

## LOK SABHA DEBATES

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### LOK SABHA

Friday, February 19, 1965/Magha 30,  
1886 (Saka).

*The Lok Sabha met at Eleven of the  
Clock.*

[MR. SPEAKER in the Chair]

#### ORAL ANSWERS TO QUESTIONS

**Mr. Speaker:** Shri D. C. Sharma.

**Shri D. C. Sharma:** Question 31.

**Shri Sham Lal Saraf:** Question 39 also may be taken up along with this.

**Mr. Speaker:** If it is convenient, question 39 also may be answered along with this.

#### Small Car

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- \*31. {
- Shri D. C. Sharma:
  - Shri Prabhat Kar:
  - Shri Indrajit Gupta:
  - Shri M. L. Dwivedi:
  - Shri S. C. Samanta:
  - Shri R. S. Tiwary:
  - Shri J. B. Singh:
  - Shrimati Renu Chakravartty:
  - Shri Ramanathan Chettiar:
  - Shri Surentra Pal Singh:
  - Shri S. M. Banerjee:
  - Shri Yashpal Singh:
  - Shri P. C. Borooah:
  - Shri Bhagwat Jha Azad:
  - Shrimati Savitri Nigam:
  - Shri P. R. Chakraverti:
  - Dr. L. M. Singhvi:
  - Shri Vishram Prasad:
  - Shri Bade:
  - Shri Onkar Lal Bawa:
  - Shri Bibhuti Mishra:
  - Shri C. K. Bhattacharyya:
  - Shri M. R. Krishna:
  - Shri R. S. Pandey:

Shri Abdul Ghani Goni:  
Shri Ramachandra Ulaka:  
Shri Dhuleshwar Meena:  
Shri P. K. Deo:  
Shri Kapur Singh:  
Shri P. K. Ghosh:  
Shrimati Jyotsna Chanda:  
Shri P. Venkatasubbalah:  
Shri R. Barua:  
Shri Daji:  
Shri L. N. Bhanja Deo:  
Shri Warrior:

Will the Minister of Industry and Supply be pleased to state:

(a) whether the talks regarding the manufacture of small car with foreign firms have yielded any results:

(b) if so, the details thereof; and

(c) whether there is any likelihood of having a small car in the market during the Fourth Plan period?

The Deputy Minister in the Ministry of Industry and Supply (Shri Bibudhendra Misra): (a) to (c). The talks are still going on. It is premature at this stage to anticipate the ultimate outcome. Industrial programmes of the Fourth Plan, including the small car project, are under discussion with the Planning Commission.

#### Small Car

- \*39. {
- Shri Harish Chandra Mathur:
  - Shri Jashvant Mehta:

Will the Minister of Industry and Supply be pleased to state:

(a) the foreign exchange required for the small car based on the recommendation made by the Pande Committee;

(b) the estimated export of the proposed car.

(c) the foreign exchange so far spent during the Third Five Year Plan (year-wise) after the submission of the Pande Committee's Report; and

(d) the estimated demand of foreign exchange for the manufacture of present make of cars in the country during the next five years?

The Deputy Minister in the Ministry of Industry and Supply (Shri Bibudhendra Misra): (a) to (d). A statement is laid on the Table of the Sabha.

#### Statement

(a) The Pande Committee had considered a number of offers for the manufacture of a small car. The foreign exchange requirements for the project were indicated differently by the different foreign manufacturers. For the scheme recommended by the Pande Committee the foreign exchange requirements on capital account were estimated at about Rs. 10 crores.

(b) No estimates of exports were worked out.

(c) The foreign exchange allocated to the car industry since 1961-62 has been as shown below:—

Year	Foreign exchange on capital account (Rs. Lakhs)	Foreign exchange on Maintenance account (Rs. Lakhs)
1961-62	143.00*	579.21
1962-63		422.20
1963-64		401.00
1964-65	29.00*	332.25

\*For press tools and dies for manufacture of body panels.

(d) The foreign exchange requirement for the manufacture of present makes of cars over the next 4 to 5

years, based on their existing installed capacity and 90 per cent indigenous content, would be of the order of Rs. 5.70 crores, per annum, made up of Rs. 2.12 crores for components and Rs. 3.58 crores for raw materials.

Shri D. C. Sharma: May I know with how many countries Government are carrying on negotiations for the manufacture of the small car and whether any one of those countries has offered terms better than the terms of any other country?

The Minister of Heavy Engineering and Industry in the Ministry of Industry and Supply (Shri T. N. Singh): It is said in the statement that we are having negotiations with about five parties—Skoda of Czechoslovakia, Dauphine in collaboration with M/s Renault of France, Hillman Imp in collaboration with Rootes organisation of U.K., DKW of West Germany and Datsun Bluebird of Japan. All these talks are in preliminary stages, because they have yet to submit their proposals. Till we get that, it is very difficult to say about the progress.

Shri D. C. Sharma: May I know whether the Government of India have received any proposals from any of those countries which give details about the cost and other things, and if not, by what time they are going to get details like that?

