the actual work will start at a very early date.

SHRI H. D. RAJAH: May I know whether the Government would issue a White Paper detailing the complicated arrangements so that all of us will know what it is?

SHRI K. C. REDDY: I think if the hon. Member puts a separate question, I will have no objection to placing the agreement and all the other relevant facts on the Table of the House.

**RESOLUTION *re.* THE APPOINTMENT  
OF A COMMISSION TO INQUIRE  
INTO THE PRESENT CONDITION OF  
LITERATURES IN THE VARIOUS  
INDIAN LANGUAGES**

MR. CHAIRMAN: We pass on to the consideration of the non-official Resolutions. Shri Krishna Kant Vyas.

SHRI RAMA RAO (Madras): Sir, I have been authorised by him to move this Resolution.

MR. CHAIRMAN: All right. Under the Rules of Procedure, 30 minutes for the mover, 30 minutes for the Minister in charge and 15 minutes for subsequent speeches.

SHRI K. B. LALL (Bihar): Sir, it often happens that at the end you give only 5 minutes. Would it not be advisable to give 10 minutes from the beginning?