

It has tremendous advantages for use in telecommunications. Optical fibre cable is a modern technology for transmission of a large volume of telecommunication signals in the digital format making use of a hair thin glass like transmission media in contrast to metallic conductors normally in use. It has lot of other advantages. For example, it is difficult to steal it. In so many places we find the brass wire is stolen. Water cannot affect it. It has lot of other uses also. We are conducting experiments in Poona from 1979 on a certain stretch as to how it can be used and what are the difficulties in a particular situation. Our Telecommunication Research Centre is conducting these trials and we are awaiting the results. In addition to this there are various other places also where we want to have trials of this nature so that we can assess how we can use it in our set-up. This is for short distances. As regards long distances from Ahmedabad to Baroda we are planning to lay 120 k.m. fibre optical cable to see how it can work for both long distances and short distances. We are also contemplating its manufacture in the country. It has been decided that Hindustan Cables Ltd. should be allowed to proceed with formulating a scheme for manufacturing it indigenously and we hope it will come into production very soon. We hope in the Seventh Plan the manufacturing facilities will be set-up in the country for the latest technology. In that way we are not only conscious of the tremendous potential of the system but also we have taken steps to experiment with it in various circumstances and situations as well as manufacture it indigenously.

SHRI G. G. SWELL : I am happy with the answer of the Hon. Minister that they are taking steps to manufacture these things within the country and that they are thinking of making the provision in the Seventh Plan. I would like to know whether he has a figure for allocation for this research and development of this new technology and whether he envisages a time-frame when the present outmoded copper wires which are causing such a lot of problems in the country could be replaced by the fibre optic cable ?

SHRI RAM NIWAS MIRDHA : In the Seventh Plan we have projected a time-frame. In the long distance network it is proposed to cover 11,000 k.m. but it all

depends on the resources which are made available to us in the Seventh Plan. The Hon. Member wanted to know the money we are incurring. Just to give an example for this 120 km. proposed trial from Ahmedabad to Baroda we have made a provision of Rs, 2 crores to start with.

Rise in prices of Automobile Tyres

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***291. SHRI SATYENDRA NARAYAN SINHA :**

SHRI SANAT KUMAR MANDAL: Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state :

(a) whether tyre manufacturers have raised the prices of automobile tyres from 5.5 to 9.6 per cent recently as reported in 'Financial Express' of the 7th March, 1985 ;

(b) whether there is any price control on tyres;

(c) whether Government consider this price increase as justified ; and

(d) if not, the remedial steps proposed to be taken by Government ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS (SHRI ARIF MOHAMMAD KHAN) (a) to (d). A Statement is laid on the Table of the House.

Statement

(a) Prices of tyres vary from unit to unit depending on the quality and market reputation of tyres manufactured by each unit. While the prices of tyres have been increased by the industry during February and March 1985, it is not possible to indicate the percentage by which the industry, comprising 14 units, each manufacturing a wide variety of tyres, has increased the prices. However, according to Automotive Tyre Manufacturers Association (ATMA), overall price increase resorted to by the tyre industry in February/March 1985 did not exceed 4%.

(b) to (d). There is no statutory control on the prices of tyres at present. In the absence of control on the prices of raw materials and conversion costs and in the

prevailing competitive market condition, fair prices are better determined by market forces of demand and supply rather than by administrative intervention. However, the Bureau of Industrial Costs and Prices (BICP) have already been asked to review the cost structure of tyres and their findings would provide a basis for assessment of the price revisions resorted to by the manufacturers on the ground of escalation of input costs. At the same time, Government constantly reviews measures required to stabilize the prices of raw materials and other inputs as well as the incidence of indirect taxes so as to enable the tyre industry to maintain the prices of tyres.