Shri T. N. Singh: They have not yet given their definite figures yet. They generally talked to me and I had some discussion. I would beg of the House not to ask for details of these things at this stage, because negotiations are going on.

Dr. L. M. Singhvi: May I know what would be the projected capacity on the basis of which negotiations are continuing at present and what would be the price and by when the whole project will be finalised for reporting to Parliament?

Shri T. N. Singh: Our own basis on which we are negotiating at pre-

sent is to have a capacity of 50,000 annual production of the vehicles that we may select. As to the price, it is difficult to make any statement at this stage because we are in the process of negotiation.

**Mr. Speaker:** Is it possible to give any time by which it will be finalised?

**Shri T. N. Singh:** I cannot give any time.

**Shri R. Ramanathan Chettiar:** Three years ago, the stage of negotiations with a French manufacturer had gone to a certain extent that they were to put up a factory almost on the basis of a turn key job. What is the position with regard to those negotiations?

**Shri T. N. Singh:** After that break, only recently the negotiations have restarted. Their representative came and saw me. He is putting up his proposals.

**Shri Sham Lal Saraf:** With regard to this party, may I know whether the thread of the old negotiations has been taken up or is Government entering into fresh negotiations and by what time it is expected that a definite decision is sure to be taken by the Government?

**Shri T. N. Singh:** New proposals will have to come from the party, which are in the course of preparation. As regards the actual time, it is difficult to say.

**Shri Narendra Singh Mahida:** May I know whether the present automobile companies are capable of manufacturing small cars?

**Shri T. N. Singh:** Possibilities are unlimited in every case; whether it would be done or not is another matter.

श्री विपरीत विद्युत : जैसा कि मैं ने सुना है कई देशों में गन्ने की फैक्ट्रियां लगाई गई हैं। मैं जानना चाहता हूँ कि वह कहाँ कहाँ लगाई गई हैं और उन की कर्पासिटी कितनी होगी।

अध्यक्ष महोदय : कार पेट्रोल पर चलेगी या गन्ने के रस पर चलेगी।

**Shri Kapur Singh:** Have the Government worked out the national cost in moral and economic corruption resulting from exclusion of a cheap and good small car from our market; if so, do they propose a temporary easement in import policies in this respect?

**Shri T. N. Singh:** I could not follow the question.

**Mr. Speaker:** He wants to know whether the Government propose to ease the import policy in respect of cars just at present so that more might be allowed to come in.

**Shri T. N. Singh:** We are not importing any cars today.

**Shri Kapur Singh:** He has not followed the first part of my question.

**Mr. Speaker:** He said that there is such a great pressure and demand and therefore some might be allowed to come in.

**Shri T. N. Singh:** We are not importing any at present.

**Shri Kapur Singh:** I asked whether the Government has worked out the national costs in moral and economic corruption resulting from the exclusion of a cheap and good small car from our market. This is my thesis. Then I asked whether you propose an easement in our import policy in this respect.

**Shri T. N. Singh:** No, Sir.

**Shri Surendra Pal Singh:** Is it a fact that the existing motor car manufacturers in the country have offered to the Government that they can meet the entire demands for small cars in the country and also reduce the price of cars provided the Government would give them the necessary facilities for expansion?

**Mr. Speaker:** He has answered that.

**Shri T. N. Singh:** They have offered no appreciable reduction in prices.

**श्री भागवत झा राजा :** माननीय मंत्री के इस सुझाव को मानते हुए कि उन से विस्तृत विवरण न पूछा जाये, मैं जानना चाहता हूँ कि आप ने जो सिद्धान्त इस सम्बन्ध में मान लिया है उस को बदला तो नहीं जायेगा और छोटी कारों का उत्पादन पब्लिक सेक्टर में किया जायेगा ।

**श्री त्रि० ना० सिंह :** यह सिद्धान्त तो पहले से ही माना हुआ है, और इस में कोई नई बात नहीं है ।

**Shri Surendranath Dwivedy:** The hon. Minister said that one of the parties with which negotiations are being made is Messrs. Skoda & Co., if I understood him right. Is it not a fact that there are serious allegations against this company and some cases are going on against them; if so, may I know whether those matters have been settled?

**Shri T. N. Singh:** I am talking of Messrs. Skoda of Czechoslovakia.

**Shri Surendranath Dwivedy:** There are some allegations of fraud and under-invoicing against that very company and some cases are going on. That was the reply given by the Finance Ministry.

**Shri T. N. Singh:** I would like to have details from the hon. Member before I can say anything.

**Shri Daji:** I would like to know whether the talks are of a mere exploratory nature or firm decisions have been arrived at that the Government is going to manufacture small cars?

**Shri T. N. Singh:** I am having negotiations with a view to having such a project but it must be stated that it is going to be a Fourth Plan Project and Fourth Plan projects are under discussion with the Planning Commission. That is the only thing which is holding me.

