

LOK SABHA DEBATES

LOK SABHA

Tuesday, November 12, 1968/Kartika 21,
1890 (Saka)

The Lok Sabha met at Eleven of the Clock
[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

SMALL CAR PROJECT

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- *31. SHRI P. K. DEO :
SHRI YAJNA DATT SHARMA :
SHRI N. R. LASKAR :
SHRI LATAFAT ALI KHAN :
SHRI P. C. ADICHAN :
DR. RANEN SEN :
SHRI GHAYOOR ALI KHAN :
SHRI SHIV CHARAN LAL :
SHRI SHRI CHAND GOYAL :
SHRI KEDAR PASWAN :
SHRI NARAIN SWARUP
SHARMA :
SHRI JAGANNATH RAO
JOSHI :
SHRI ATAL BIHARI
VAJPAYEE :
SHRI RAM SWARUP
VIDYARTHI :
SHRI BHARAT SINGH
CHAUHAN :
SHRI NITIRAJ SINGH
CHOUDHARY :
SHRI D. V. SINGH :
DR. KARNI SINGH :
SHRI J. B. SINGH :
SHRI K. M. MADHUKAR :
SHRI J. M. BISWAS :
SHRI DEORAO PATIL :
DR. A. G. SONAR :
SHRI RAM AVTAR SHARMA :
SHRI JUGAL MONDAL :

Will the Minister of INDUSTRIAL

DEVELOPMENT AND COMPANY
AFFAIRS be pleased to state :

(a) whether his Ministry has sent a proposal to the Planning Commission in connection with the establishment of a small car project in the public sector during the Fourth Five Year Plan;

(b) whether the Commission have considered the proposal; and

(c) if so, the reaction of the Planning Commission thereto ?

THE MINISTER OF STATE IN THE
MINISTRY OF INDUSTRIAL DEVELOPMENT
& COMPANY AFFAIRS
(SHRI RAGHUNATH REDDI) : (a)
A reference has been made to the Planning
Commission.

(b) and (c). The views of the Planning
Commission are awaited.

SHRI P. K. DEO : As the market price
of the small car is much beyond the pay-
ing capacity of the individual, which is
because of the high taxation, may I know
if the Government are considering the
proposal that a small car is made availa-
ble to the common man at a much lower
price according to his paying capacity and
the taxes are reduced ?

SHRI RAGHUNATH REDDI : The
entire scheme of the small car project is
related to the idea of reducing the price
of the small car so that it may be avail-
able to the common man within his small
paying capacity; the manufacturing costs
are expected to be less. About the taxes
I cannot say.

SHRI P. K. DEO : Is it a fact that one
Sanjay Gandhi has submitted a proposal
to the Government with a request for
licence to manufacture a small car and, if
so, what are the conditions for the licence
compared to those stipulated for the earlier
ones, and other details ?

SHRI RAGHUNATH REDDI : The
proposal for the manufacture of a two-
door model, powered with two-stroke, air-
cooled engine of 552 cc, developing 14 h.p.

at 3,200 RPM had been submitted. The engine is to be mounted on the rear. The car would weigh 380 kg.; the pay-load is 400 kg, with an accommodation for six passengers. The maximum speed is 53 miles : 50 to 55 miles per gallon. The scheme envisages an investment of Rs. 107 lakhs in lands and buildings and Rs. 118 lakhs for the machinery. The scheme is said to be completely indigenous. The price of the car, at a production level of 50,000, is Rs. 6,000. This is a very good research project, because this is the only proposal which is based on a completely indigenous utilisation of all the available equipment here without any foreign exchange component or foreign equipment. This proposal is still under examination and no definite decision has been taken.

MR. SPEAKER : About the small car, we have been discussing it for long. There are 25 names here, and if I am to call all the 25 names it will take the whole day. (*Interruption*). Well, Dr. Ranen Sen.

DR. RANEN SEN : This question of a small car project is hanging fire for a pretty long time as far as I know. At the present moment, the production of cars is in the hands of a few monopolists—three monopoly firms—and this is one of the reasons why the prices cannot be lowered, though the Government is toying with the idea of reducing the price so long. May I know if there is any proposal before the Government to start any small car project in the public sector with foreign collaboration and, if so, what are the schemes in regard to this ?

