

**Shri Rameshwar Tantia:** May I know whether it is a fact that on account of the higher railway freight paid from the mines to the ports our exports of manganese ore have been affected; and, if so, whether Government will consider the question of adjusting the railway freight in such a way that we can compete with other countries?

**Shri Manubhai Shah:** The hon. House is aware that 50 per cent rebate is already given, and it is our earnest wish that this concession, though a little modified, will still continue to exist.

**Shri B. K. Das:** May I know whether we have been able to obtain any facility by this long-term arrangement in the matter of price or other things?

**Shri Manubhai Shah:** The price will be stabilised, the mines will be worked to optimum capacity and it may be that with the resultant increase in production the price may be reduced by one or two rupees per ton.

**Shri Subodh Hansda:** The hon. Minister stated that under the arrangements entered into fertilisers will be imported from foreign countries. May I know for how long this fertiliser will be imported?

**Shri Manubhai Shah:** We will be importing about 2,00,000 tons.

**Shri D. J. Naik:** Will these export arrangements help the various mines which have closed their operations to renew their mining operations?

**Shri Manubhai Shah:** Very few have closed down. If we can continue with the mines that are operating, that itself will be a big job in the matter.

**Shri R. S. Pandey:** May I know whether any arrangement is made

with any foreign firm to export ferro-manganese which is the finished product of manganese ore?

**Shri Manubhai Shah:** That is a separate thing. This is a barter deal which is being negotiated.

**Shri S. C. Samanta:** May I know whether any of the foreign countries with whom this long-term arrangement for export of manganese ore has been reached have come forward with a proposal to help us in the transport of manganese ore to the ports?

**Shri Manubhai Shah:** That would not arise, as the House will appreciate, in the case of manganese ore because the quantities involved are hardly 1 million to 1½ million tons. But that precisely is the case in the matter of iron ore and in all our bilateral contracts we do include development of transport facilities because the volume is 25 to 30 million tons which we are aiming at

**Dr. Ranen Sen:** Ghana also being a manganese producing country and exporting manganese to other countries, is there any difficulty in regard to competition with Ghana in this respect?

**Shri Manubhai Shah:** Yes, a very great competition from Gabo, Ghana and Congo where the mines are up-to-date, where the mines are completely mechanised and recently started and because of which they are able to under-cut the prices very considerably.

#### Prices of Automobiles

\*94. { Shri D. C. Sharma;  
Shri P. C. Borooah;  
Shri Harish Chandra  
Mathur:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the steps Government contemplate to cut down the prices of automobiles and streamline the ancillary industry;

(b) what is the value of parts and components (i) imported and (ii)

farmed out ancillary industry during the years 1961-62 and 1962-63; and

(c) what is Industry's programme for 1963-64?

**The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi):** (a) to (c). A statement is laid on the Table of the House [Placed in Library, See No. LT-847/63].

**Shri Harish Chandra Mathur:** The hon. Minister is reported to have said on the 29th January that the auto industry must cut down the prices and more particularly with reference to the ancillary parts. May I know what is this analysis of the high cost and what definite steps the hon. Minister proposes to take to bring down the prices? I hope he is not satisfied with making a statement only.

**The Minister of Steel and Heavy Industries (Shri C. Subramaniam):** The analysis was made with reference to the imported cost of these components and the price of indigenously manufactured components which is fairly high. That is why I suggested that the cost should be brought down, and steps are being taken to bring down the cost by increasing the scale of production and by that process it should be possible to bring down the cost. I can tell the hon. Member that even now there are signs of costs coming down.

**Shri Harish Chandra Mathur:** What the Minister now says is something different from what he has stated. What he stated was and I particularly refer to the ancillary industries in this country—that the ancillary industries in this country were not disciplined and certain steps were to be taken to bring about more efficiency. What are the main causes for the ancillary industries not producing the parts at a reasonable cost? Are they being provided with proper raw materials at fairly competitive rates? What steps have the Government taken to see that the ancillary industry units function well?

**Shri C. Subramaniam:** The cost is mainly related to the scale of production. If they are asked to produce a small number of components, naturally, the cost goes up. Now we are trying to see that instead of licensing more and more units the existing units are given larger production so that they may be able to bring down the cost.

**Shri D. C. Sharma:** The statement says:

"Increase in the volume of production can be expected to present scope for economy and reduction in the cost of production."

It is a vague generalisation. In this sweeping generalisation what should be the optimum production to bring about reduction in price?

**Shri C. Subramaniam:** It depends upon the nature of the component. In respect of certain components unless 20,000 or 30,000 are produced we would not be able to have all the economies which are possible in the manufacture of those components. In certain cases, 5,000 would be all right. Therefore, it is not possible to fix a number in respect of all components. That is why a general statement has been made.

**Shri M. L. Dwivedi:** The Minister says in the statement that the policy of the Government, among other things, is to check the prices. In spite of that policy of Government, cars are selling at a high premium in the market. Why is it so?

**Shri C. Subramaniam:** The main cause is there are not sufficient number of cars to meet the demand.

**Shri Harish Chandra Mathur:** The hon. Minister has stated that if there is larger output by a particular unit the cost will come down. Do I take it that the Government made a mistake in sanctioning smaller units and that in future their policy is not to give a share to the small-scale industries but to have larger units turning out larger quantities?

**Shri C. Subramaniam:** Yes, that will be the policy hereafter. Instead of encouraging or giving new licences to new units the existing units would be encouraged to increase production. That is the only way of bringing down the cost. As hon. Members are aware, as the total production of automobiles in the country is so small, it becomes difficult to increase the volume of production. As we go on increasing the target, we should see that we do not licence new units for producing small number of components.