SHRI SATYENDRA NARAYAN SINHA : Sir, in reply to part (a) of the question it is said that it is not possible for the Government to indicate the percentage by which the industry, comprising 14 units, each manufacturing a wide variety of tyres, has increased the prices. They are dependant on the information given by the Automotive Tyre Manufacturers Association. Sir, we have put a definite question that the prices of automobile tyres have been raised from 5.5 to 9.6 per cent. That was reported to the Press by the Tyres Association. I am really surprised with the way this question has been answered by the Government. Secondly, he said that no price control is imposed. The tyre users are just at the mercy of market forces of demand and supply. His answer is rather disheartening. With regard to questions (c) and (d) it has been stated that they have asked the BICP to review cost structure of tyres and their findings would provide the basis for the assessment of prices. May I know when were they asked to go into the price structure of the tyres and when their findings are expected ?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : So far as tyre production is concerned, sufficient capacity has been created. Sufficient tyres are being manufactured. The Hon. Member is aware of the fact that there is no price and distribution control over tyres because production is increasing every year. In 1981 it was 83.21 lakhs ; in 1984 it is 106.5 lakhs. We have been told by BICP that tyres market is a buyers' market. There are several tyre manu-

facturers. It is a highly competitive market. There is no point in having price control and distribution control. This sort of control will again help the manufacturers. If price is reduced then they will create artificial shortage and they will try to sell it in black market and make money. If price is more as fixed on advice of BICP they will make lot of money. On BICP's advice we thought that we should leave it to the market forces. If demand is more and manufacturers make undue profits we will take necessary action. We will find out what is to be done after BICP study is over. In order to meet the situation Government will be prepared to import tyres for supply to actual users. I personally feel that by importing tyres we can save the situation not by price control or distribution control which will help the manufacturers both directly and indirectly.

SHRI SATYENDRA NARAYAN SINHA : BICP gives the price structure of tyres. They have been asked to review the price structure. The question is whether the price increase resorted to by the manufacturers is justified or not, on the ground of escalation of prices of inputs. I want to know as to when you asked BICP to go into this question. When do you expect them to submit their report ?

SHRI VEERENDRA PATIL : In the past also the question about the price fixed by the manufacturers was referred to BICP and they made a report and recently in 1984 this question was again referred to BICP. But I feel that they have not made any report and we are asking BICP to make a cost study only to find out whether the manufacturers are making undue profit or not, what is the margin of profit and so on. If they are making profit, as I said just now, we will see that they do not make undue profit. If necessary, we will import the tyres and make them available to the actual users. So far as the BICP's study is concerned, my information is that they have not so far made a report to the Government.

SHRI SATYENDRA NARAYAN SINHA : In reply to my question, the Hon. Minister has said that the Government is thinking of taking some measures in this respect. I would like to know from the Minister what those measures are which he is having in mind and what measures have

been taken by him to control and stabilise the prices.

SHRI VEERENDRA PATIL : That is what I have said that after the recent increase in the prices, our officers called the manufacturers and they had a detailed discussion with them to find out whether they are justified in increasing the price. They had their own version as to how they had to increase the prices, how the prices of the raw materials had gone up, to what extent they had gone up, etc. Then we had asked the BICP to make a study. When we get a report from the BICP we will be in a position to know whether the rise in price is justified and if it is not justified, we will meet the demand by importing tyre, if necessary.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : Mr. Speaker, Sir, it has just been stated by the Hon. Minister that sufficient number of tyres are being manufactured. When a commodity is produced in sufficient quantity, its price should not increase. I want to know whether Government would take steps to check the rise in price of this commodity?

SHRI VEERENDRA PATIL : I have just now stated that we are against controls. In case we put some curbs, only the manufacturers would be benefited. The users will not be benefited. In the present situation if they try to earn high profit, we shall take the steps enumerated by me earlier in the House.

[English]

SHRI H.M. PATEL : The Hon. Minister says that when the supply exceeds demand there is no need for price control. The price would rise only if there is a combination among the manufacturers to raise the price. If that is so and that is the only circumstance in which an intervention would be necessary, is there any evidence to that effect?

SHRI VEERENDRA PATIL : If they come together and if they have an understanding with regard to the prices and they increase the price, what we do is that we ask them to come and explain as to why they have increased and whether there is any justification for the increase. As I have said

just now, recently the Senior Officer of our Ministry had invited all of them and he had a detailed discussion with them. He wanted to know why it was increased and what was the reason for the increase. They had given the details how the prices of inputs had gone up, to what extent they had gone up, that is, carbon, nylon, rubber, etc. Now, if all of them join together and if they conspire and increase the price, what steps should we take? That is why I said whenever they increase the price, we ask the BICP to find out whether the increase is justified and if they say, that the increase is not justified, then in order to meet that situation, we take steps to import the item and supply it to the users.

