

LOK SABHA DEBATES

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LOK SABHA

Tuesday, February 24, 1970/Phalgun 5,
1891 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER *In the Chair*]

ORAL ANSWERS TO QUESTIONS

Small Car Project

- *31. SHRI N. R. LASKAR :
SHRI SAMINATHAN :
SHRI NARAYANAN :
SHRI MAYAVAN :
SHRI DHANDAPANI :

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

(a) whether it is a fact that Government have stated in reply to a letter from the Chief Minister of Mysore that no decision has yet been taken on the setting up of a small car project;

(b) If so, whether, in view of the considerable delay, Government are now considering to take a final decision immediately; and

(c) if not, the reasons therefor ?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH) : (a) Yes, Sir.

(b) Yes, Sir.

(c) Does not arise.

SHRI N. R. LASKAR : What is the answer to part (b) of the question ? Are Government going to take a decision immediately or not ?

SHRI BHANU PRAKASH SINGH : The answer to part (b) of the question is 'Yes', because it is still under the consideration of Government and the Cabinet has to take a decision on it this way or that way.

SHRI N. R. LASKAR : So far as the newspaper report goes, the Planning Commission has not accepted this proposal, and so, I would like to know on what basis Government are going in for this.

SHRI BHANU PRAKASH SINGH : It is true that unfortunately, the Planning Commission has not accepted the small car project in the Fourth Plan. But the Ministry of Industrial Development feels very strongly that this is an important project from the point of view of giving employment and for the development of ancillary and small industries. Therefore, the Ministry is insisting on this, and the matter has been referred to the Cabinet, and when a decision is taken, we shall inform the House of it.

श्री शशि रंजन : कम-कीमत की कारों की प्रसव पीड़ा में हमारी सरकार आज कई वर्षों से पीड़ित है। मैं जानना चाहता हूँ कि यह सरकार कुछ तय करके इस प्रसव-पीड़ा से मुक्त क्यों नहीं हो जाती है और हम लोगों को जिन्हें संशय में रखा जाता है कि इन्तजार करते रहो, इस इन्तजारी से मुक्त क्यों नहीं किया जाता है ? 4-5 वर्षों से यह मामला चल रहा है और हमारे मिनिस्टर साहब लगातार कहते आ रहे हैं कि जल्द करने वाले हैं—वह जल्द कब आने वाला है। कुछ निश्चित समय बताइये, प्लानिंग कमीशन का पीछा छोड़ कर हाउस के सामने साफ साफ कहिये कि इसमें क्या लाचारी है ?

औद्योगिक विकास, आंतरिक व्यापार तथा सवनाय कार्य मंत्री (श्री फल्लूखदीन अली अहमद) : जैसाकि मेरे साथी ने बताया कि जब प्लानिंग कमीशन फिर से विचार कर रहा था कि रिसोर्सों के मुताबिक कौन कौन सा काम पहले लिया जाय, उन्होंने इसको प्रायोरिटी आईटम में नहीं लिया और अपने प्लान में इन्क्लूड नहीं किया। अब सवाल यह है कि सरकार इसके बारे में क्या फैसला करे, इसको लिया जाय या न लिया जाय, अभी हमारे यहाँ नई पालिसी फाइनेन्शियल इन्स्टीट्यूशन एंड के मुताबिक निकली है। हम यह देखेंगे कि उस नई पालिसी के मातहत फाइनेन्शियल इन्स्टीट्यूशन से इस में कुछ मदद मिल सकती है या नहीं, उस के बाद फैसला लिया जायगा।

SHRI N. K. SOMANI : One thing cannot be challenged that there is a woeful neglect of mass transit system and public transportation system in this country. The weight on the common man has been added to yesterday by the anti-common-man budget of the Railway Minister, which has added to his burdens considerably. In view of this, there is an obvious priority for development of these sectors rather than the setting aside of Rs. 30 or 40 crores for another automobile manufacturing unit which is bound to be uneconomic even at 50,000 to 75,000 units production

level. May I know, therefore, whether Government intend at all to set right its priorities in order and as long as these public utility systems are not developed as per requirements, they would not insist and make it a prestigious issue as far as this project is concerned ?

SHRI BHANU PRAKASH SINGH : Regarding the economic or uneconomic nature of it, it is a matter of opinion. Government feel that this new unit would be economic, and regarding the priorities, Government feel that this should be a priority item but unfortunately, the Planning Commission have not felt that way. Therefore, we are pressing for this.

SHRI BEDABRATA BARUA : What is the policy of Government in regard to the alternative proposal which has also been mooted that the entire car industry should be nationalised and economy of scale achieved ? If it is said that there is lack of economy of scale, the plan being small, I do not know how another car plant can produce cheaper cars, unless it be that we have a glut of cars in the market. May I know whether the alternative proposal is also being considered ?

SHRI BHANU PRAKASH SINGH : There is no question of the nationalisation of the automobile industry here.

SHRI BEDABRATA BARUA : May I know whether it could be expanded and economy of scale achieved ? Is there any proposal like that ?

SHRI BHANU PRAKASH SINGH : There is no proposal like that.

SHRI BAL RAJ MADHOK : The hon. Minister has just now said that the Planning Commission does not find funds for this. May I know whether any suggestions were made for private collaboration ? For example, there has been a report about the Tatas having collaboration with a German firm for manufacture of automobiles. If Government do not have funds, will they permit any private entrepreneur to have collaboration and produce cheap automobiles in the country or whether Government will wait till Sanjay Gandhi gets ready with a full plan which could be accepted ?