SHRI RAGHUNATH REDDI : Immediately after the JHA Committee report on automobile industry, it was decided that an expert committee should be appointed to go into the question of considering whether a small car project would be feasible or not. Mr. Pandey was appointed Chairman of that committee and they submitted a report in 1962. The proposal was then deferred. Again in 1966 the proposal was taken up and various applications were invited.

SHRI RANGA : The question is about something and the answer is about something else.

SHRI RAGHUNATH REDDI : 14 proposals had been received out of which two proposals were considered by a committee appointed for the purpose of going into the merits of various applications. One proposal was in collaboration with Renault. Another proposal was from the Industrial Development Corporation of Mysore for the manufacture of Mazda in collaboration with Messrs Toyo Kogyo of Japan. These proposals have been considered and the proposals have been sent to the Planning Commission for their consideration. Whether it is going to be in the public sector or in the private sector is a matter for decision after consideration by the Planning Commission, the concerned ministries and the Cabinet.

श्री शिवचरण लाल : आपके पास छोटी कार बनाने के लिये कितने आवेदन पत्र आये हैं ? क्या उनमें प्रधान मंत्री जी के लड़के का भी नाम है ? यदि हां, तो सरकार उनको कितनी मदद देने जा रही है ?

MR. SPEAKER : This question has been answered. He said, 14 proposals were received out of which 2 have been sent to the Planning Commission.

SHRI UMANATH : The question is whether the Prime Minister's son has also submitted a proposal. (*Interruptions*).

AN. HON. MEMBER : Why is he hesitating ?

MR. SPEAKER : That portion you can answer and say, yes or no.

SHRI RAGHUNATH REDDI : Shri Sanjay Gandhi had submitted a proposal the details of which I have already given.

श्री राम सेवक यादव : प्रपोजल है वा आवेदन पत्र दिया है ?

श्री जार्ज करनेम्बीड : संजीव गांधी का बयान है कि उनका अकेले का ही आवेदन-पत्र है, और किसी का नहीं है। इसका जवाब दीजिये।

श्री शिवचरण लाल : अध्यक्ष महोदय, पीने दो साल में आपने मेरा नाम पुकारा है, लेकिन मुझे सन्तोषजनक उत्तर नहीं मिल रहा है।

अध्यक्ष महोदय : मैं क्या करूँ, उत्तर देने वाला मैं नहीं हूँ।

श्री रवि राय : आप जवाब दिलाइये। उसमें कितनी मदद हो रही है।

श्री राम सेवक यादव : उनके सवाल का दूसरा पार्ट यह था कि सरकार छोटी कार बनाने के लिये इसमें कितनी सहायता दे रही है।

MR. SPEAKER : He has answered the question.

SHRI UMANATH : He has mentioned that 14 applications were received. The specific question is whether the name of the Prime Minister's son is there or not.

MR. SPEAKER : He has said, yes; Shri Sanjay Gandhi had submitted a proposal. It has been answered. Shri Goyal. (*Interruptions*).

SHRI SHEO NARAIN : What is the use of asking the question again and again when the Minister has said 'Yes' in reply to the question earlier ? (*interruptions*)

श्री बलराज मधोक : प्राइम मिनिस्टर के बेटे को प्रिफ़ेन्स मिलना चाहिए।

SHRI SHRI CHAND GOYAL : The idea of having a small car was to have a car whose price will be within the means of middle class people. Other countries have been able to manufacture cars which are being used for continental runs at a cost of Rs. 5,000 to 6,000. The reason why such a car is not available in our country at that price is that our government is charging excise duty and taxes which make it very costly. Is the Government prepared to reduce the excise duty and taxes so that it will be available to the people at Rs. 5,000 or 6,000 ? I would also like to know the capacity of this car and the mileage it will give per gallon.

MR. SPEAKER : When there is no car at all, how can he give all that information ? Shri Deo has asked the same question.

SHRI RANGA : But the Minister did not give any answer.

MR. SPEAKER : When Shri Deo asked about reduction of excise duty; the Minister replied that since so many Ministries and

the Planning Commission will have to be consulted he will not be in a position to answer this question at this stage. I do not think he will be able to give better information now within two minutes of the first reply.

SHRI SHRI CHAND GOYAL : What is the capacity of the car ?

MR. SPEAKER : Where is the car to know the capacity, mileage or consumption of petrol ? What is the use of asking these questions when the car has not come into existence ?

श्री केदार पास्वान : मैं यह जानना चाहता हूँ कि छोटी कारों में जो ब्लैक-मार्केटिंग हो रही है, उसको रोकने के लिए सरकार क्या इन्तजाम कर रही है ?

