

People's Car

+

*64. { Shri Balraj Madhok:
Shri P. C. Borooah:
Shri Asar:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 55 on the 20th November, 1961 and state:

(a) whether a final decision has since been taken on the question of manufacture of people's car in the public sector; and

(b) if so, what is the decision?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Not, yet, Sir.

Shri Joachim Alva: May I know why Government have taken such a long time to come to a decision on the people's car, especially when they have so much material or data or information or samples at their disposal from all countries of the world?

Shri Manubhai Shah: I am really extremely sorry that too much delay has taken place in this matter.

Shri Vidya Charan Shukla: May I know the reasons why this delay has taken place?

Shri Manubhai Shah: We are soon going to take a decision, and I hope that within the next four to six weeks a firm decision will be taken.

Shri Vidya Charan Shukla: What are the reasons for this delay?

Mr. Speaker: The hon. Member wants to know the reasons for the delay. The hon. Minister seems to say that there has been enormous delay, and he regrets it.

Shri Manubhai Shah: This project had to be examined from various angles, and it has therefore taken a little more time. But I hope that the House will bear with us, and we shall try to come to a decision very soon,

perhaps within four to six weeks from now.

Shri Tyagi: Have the present manufacturers of car in India made any representation to Government to the effect that if this car comes into the market, they will lose their business?

Shri Manubhai Shah: Not in those terms; but the Federation, as well as the automobile manufacturers, as the House is fully aware, have been protesting against this project for a long time. But we have taken all matters into consideration, and as the House knows, Government have decided that the car project will be considered, if at all, in the public sector, that is, the project for the manufacture of a small car.

Shri Joachim Alva: Is it the combination of the vested interests, which has prevented this idea being fulfilled at a very early stage?

Shri Manubhai Shah: It is not quite that. But there have been protests from these quarters. We have examined the project from all angles, and we hope that a decision will be taken very soon on this project.

Shri Joachim Alva: The hon. Minister has visited foreign countries, and visited automobile factories there. Even a physically tiny country like Poland is producing a complete car, but ours is a gigantic country and we are not able to produce even a small and cheap car. May I know the reasons for the delay?

Shri Manubhai Shah: I shall only say that I am fully confident that a small car will be manufactured in this country in the public sector during the Third Five Year Plan....

Shri Joachim Alva: Small and cheap car.

Shri Manubhai Shah:we shall try to see that the decision is expedited. There is no reason to believe that this country can do without a small car of this size. The hon. Member is right in his surmise that a

country like ours does need a people's car of this size.

Shri Balraj Madhok: May I know where this plant is going to be located?

Shri Manubhai Shah: As far as the location is concerned, I had occasion to refer to this last time. As soon as the decision is made to accept the particular model and the terms of the collaborator, then we shall soon decide on the Report of the Pande Committee, which of the four locations recommended by the Pande Committee will be more suitable.

Shri Balraj Madhok: May I know whether the Rajasthan Government have approached the Government of India saying that this project should be located in Rajasthan?

Shri Manubhai Shah: Practically every Government has written to us that it should be located in its State.

Shrimati Renuka Ray: May I know the reasons why the decision has been delayed?

Shri Manubhai Shah: The resources question is there. The foreign exchange question is there. Then, the technical feasibility of the car is there. Then there are all sorts of representations from different interests in this country. All these have combined to make the project a slow-moving one.

Shri Joachim Alva: There is a report in the papers during this week that the Hindustan Aircraft Ltd. have brought out a specimen. Will the so-called experts of the committees which have been going into this question so many times and so often—and their reports do not seem to come to fruition—take into consideration this model produced by the Hindustan Aircraft Ltd. also?

Shri Manubhai Shah: The Pande Committee, as the House knows—because I had had mentioned the broad points of the Report in the House

—had examined this model of the Hindustan Aircraft Ltd. also, and after that, they have made their recommendation.

Shri Vidya Charan Shukla: May I know the makes of the car which are under the current consideration of the committee? May I also know the total expenditure that has been incurred on this committee since its inception?

Shri Manubhai Shah: The first preference of the committee has been for the French model 'Dauphine' manufactured by Renault Corporation, which is a Government undertaking in France. As far as the estimates etc. are concerned, I would request the House to bear with us for a little while more, and full details can be placed before the House when the decision is taken.

Mr. Speaker: He wanted to know, the expenditure incurred on the committee also.

Shri Manubhai Shah: The expenditure incurred in connection with the committee's work is of an insignificant character. Except for meetings of the committee members here and there, there has been no other significant expenditure; I do not think that that would be a very important portion, when the size of the project is considered.

Shri S. M. Banerjee: May I know whether the Defence Ministry also has been consulted, and their opinion sought on this question of the 'People's car'?

Shri Manubhai Shah: Yes, we are consulting all the Ministries concerned.

Shri T. B. Vittal Rao: May I request that Question No. 73 standing in the name of Shri P. C. Borooah may be answered?

Mr. Speaker: Yes.