

with a view to maintaining the trade balance?

Mr. Deputy-Speaker: The hon. Member wants the increase of prices?

Shri T. N. Singh: What I asked was this. In view of the rising trend of prices which means the import costs will go up, and simultaneously the export prices are going down as a matter of fact, has anything been done to maintain the trade balance?

Shri Karmarkar: —As—the hon. Member knows, the general price factor depends upon three things. One is the prices of internal commodities in sufficient supply. The other is commodities in short supply for which we depend upon imports from foreign countries. The third is the exportable surplus of which we allow export. In respect of every one of these it has been the intention of Government to keep the price level as reasonable as possible by inducing greater amount of import wherever possible, secondly by limiting the exportable surplus to the exact surplus, and thirdly by increasing internal production. I hope my hon. friend appreciates that.

Some Hon. Members rose—

Mr. Deputy-Speaker: These are things to be looked into from the figures published from time to time. Next question.

PROTECTION TO MACHINE TOOL FACTORIES

*1136. **Shri S. C. Samanta:** (a) Will the Minister of Production be pleased to state whether the existing Machine Tool Factories were consulted before deciding to set up a State-owned machine tool factory?

(b) If so, what were the demands from those factories for their protection and existence and how have they been dealt with?

The Minister of Production (Shri K. C. Reddy): (a) and (b). Yes, all interests were consulted at every stage. It has been agreed that the production in the State-owned factory should be complementary to, and not competitive with, private industry. A line of demarcation between the two sectors has been drawn up after mutual consultation, and with the consent of the private sector. The Association of Machine Tool Manufacturers have welcomed the establishment of the State-owned factory.

Copies of the minutes of the meetings held on 19th September 1950 and 8th February 1952 in regard to this matter

are laid on the Table of the House. [See Appendix VII, annexure No. 2.]

Shri S. C. Samanta: On the 29th July 1950, in the joint meeting, Mr. Gerber said that the industry is expected to manufacture some machines within a few years. May I know whether they have carried out that expectation?

Mr. Deputy-Speaker: Has the Machine Tool Factory been set up?

Shri K. C. Reddy: No, Sir, it has not yet started production. It is expected to go into production some time in the latter part of next year.

Shri S. C. Samanta: Mr. Gerber is a private industrialist, and he gave an assurance that their Association will manufacture many articles which Government will not be manufacturing when the State factory is in production. So I wanted to know whether their assurances have been put into effect.

Shri K. C. Reddy: I do not quite follow the question of the hon. Member.

Mr. Deputy-Speaker: He wants to know whether the assurances given by some private industrialist that they will produce varieties of articles which will not be produced in the State factory, have been kept up and they have produced them.

Shri K. C. Reddy: Yes, Sir, they have been mostly kept up. As the hon. Member will see from the Minutes of the meeting held in September 1950, there was a mention of this, viz., "if after meeting the entire demand of the country for 7" lathes, Kirloskars are ready, within two years, to produce 8½" lathes which the Government factory intend to produce, Government will consider reducing its production of this size of lathes to enable Kirloskars to produce a reasonable number".

It is in view of that perhaps that Kirloskars have made arrangements for the manufacture of 8½" lathes.

Shri S. C. Samanta: Meetings were held three or four times in connection with the starting of this Machine Tool Factory and in every one of those meetings there was difference of opinion about the requirements of lathes and machine tools in the country. May I know whether Government have come to any definite conclusion about these requirements?

Shri K. C. Reddy: According to the information that is available with the Government the position is this. A survey of last year's imports was recently made by the Development Wing of the

Ministry of Commerce and Industry, and it was found that the imports of lathes over 7" were over 900. That is the information that the Government have about the matter.

Shri A. M. Thomas: May I enquire whether modern production and precision types are manufactured in either of the graded or ungraded tool factories in India?

Shri K. C. Reddy: So far as I am aware, they are not manufacturing such instruments.

Shri V. P. Nayar: May I know whether the Government have assessed the demands of machine tools for the purposes of Government? If so, what is the estimated quantity?

Shri K. C. Reddy: There has been an assessment, but I cannot give all the figures at present. I have given the figure so far as lathes are concerned, particularly lathes over 7".

Shri V. P. Nayar: May I know the total worth of machine tools required for Government purposes per year?

Shri K. C. Reddy: I cannot say the total value of the machines required for Government only, but the value of all the machine tools that are now used in the country is estimated to be about Rs. 5 crores.

Shri A. M. Thomas: May I know whether Government has entered into any agreement with any foreign firm for the manufacture of machine tools?

Mr. Deputy-Speaker: This question has been asked already, I think.

Shri K. C. Reddy: Yes, Sir, it has already been answered once on the floor of this House. This Machine Tool Factory is being set up in collaboration with Oerlikons, a Swiss firm.

Shri K. Subrahmanyam: May I know what part of the national demand is being produced by private machine tool factories in India?

Shri K. C. Reddy: It is not a very high percentage; it is a very small percentage. I think machine tools worth roughly about Rs. 50 lakhs per annum are produced in this country.

Shri K. K. Basu: May I know whether Government is giving any specific help to these private machine tool factories either in cash or in the supply of basic raw materials?

Shri K. C. Reddy: Certainly, supply of basic raw material is made as far as possible. And there is also a formula

for financial assistance with regard to the fostering of this industry.

Shri Bansal: Is it a fact that this Oerlikon Factory charged the Government of India Rs. 90 lakhs or near-about that sum for the preparation of drawing alone for the factory?

Shri K. C. Reddy: I am sorry I cannot commit myself to the figure mentioned by the hon. Member.

Shri Bansal: Will he please enquire into it and find out what is the exact figure?

Shri K. C. Reddy: Certainly, Sir, I will find out.

Shri S. C. Samanta: Has the memorandum submitted in June last by the Machine Tool Manufacturers' Association to the hon. Minister been considered, and has any decision been taken on the same?

Shri K. C. Reddy: Yes, it was considered and a reply also has been given to them.

CONTRACTS BY DAMODAR VALLEY CORPORATION

*1137. **Shri Krishna Chandra:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether in the annual report of the Damodar Valley Corporation for 1949-50, the Auditor has reported that according to the then practice of the Corporation, contracts were given by negotiation without comparative tenders being called for;

(b) whether the Auditor made a recommendation that this serious defect should be rectified at once;

(c) whether any rules have since been made for giving contracts;

(d) if so, whether a copy thereof will be laid on the Table of the House; and

(e) whether these rules are being followed?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes Sir, in the case of the construction of roads and temporary buildings for the Bokaro Thermal Power Station.

(b) No, Sir.

(c) The Corporation has been following generally the rules of the Central Public Works Department in such matters. In addition they have been issuing orders from time to time on the subject.