MR. SPEAKER : No such aspersions should be made.

SHRI CHENGALRAYA NAIDU : How can you object to this ? If the sons of Ministers have such projects in hand, we have got a right to know.

SOME HON. MEMBERS : How can you object to this ?

SHRI ATAL BIHARI VAJPAYEE : What is the aspersion ?

MR. SPEAKER : If Shri Atal Bihari Vajpayee also justifies this, then I have none else to give me support.

SHRI ATAL BIHARI VAJPAYEE : There is no aspersion. You will have to accept it.

MR. SPEAKER : Indirectly, it is there.

SHRI SHEO NARAIN : What is wrong with this ? We have a democratic right to ask this question. We are running a democratic government in this country.

SHRI BHANU PRAKASH SINGH : According to the latest Government decision, financial assistance is to be given to public and private sectors by the financial institutions. Also, under the new decision taken, no licence is necessary up to Rs. 1 crore, and if imported machinery is required, up to 10 per cent also of imports, and from Rs. 1 to 5 crores, if it is indigenous. If the Tata come under the one or the other of these four categories, they are free to go ahead.

SHRI BAL RAJ MADHOK : He is evading the question. I did not refer to the industrial policy scheme at all. If the Tatas have any suggestion to manufacture small cars with collaboration with Germans, what has the hon. Minister to say about it ? He is talking to me about industrial policy. What have I to do with industrial policy here ?

SHRI F. A. AHMED : Anyone is entitled to file an application for licence, and it will be considered on merits.

SHRI TENNETI VISWANATHAM : The small car has been in the air for a long time, and it has become really a big car. I would like to know whether Government have got any plan for a smaller car. The hon. Minister has said that the Planning Commission is considering the whole issue. But the issue has not come out. Has the planning become family planning in this matter also ?

SHRI BHANU PRAKASH SINGH : I have already said that it is no more under the consideration of the Planning Commission. They have not approved of it.

SHRI TENNETI VISWANATHAM : The hon. Minister has said that the Planning Commission is considering the whole issue, and I had said that the issue had not come out. Therefore, is it family planning or planning the car ?

SHRI BHANU PRAKASH SINGH : Family Planning also comes under the Planning Commission.

MR. SPEAKER : That is a very simple issue !

SHRI G. VISWANATHAN : We have been hearing about this small car for a very long number of years. What is the definition of a 'small car' and what is going to be its HP ? Are we going to call the Harold a big, small or medium car ?

Secondly, to serve the 54 crores of our population, there are only three factories. Are Government satisfied with this position, with the deteriorating quality of the cars produced every year and the annual increase in prices ? Are they going to be still pressurised by the big business or are they going to allow some other factories to come up or not ?

SHRI BHANU PRAKASH SINGH : Government certainly are not happy with the present standard of quality of the cars and the prices that are being charged. That is why we are insisting that there should be a new unit for a small car.

SHRI NAMBIAR : Very vague answer.

SHRI S. KANDAPPAN : They are insisting on us.

SHRI R. BARUA : Even in Russia, they are unable to meet the needs of the common man for public transport and, therefore, have not gone for production of small cars—and increase even of cars in general. In view of our limited resources and various commitments, will Government, once far all, give us an assurance that this small car business will not come for years to come because they are not in a position to put it through ?

SHRI BHANU PRAKASH SINGH : It is difficult to give such an assurance. I have said that the matter is before the Cabinet and Government are going to take a decision. All considerations will be kept in view before a final decision is taken.

SHRI CHENGALRAYA NAIDU : Is it a fact that the Planning Commission or Government are not able to set up a small car project for want of funds, whether it is foreign exchange or rupee funds. Will Government consider proposals from Indians living abroad if they are willing to establish a factory here with the collaboration of State Governments on a 49:51 per cent basis ?

SHRI F. A. AHMED : That will be considered.

SHRI CHENGALRAYA NAIDU : Why say 'consider' when he is not able to take a decision so far ? Why can he not say 'yes' or 'no' ? It is the incompetence of this Ministry which comes in the way.

SHRI F. A. AHMED : There is no such proposal before us. The only one which has come is from the hon. member now. Let him put it in writing. It will be considered.

SHRI CHENGALRAYA NAIDU : What is the use of asking me to put it in writing if he is not in a mood to consider it ?

SHRI HEM BARUA : Is it a fact that the small car project was included in the Fourth Plan and the Planning Commission have pooh-poohed the entire idea ?

If so, what are the basic reasons for the Planning Commission doing so ? Also is it a fact that Government forwarded certain applications for a small car project to the Planning Commission which the latter rejected ? If so, what are the reasons for such rejection ?

SHRI F. A. AHMED : The Planning Commission have said that within the limited resources, it is not possible to give priority to this project.

As for the other question, applications are not forwarded to the Planning Commission.

Setting up of Small Scale Industries by Unemployed Youths with Central Assistance

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*32. **SHRI VASUDEVAN NAIR :**
SHRI K. HALDER :
SHRI J. M. BISWAS :
SHRI C. JANARDHANAN :

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

(a) whether there is any scheme before the Centre proposed by the West Bengal Government to encourage the unemployed youths in the various spheres in setting up small-scale industries with the assistance of the Centre; and

(b) if so, the decision of the Centre on this proposal ?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH) : (a) No, Sir.

(b) Does not arise.

SHRI VASUDEVAN NAIR : Is there any truth in reports circulated by newspapers that the Central Government had themselves formulated certain programmes of this kind to help unemployed youths, especially unemployed engineers, to start