**श्री यशपाल सिंह :** क्या यह सच है कि इस व्यापार के ऊपर चूक एक ही फर्म की मोनोपली चली आ रही है इसलिए वह फर्म न कीमतों को घटते नहीं देती है? सरकार इस बारे में क्या कदम उठा रही है?

**Shri P. C. Sethi:** There are hundred and odd ancillary firms. Perhaps, the hon. Member is referring to car and not to ancillaries.

**Shri Hari Vishnu Kamath:** The statement laid on the Table of the House shows that Government have given facilities to the main manufacturers to expand their capacity and in the ancillary industries for increased manufacture of components within the country. What is the basis or what are the criteria for the distribution of such facilities? May I know whether among the industrialists *inter se* there are any most-favoured, more-favoured and less-favoured manufacturers, so far as the distribution of facilities is concerned?

**Shri C. Subramaniam:** We have to reach the capacity of 60,000. Therefore, taking into account the existing capacity of the manufacturers, the expansion programme has been laid down. There is no question of any most-favoured or less-favoured in this case.

**Dr. Sarojini Mahishi:** What is the percentage of the total demand for automobiles that is met today?

**Shri C. Subramaniam:** I have not made an estimate of it.

**डा० गोविन्द दास :** जी अभी यहां मोटरें तैयार होती हैं उनका कितना प्रतिशत: हिस्सा बाहर से आता है और कितना यहां बनता है और क्या उनके महंगा होने का यह भी एक कारण है कि अभी भी बाहर से बहुत से हिस्से मंगये जाते हैं और तब कहीं जाकर मोटर तैयार हो पाती है?

**श्री प्र० चं० सेठी :** जो इस समय यहां मोटरें बन रही हैं उनमें टाटा मर्सिडीज बेंज ७० प्रतिशत यहां बनती है। बैडफोर्ड ५३.५५ परसेंट, डोज ७६.२४ परसेंट लेनॉड कोमेट ५१.८८ परसेंट, जीप्स ५६ परसेंट, एम्ब्रेसेडर ७४.४६ परसेंट, फ़िएट ४६.०१ परसेंट और स्टैन्डर्ड हैराल्ड ४३.८१ परसेंट यहां बनती हैं।

**Shri A. P. Jain:** In the opinion of Government is it not a fact that there are far too many automobile manufacturing units producing far too less units each? For instance in the case of one of the motor cars there are only 3,000 units produced. Has the Government given any thought to the question of amalgamating these units so that the per unit production may go up and the cost go down?

**Shri C. Subramaniam:** With reference to passenger cars what the hon. Member has said is completely true. But one of them is located at Calcutta, another at Bombay and the third at Madras. Therefore it is rather difficult to bring about an amalgamation of these three units existing at three different places.

**Shri Daji:** In view of the oft-repeated statement of the hon. Minister and the other hon. Minister, Shri T. T. Krishnamachari, is it not a fact that, apart from the question of inherent defect in the economy of the automobile industry, self-restraint and discipline shown by the industry itself is wanting and that that is one of the reasons for the high cost?

**Shri C. Subramaniam:** I do not know what the hon. Member means by 'self-discipline'.

**Shri Daji:** They are your own words that you used before the industry.

**Shri C. Subramaniam:** Is it with reference to labour or with reference to management?

**Shri Daji:** With reference to management. I am using the words which were used by the hon. Minister himself while addressing the industrialists.

**Shri C. Subramaniam:** Yes, Sir, certain Minister might have made that statement but that is a general statement. Generally it means efficiency in production and with increased efficiency of cost of production comes down.

**Shri Harish Chandra Mathur:** May I refresh the memory of the hon. Minister that he himself has said that? May I read out from the cutting that I have here?

**Shri Daji:** The papers reported that you yourself have said that to the industrialists.

**Shri C. Subramaniam:** That is why I am saying that industrial discipline means greater efficiency. That refers to management as well as to labour.

**Shrimati Renuka Ray:** The hon. Minister said about the value of component parts as also the percentage of component parts that have been imported. I would like to know whether any important component parts, such as, carburettors and things which are essential for the motor cars and other vehicles, are still being imported or whether any of them are now being made in the country.

**Shri C. Subramaniam:** Certain essential parts are even now being imported, but a programme is being laid down for the manufacture of all the components within the country.

**Shrimati Renuka Ray:** What about carburettors?

**Shri C. Subramaniam:** Carburettors also.

**Shri Tyagi:** Has the Government dropped the scheme of manufacturing a cheaper car for common use? That scheme was under consideration. I wonder at what stage that idea is now.

**Shri C. Subramaniam:** It has not been revived yet.

**Shri Tyagi:** Has it been given up?

**Shri C. Subramaniam:** It has not yet been revived.

**Shri Tyagi:** Has it died out?

**Mr. Speaker:** Next question.

#### Equalisation Surcharge on Steel Sale

\*96. **Shrimati Renu Chakravarty:** Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether the equalisation surcharge on steel sales is going to be scrapped;

(b) whether it is a fact that mills have sometimes failed to pay this equalisation surcharge calculated into the retention price; and

(c) the amount outstanding?

**The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi):** (a) No, Sir.

(b) and (c). The surcharge does not form part of the retention price. The main producers generally pay their surcharge dues regularly. Sometimes, however, payments are withheld if they feel that their counter claims would offset the amounts due from them. The gross amount of outstanding dues from the main producers, as on 31-1-1963 was Rs. 21.36 crores, including an estimated amount of Rs. 5.96 crores yet to be billed. As against this, Iron and Steel Controller has estimated that approximately the same amount will be due to them on account of adjustments in the retention price, freight and other miscellaneous items.