MR. SPEAKER : After the car is manufactured we will stop it.

श्री कामेश्वर सिंह : अध्यक्ष महोदय, माननीय सदस्य का कहना यह है कि इस समय जो कारों में ब्लैक-मार्केटिंग चल रही है उसको रोकने के लिए क्या सरकार छोटी कार के निर्माण के लिये जो आवेदन पत्र लाइसेन्स के लिये आये हैं, उस पर शीघ्र ही विचार करेगी ?

MR. SPEAKER : This is about the new small car which is yet to be produced. After it is produced the blackmarket will stop. Then you can ask that question.

श्री कामेश्वर सिंह : अध्यक्ष महोदय, उनका प्रश्न यह है कि इस समय जो मोटर कारों में ब्लैक मार्केटिंग चल रही है उसको रोकने के लिए, छोटी कार का निर्माण करने के लिए सरकार को शीघ्र ही लाइसेन्स देना चाहिये।

श्री केदार पास्वान : जो भाषा आप नहीं जानते हैं उसको जानने का कष्ट कीजिए।

श्री अटल बिहारी वाजपेयी : अध्यक्ष महोदय, मैं जानना चाहता हूँ कि सरकार की स्मालकार की व्याख्या क्या है ? क्या इस समय जो फीयट कार चल रही है वह काफी छोटी कार नहीं है और क्या यह जो कार सरकार बनाने का विचार कर रही है वह उससे भी छोटी कार होगी ? और उसकी कीमत कितनी होनी चाहिए, इसके बारे में सरकार की क्या राय है ?

मेरा दूसरा प्रश्न यह है कि क्या यह सच है कि स्माल कार को लेकर मंत्रिमंडल में मतभेद है और प्लानिंग कमिशन में मतभेद है इसी लिए यह मामला तय नहीं हो पा रहा है ?

SHRI RAGHUNATH REDDY : As far as the first part of the question raised by the hon. Member, Shri Vajpayee, is concerned, perhaps the expression "small car" may not be an appropriate one. But that term has gained popular significance and popular approbation.

SHRI RANGA : It has not come into existence yet.

SHRI RAGHUNATH REDDY : By the expression "small car" government mean a cheaper car for the purpose of transport. Regarding the second part of the question, when a proposal is put up by a Ministry it goes to various other Ministries and those Ministries are bound to express their opinion. They have got a right to do that. It does not mean any controversy. The Ministries are expected to express their opinion.

श्री राम स्वरूप विद्यार्थी : मैं जानना चाहता हूँ कि स्माल कार की प्रोजेक्ट के लिए कौन सी फारेन कन्ट्री ने कोलाबोरेशन के लिए अपने आप को आफर किया था और कितने रुपए के अन्दर यहां पर कार तैयार करने की योजना थी ?

SHRI RAGHUNATH REDDI : There have been about 14 proposals among which foreign collaboration proposals have been made by France, Japan, Yugoslavia and West Germany. Out of all these proposals two proposals were found to be attractive. As I mentioned earlier, according to the Renaults proposal, the ex-factory retail price would be Rs. 11,119 and for Mazda, Rs. 6,700. These two proposals are found to be attractive.

श्री भारत सिंह चौहान : अध्यक्ष महोदय अभी मन्त्री महोदय ने कहा कि 14 आवेदन-पत्र आए हुए हैं तो मैं यह जानना चाहता हूँ कि उन आवेदन-पत्रों में क्या कोई मध्य प्रदेश का भी है ?

SHRI RAGHUNATH REDDI : I cannot immediately say that.

SHRI J. M. BISWAS : What are the measures that the Government is thinking of adopting in order to release the production of cars from the hands of the monopolists so that the price of cars is reduced and cars are used by the common man freely? By 'common man' I mean . . . (Interruption)

MR. SPEAKER : Do not try to explain it. Everybody is supposed to know it. A common man is a common man!

SHRI RAGHUNATH REDDI : Only for the purpose of breaking monopoly production and also with a view to seeing that a cheaper car is available to the common man we are endeavouring to take all these steps.

DR. A. G. SONAR : Is the Government contemplating to have the project in the public sector?

MR. SPEAKER : He has answered it already. Dr. Ranen Sen asked that question and he answered it. You were not here then, evidently.

DR. A. G. SONAR : Is there any application from Maharashtra State for it?

