

THE

PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

Red.....21.11.2014.....

1905

1906

HOUSE OF THE PEOPLE

Thursday, 9th April, 1953

The House met at Two of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

CARS AND TRUCKS FOR CENTRAL GOVERNMENT

*1233. **Dr. Ram Subhag Singh:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that instructions were issued last year to various Ministries of the Central Government to buy cars and trucks made in India?

(b) If so, whether as a result of this the bulk requirements of motor vehicles for various Ministries are being obtained from Indian firms?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) The instructions were that as far as possible cars and trucks assembled in India should be purchased.

(b) Yes, Sir.

Dr. Ram Subhag Singh: May I know the value of the purchases made last year, of motor-vehicles of Indian make?

Shri T. T. Krishnamachari: The total purchases from 1st March, 1952 to 28th February 1953 were of the order of about Rs. 5,40,64,210. The purchases for the Ministries, of trucks and cars were as follows:—

Cars Rs. 8,824,

Trucks Rs. 90,360.

Shri Gadgil: May I know whether the object of buying cars from these Indian concerns is to encourage Indian industry? Then what percentage of the total parts of these cars is manufactured in this country?

49 PSD

Mr. Deputy-Speaker: That question has often been asked.

Shri T. T. Krishnamachari: As I have said before on a previous occasion when a similar question was asked, the percentage varies with each make. There is one car that is assembled in this country, where quite a number of parts are made in this country. They have got facilities for casting cylinder-blocks, and for machining most of the driving parts. There are other concerns which import sometimes engines as a whole but assemble the other parts and the bodies here. The industry is in a transitional stage, and each unit has got its own particular stage of progress.

Shri Gadgil: In view of the fact that this House was very generous in granting advance protection to this industry, may I know how soon do the Government expect that a fully 100 per cent. India-make car is likely to be on the market?

Shri T. T. Krishnamachari: An inquiry has been assigned to the Tariff Commission in this regard. They were asked to inquire into the various stages of manufacture, and the progress made by several units, and also to recommend to Government whether protection was necessary, in which case what kind of protection is to be given. I expect their report in a few days, and I will be able to answer this question specifically, after we have considered that report.

Shri Venkataraman: May I ask whether at the same time Government have granted import licences to the tune of Rs. 44 crores, to the Bombay Government, to import automotive engines and trucks?

Shri T. T. Krishnamachari: I do not think that it is in relation to a purchase made by the Bombay Government. The Bombay Government were getting some trucks under one of

these aid programmes. It is to facilitate the Bombay Government to avail themselves of this aid, that the licences were issued.

Shri Venkataraman: May I ask whether these types of Diesel automobile engines were not available in this country and therefore they were allowed to import?

Shri T. T. Krishnamachari: Maybe, Sir, that some of these engines were available, but they were available in an assembled condition. So far as trucks are concerned, the progress that has been made in the matter of manufacture has been next to nothing. In cars, we have made certain progress. But in trucks, progress is yet to be made. Therefore this question of obtaining supplies locally does not arise in this case.

Shri Venkataraman: Are there not enough assemblers in India who put in a large percentage of Indian contents in that manufacture, and assemble a large number of these units in India, and if so, why was an import licence granted to the Bombay Government?

Shri T. T. Krishnamachari: I am afraid, the hon. Member has not understood me aright, or perhaps I have not explained myself clearly. The position in regard to trucks is that the quantum of labour content in the assembling of a truck is fairly negligible. The engines come as a whole, and the other parts are in pieces. The hon. Member will understand that there is no body for a truck except the one that is built locally, and therefore the question of Indian labour being spent on it is not a very vital factor. In any event, the Bombay Government were given licences so that they could avail themselves of a free gift more or less, which was offered under an aid programme.

Shri Damodara Menon: May I know the total number of cars produced by Indian firms last year?

Shri T. T. Krishnamachari: I should like to have notice.

श्री अलगू राय शास्त्री : मैं यह जानना चाहता था कि वह कौन सी हिन्दुस्तानी फर्म्स हैं जिन से ज्यादा से ज्यादा टैक्सी और ट्रक बगैरह खरीदी जाती हैं ?

Shri T. T. Krishnamachari: I should like to have notice.

Shri Kelappan: May I know what the annual requirements of this country are by way of cars and trucks?

Shri T. T. Krishnamachari: That is a matter on which I would like to defer pronouncing an opinion, until I have the authoritative report of the Tariff Commission. It has been estimated that about 12,000 cars and about an equal number of trucks are required, on the basis of previous purchases—these estimates might be wrong or it might even be that these estimates may be optimistic on the basis of what has been a pent-up demand. I would like to defer any expression of opinion until I have the authoritative pronouncement of the Tariff Commission in this matter.

Shrimati Tarkeshwari Sinha: May I know whether it is a fact that the Standard Motor Company of U.K. has offered a specially designed economy car costing only £500, and whether the Government have given some orders for that type of cars?

Shri T. T. Krishnamachari: Government are not in need of economy cars. But I do understand that the local counterpart of the Standard Motor Company of Coventry, is intending to import the component parts of small cars and assemble them in India.

Shri T. N. Singh: May I know what is the total value of cars and trucks assembled outside India and have been imported here, for the purposes of the State Governments and the Government of India's Ministries?

Shri T. T. Krishnamachari: I am afraid the answer requires a degree of precision, which I would not like to hazard at the moment. I should like to have notice.

Several Hon. Members rose—

Mr. Deputy-Speaker: We have spent ten minutes over this already. Next question.

PRICES OF AUTOMOBILE PARTS

*1234. **Shri Balakrishnan:** Will the Minister of Commerce and Industry be pleased to state:

(a) what steps were taken to bring down the prices of automobile parts;

(b) whether the prices of automobile parts are controlled; and

(c) whether restriction is imposed to import automobile parts in order to encourage indigenous plants?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Imports have been liberalised and at the intervention of Government, the main assemblers and stockists have agreed to make reductions in their selling prices to large scale consumers and to dealers.