SHRI LALITESHWAR SHAHI : I would like to know from the Hon. Minister what the installed capacity of tyre manufacturing units is and to what extent it is being utilised in production. No doubt the increase is from 83 lakhs to 106 lakhs, as has been stated by the Minister. But what is the relationship between these figures and the installed capacity? I want to know whether it is being utilised because sometimes it happens that the manufacturers combine together to produce it upto a particular limit and create an artificial scarcity. By the time the BICP analyses the situation, six months might have passed. But the users are put to difficulties. So, there would be time-lag between the BICP getting into the enquiry and submitted its report. Apart from this, I would like to know the installed capacity of the units and to what extent the installed capacity is being utilised for the production of tyres.

SHRI VEERENDRA PATIL : I am sorry I do not have the figures for the installed capacity. But I have the figures for the production and how it is increasing. I want to make it clear that so far as tyre industry is concerned, there is sufficient scope and we are here to encourage if more companies are prepared to come forward and enter this field. We have already received some applications. We try to encourage and we want to see that more and more units come up in this field and more and more tyres are produced. Today, not only the manufacturers are meeting the demand of the country, but they are in a position to export also and they are earning foreign exchange.

Just now I have got the information about the installed capacity. It is 15.2 million tyres and the actual production is 10.5 million tyres. The capacity utilization is eighty per cent.

SHRI INDRAJIT GUPTA : These figures do not mean very much; they have to be analysed, whether they are the ordinary automobile tyres, truck tyres or cycle tyres etc. There must be some break-up.

These tyre manufacturers have got an association, the tyre manufacturers' association; it is not that all the tyre manufacturers are separate entities and cutting each other's throat; they are not that nice people. From what the Minister has explained at great length, it appears that they are at liberty to raise their prices whenever they like. Subsequently, the BICP examines their calculations and figures. Already, the price has gone up.

MR. SPEAKER : Is it not before that ?

SHRI INDRAJIT GUPTA : If the BICP finds that their escalation of price is not justified, then subsequently the Government has to resort to extreme methods like importing tyres from abroad. Was it not the practice that the BICP had to give approval beforehand ? The manufacturers had to come to the BICP and say "that for the following reasons, this is the price increase, which we consider is necessary" And BICP had to approve it, and without that approval they could not unilaterally increase that price. What is the position ?

SHRI VEERENDRA PATIL : The procedure that the Hon. Member is suggesting can be followed only if there is a control over the price and distribution. I made it clear that so far as tyres are concerned, there is no price control, there is no distribution control. We are referring this matter to BICP only to find out whether they are making any undue profit.

MR. SPEAKER : I think, this is a logical conclusion that when we can ask them afterwards, why can't we ask them before ? That is something logical and I think, you can take care on it.

SHRI VEERENDRA PATIL : If we want BICP to examine before they increase the price, that means, they have to approach the Government to obtain approval of the Government before they effect the increase in the price. That can be possible only if there is control over the price and distribution. If there is no control over price and distribution how can we ask them ?

Let me also add that if these manufacturers indulge in unfair practices, under the MRTP Act, we can take action against these manufacturers. That is why in order to find out whether they are indulging in unfair practices, we are asking BICP to make a study and report to us.

(Translation)

Complaints received by Election Commission on recent elections

***293. SHRI C. JANGA REDDY :**

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DR. A. K. PATEL :

Will the Minister of LAW AND JUSTICE be pleased to state :

(a) The nature of the complaints received by the Election Commission from various States and Union Territories regarding elections to Lak Sabha and State Legislative Assemblies;

(b) The action taken or proposed to be taken on the said complaints; and

(c) Whether violation of code of conduct is proposed to be made punishable under the law ?

(English)

THE MINISTER OF LAW AND JUSTICE (SHRI A. K. SEN.) : (a) and (b). The responsibility for the conduct of all elections to Parliament and to State Legislatures vests in the Election Commission. Complaints received during the course of any election have also to be dealt with by the Commission in terms of the relevant provisions of election law and procedure. The Commission has informed that information regarding the complaints and action taken thereon is being compiled. On receipt of the information from the Commission, the same will be laid on the Table of the House.