MR. SPEAKER : Shri Ram Avtar SHARMA.

श्री रामावतार शर्मा : मैं मन्त्री महोदय से केवल इतना ही जानना चाहूंगा कि छोटी कार, छोटी कार सुनते सुनते कई वर्ष हो गए हैं, अब क्या सरकार आशा करती है, किसी भी योजना में सही, यह छोटी कार बनेगी और यदि हाँ, तो कब तक बन जायेगी ?

श्री कंवर लाल गुप्त : इस जेनरेशन में बन जायेगी या नहीं, यह भी बता दीजिए ।

MR. SPEAKER : Shri Jugal Mondal. He is not here.

SHRI KANWAR LAL GUPTA : Sir, he has not replied to it.

MR. SPEAKER : No more questions. Question No. 32.—Shri Sharma.

SHRI HEM BARUA : Over ?

श्री बलराज मधोक : जान बची, लाखों पाये ।

SHRI SHEO NARAIN : Sir, how will Shri Modi go in a small car ?

SHRI PILOO MODY : We will join too together.

SHRI NAMBIAR : The car should be so made that he is able to travel in it.

MR. SPEAKER : Order, order.

SOVIET EXPERTS IN H.E.C., RANCHI

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32. **D. C. SHARMA :**

SHRI BENI SHANKER

SHARMA :

SHRI SHARDA NAND :

SHRI ONKAR SINGH :

SHRI NARENDRA KUMAR

SALVE :

SHRI R. K. SINHA :

Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether the Heavy Engineering Corporation at Ranchi proposes to engage 42 Soviet experts to improve its techniques of production and installation;

(b) if so, the main features of the proposal;

(c) the steps taken to implement the same and the expenditure involved; and

(d) whether such technical know-how and expertise, as is needed, is not available in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT & COMPANY AFFAIRS (SHRI RAGHUNATH REDDI) : (a) Yes, Sir.

(b) The services of these experts will be obtained from the U.S.S.R. during the period 1968-70 for a total period of 42 man-years on a phased basis.

(c) A contract for the deputation of these specialists is being finalised by the Heavy Engineering Corporation Limited, Ranchi with the Russian collaborators. The expenditure involved is estimated at Rs. 21.61 lakhs.

(d) The decision was taken bearing in mind the technical know-how and expertise available in the country and the need for building up production and for training Indian operators on some of the specialised machinery and equipment.

SHRI D. C. SHARMA : For some time we have been hearing that the H.E.C. at Ranchi is a very sick child. May I know what effort the Ministry has made to restore this sick child to health or to near-health ?

SHRI RAGHUNATH REDDI : In order to increase production and to set right the lag in productivity, a Soviet experts team arrived in India at the invitation of the Government of India. They have suggested various recommendations and steps to be taken for the purpose of improving the productivity and also the total production. We are trying to implement some of these recommendations and I hope, it will do well.

SHRI D. C. SHARMA : While I feel grateful to the Soviet Union for lending us the services of these experts who are specialists in this kind of technical knowledge and expertise, I want to ask the hon. Minister what efforts have been made during the last year to develop our own cadre of such persons as can run the H.E.C. at Ranchi without any outside technical knowledge and expertise.

SHRI RAGHUNATH REDDI : Every effort is being made to develop our own technical personnel and to make completely Indianised the entire operations of the said project. It is only for the purpose of getting some highly-skilled experts for giving training to the operators in order to meet the Bokaro orders immediately and also to train the operators on some specialised machines that both the parties have agreed for a total period of 42 man-years on a phased basis, not more than that.

श्री बेनी शंकर शर्मा : अध्यक्ष महोदय, जहां तक मेरी सूचना है हैवी इंजीनियरिंग कारपोरेशन लिमिटेड, रांची के अन्दर तीन प्लांट्स बँटाये गये हैं, पहला हैवी मशीन बिल्डिंग प्रोजैक्ट, दूसरा फाऊंडरी फोर्ज प्रोजैक्ट और तीसरा हैवी मशीन टूल्स प्रोजैक्ट। इनमें से पहला हैवी मशीन बिल्डिंग प्रोजैक्ट रशियन तकनीकी सहायता से बनाया गया है जबकि दूसरे दोनों प्रोजैक्ट्स चेकोस्लोवाकियन सहायता से बनाये गये हैं। मैं पूछना चाहता हूँ कि ये जो रशियन ऐक्सपर्ट्स आ रहे हैं वे केवल