**Shri R. S. Pandey:** May I know how much time the Government is going to take to finalise this scheme? We have been hearing it for the last two or three years. I would like to know whether the Government is in a position to give a precise date by which the scheme will be finalised.

**Mr. Speaker:** He has already said that he cannot give that.

**Shri P. C. Borooah:** May I know whether the Government is aware of the growing feeling in the minds of the public that the small car project is being postponed from time to time on account of pressures from certain quarters; and if so, what steps Government have taken to allay that apprehension?

**Shri T. N. Singh:** I must say very categorically that we are not at all influenced by any pressures whatsoever in this matter.

**श्री विश्वास प्रसाद :** मैं यह जानना चाहता हूँ कि छोटी और सस्ती कारें बनाने में सरकार बाधक हो रही है, या उद्योगपतियों की वजह से इस के बनने में देरी हो रही है ?

**श्री त्रि० ना० सिंह :** बाधक होने का कोई सवाल नहीं है ।

**श्री हुकम चन्द कछुवाय :** मंत्री जी ने बताया कि छोटी और सस्ती कारें कम दारों पर मिलेंगी । क्या वह कीमत की कोई तादाद बता सकते हैं ? मैं यह भी जानना चाहता हूँ कि क्या किसी और देश से भी छोटी कार मंगाने के बारे में बातचीत हुई है ।

**अध्यक्ष महोदय :** मेम्बर साहिबान को यह चाहिए कि जो पहले जवाब प्राते हैं उनको अच्छी तरह सुन लिया करें ।

**श्री यशपाल सिंह :** जब कि देश में ऐसे लोग हैं जो छोटी कारों से मार्केट को भर दे सकते हैं, तो सरकार को क्या जरूरत महसूस हुई कि वह विदेशों से बात कर रही हैं और यहां के लोगों को मौका नहीं देती कि वे तैयार कर सकें ?

श्री त्रि० ना० सिंह : हम को कोई ऐसी सूचना नहीं है ।

श्री गुलशन : क्या सरकार ने कभी यह भी जांच की है कि जो विदेशों से हमारे देश में कारें आती हैं उनकी क्वालिटी भी अच्छी होती है और उनकी कीमत भी कम होती है, और हमारे देश में जो कारें बनती हैं उनकी क्वालिटी भी अच्छी नहीं होती और उनकी कीमत भी ज्यादा होती है ? क्या कभी सरकार ने इसका अनुमान लगाया है ।

श्री त्रि० ना० सिंह : मेरी समझ में पहले हम को यह मान लेना चाहिए कि हमारे पास बहुत ज्यादा इम्पोर्ट करने के लिए फारिन एक्सचेंज नहीं है, इस वास्ते बाहर से कार जैसी चीज को नहीं मंगाया जा सकता ।

श्री जगदेव सिंह सिद्धान्ती : पांडेय रिपोर्ट को अब तक क्यों कार्यान्वित नहीं किया गया है ?

श्री त्रि० ना० सिंह : यह तो पुराना किरसा है ।

Shri Dinen Bhattacharya: May I know whether it is a fact that very recently the Minister visited Hindustan Motors Factory and there the management told him that due to shortage of imports they are not in a position either to raise the volume of production or improve the quality and if they get licence for import of goods in time and without any restrictions they can sell motor cars at cheaper prices?

Mr. Speaker: This question does not cover other motor cars.

Shri Jashvant Mehta: Which are the countries with which Government are now negotiating?

Mr. Speaker: That has already been answered. It is a pity that Memoers do not listen to the answers given to the supplementaries.

Shrimati Savitri Nigam: In the statement it is mentioned that the foreign exchange requirements for

the project were indicated differently by the different foreign manufacturers. Ultimately the Government have come to the conclusion that about Rs. 10 crores worth of foreign exchange will be necessary. While negotiating with the new companies, I would like to know whether Government are keeping in view that the foreign exchange component should not increase this limit or they are going to increase the limit.

Shri T. N. Singh: It will be one of my efforts to see that the foreign exchange component is reduced to the minimum.

Shri P. Venkatasubbalah: What prevents the Government from giving a categorical assurance that when the small car project is started it will be in the public sector in order to allay the apprehensions in the minds of the people that it is the pressure of the capitalists that is dissuading the Government from taking a decision?

Shri T. N. Singh: If unfounded apprehensions are expressed by the people, what can I say? They are entirely unfounded.

Shrimati Akkamma Devi rose—

Mr. Speaker: The Lady Member also wants a small car?

Shrimati Akkamma Devi: If and when the small car project goes into production may I know whether it will take months or years for the public to get the small car?

Mr. Speaker: Next question.

#### Bokaro Steel Project

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Shri D. C. Sharma:  
Shri P. C. Borooah:  
Shri Prakash Vir Shastri:  
Shri Jagdev Singh  
Siddhanti:  
Shri R. G. Dubey:  
Shri Hukam Chand  
Kachhavaiya:

\*23. } Shri Onkar Lal Berwa