

any other types of goods, where the parties went to the open market, and these open market transactions were to the tune of Rs. 2.5 crores or more, and in that case we did not treat them as valid licences. We treated as valid under article 17, and rightly, only such licences in the case of which the French Government agreed to provide foreign exchange. That is the position.

Shri N. R. Muniswamy: Is it not a fact that new-comers are preferred to the old licence-holders who have been given licences for the import of particular commodities by competent authorities of the prior Government, and would it not amount to an infringement of article 17 of the merger agreement? It has been recently said that a petition has been presented by the association of the French importers to the Ministry of Foreign Affairs inviting the attention of this Ministry especially to this particular provision.

Shri Karmarkar: I have almost forgotten the first part of the question which appeared to be relevant to us, but still so far as I can remember it, the position as has been precisely stated by me is this. There were two ways by which a party could import goods into Pondicherry. One was what is known as licence for importing goods in respect of which foreign exchange was provided for by the French Government or the Pondicherry Government itself. And the other was the case where the party went to a bank or somewhere in the open market and purchased foreign exchange, and this also the Pondicherry Government authorised. A greater desire to go to the open market was visible in August, September and October, with a view to import goods and let them into India, therefore we thought it proper and right, and also in accordance with article 17 of the agreement, that the latter category of goods should not be imported. Still, as a measure of relief in genuine cases, we have permitted certain types of imports.

Tyre Manufacturing Companies

*2373. **Shri Chandak:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government are aware of the fact that all the four Tyre manufacturing companies have formed a ring to maintain high prices for rubber tyres;

(b) if so, whether it is not a case of trade monopoly; and

(c) the action Government have taken or propose to take in the matter?

The Minister of Commerce and Industry and Iron and Steel (Shri T.T. Krishnamachari): (a) Government are

aware that the prices of tyres and tubes are fixed by agreement among the tyre companies.

(b) It is a matter of opinion.

(c) The Tarriff Commission was asked to make an enquiry into the question of fixing fair prices of tyres and tubes and their report is under consideration of Government.

Shri Chandak: Do Government propose to nationalise the tyre industry eliminate the monopolies?

Shri T.T. Krishnamachari: No, Sir.

Shri Chandak: What about encouraging some Indian companies to set up a tyre factory in competition with the present companies?

Shri T.T. Krishnamachari: There is no bar to anybody applying for a licence for starting a tyre factory.

Shri V.P. Nayari: In answer to part (b) of the question, namely whether it is not a case of trade monopoly, the hon. Minister said that it is a matter of opinion. May I know whether it is a fact that the tyre manufacturing companies have all their machinery installed from what they got from the surplus of lend-lease at very, very low cost, and may also know whether the price of tyres in India is not the highest in the world?

Shri T. T. Krishnamachari: I will take the information from the hon. Member.

Shri Joachim Alva: In view of the British and American monopolistic combines of tyre companies operating in India and the fact that they are charging six times the cost of production to the consumer, and in view of the fact that I drew the attention of the hon. Minister on the last occasion to the fact that bull dozer tyres are redone by our own men in Bhakra-Nangal for Rs. 700 which are charged Rs. 6,000 by the Firestone Tyre Company to the Government, does the Commerce Ministry mean to take some interest in the matter and see that in the new factory which is to be started in Travancore Government takes a whip hand in the personnel, capital and production of the factory?

Shri T.T. Krishnamachari: A.I. this is a little premature. No factory has yet been started in Travancore-Cochin.

Indo-Burma Boundary Line

*2375. **Shri S.C. Samanta:** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 411 on the 2nd March, 1955 and state:

(a) the number of meetings held between the representatives of Burma and