

RAJYA SABHA

Friday, the 24th August 1973/the 2nd
Bhadra, 1895 (Saka)

The House met at eleven of the clock,
MR CHAIRMAN in the Chair

ORAL ANSWERS TO QUESTIONS

Discontinuance of Import of Tractors

*620 SHRI SUNDAR MANI PATEL

† SHRI K P SINGH DEO

SHRI K C PANDA

SHRI DEBANANDA AMAT

SHRI VENIGALLA SATYA
NARAYANA

Will the Minister of **HEAVY INDUSTRY** be pleased to state

(a) whether Government have decided not to import tractors any more, and

(b) if so, the likely savings in the amount of foreign exchange as a result thereof?

THE DEPUTY MINISTER IN THE
MINISTRY OF HEAVY INDUSTRY
(PROF SIDDHESWAR PRASAD) (a)
In the context of demand and indigenous capability, the Ministry of Heavy Industry is of the view that there is no need for import of tractors

(b) Savings will be substantial. Exact quantum will obviously relate to number and makes of tractors which would have otherwise been imported and the source of such import

SHRI K P SINGH DEO I would like to know the number of tractors imported in the last three years the names of countries from which they were imported the number imported from each country how many were rejected and which are the States which rejected them

† The question was actually asked on the floor of the House by Shri K P Singh Deo

SHRI T A PAI The particular information that the hon Member has asked about is the names of countries from which tractors were imported and the States to which they have been supplied and the States which have rejected them. These will be furnished to him independently because I do not have them with me now. But I can give him the total number of tractors imported during the following years

| | |
|---------|-------|
| 1969 70 | 10478 |
| 1970 71 | 13300 |
| 1971 72 | 19739 |
| 1972 73 | 1000 |

SHRI K P SINGH DEO May I know the reasons for deciding to stop import? Is it because many of the tractors imported were defective or we have reached the full installed capacity or the demand for tractors has gone down in the country? What is the present price of an indigenously made tractor?

SHRI T A PAI The decision to stop import was not dependent upon the defects that might have been found in the imported tractors. The decision was initially taken because the capability of the country for manufacturing its own tractors is improving. As a matter of fact we have now a licensed capacity for manufacturing 1 72 000 tractors and this year we hope to reach the production of 40 000 tractors indigenously. In the past we found that whenever we allowed some imports that came in the way of indigenous capacity going up and since we decided to stop imports we find that indigenous production is picking up.

The price varies from tractor to tractor depending upon the horse power. But the international tractor price is about Rs 26 300. Model 44 H P about Rs 29 600. Tractor and Farm Equipment Massey Ferguson about Rs 23 000. Escorts 35 H P about Rs 25 200. Escorts Ford 50 H P about Rs 35 000 and Escorts 4036 Model Rs 25 200. Hindustan Tractors of Gujarat 50 H P Rs 32 900 and Zetor 20 H P Rs 23 800.

SHRI K P SINGH DEO Is it ex factory price or price inclusive of duties?

MR. CHAIRMAN: You had not asked that question. Somebody else will put that question.

SHRI K. C. PANDA: With all respect to the hon. Minister who was not present in this House when this matter was discussed in the past, I want to know from him specifically...

MR. CHAIRMAN: Is the respect due to his absence?

SHRI K. C. PANDA: There was a discussion in this House and the Minister had replied also about the defects of tractors supplied by East Germany and the tractors supplied by the firms of East Germany. They were demonstrated here and in the demonstration field itself they were found to be out of order. And, Sir, the farmers of Madhya Pradesh, Haryana and Punjab, who had purchased them, did not want to keep them and returned them and there was a demonstration in Delhi also by these farmers in the past. I want to know whether it is as a result of this that the import has been stopped. Then, about the indigenous manufacture, I want to know specifically whether the firms who have been given the licences to manufacture them have started manufacturing the tractors at Pratapgarh, Rae Bareilly and other places. What is the demand of this country for tractors? I would also like to know whether the stoppage of import of tractors and licensing of new indigenous manufacturing units have been on par with the demand and supply.

MR. CHAIRMAN: You are putting too many questions, Mr. Panda. You should be fair to the other Members also.

SHRI K. C. PANDA: Sir, they are all inter-connected.

MR. CHAIRMAN: Members are also inter-connected. Yes. Mr. Minister.

SHRI T. A. PAI: Sir, my ministry is not responsible for the imported tractors. I can only come in to say that imports are necessary or not necessary depending upon the indigenous tractors that are being manufactured. We have never objected to the import of tractors on the basis that the imported tractors are deficient or otherwise.

We have only indicated that the country's capacity to make its own tractors has now been developed and, therefore, it is no longer necessary to import any more tractors. I hope, Sir, I have answered the most relevant questions.

MR. CHAIRMAN: Yes, Mr. Amat.

SHRI DEBANANDA AMAT: Sir, what is the supply position and what is the demand position with regard to tractors in the country?

SHRI T. A. PAI: The demand has been estimated to reach about 70,000 tractors by 1978-79 and now, the number of tractors registered is about 29,000 and we expect to reach a production figure of 37,000 and there should be no shortage of tractors as a whole in the country. But, Sir, there has been a preponderant preference for one particular type of tractor, that is, the Ferguson Tractor and if the people do not get them, may be it is because the registration is getting a premium, and so far as the other tractors are concerned, they are readily available and I suppose they could be gone in for.

MR. CHAIRMAN: Yes, Mr. Goray.

SHRI N. G. GORAY: Sir, only last year, the Food Minister had told us that the expected demand is of the order of nearly 40,000 tractors and I am really glad to know that imports have been stopped. It is really a miracle if all the indigenous factories are capable of producing the tractors. I would like to know one thing from the Minister: While measuring the need, has the Government taken into consideration the fact that due to the drought conditions in Maharashtra and the colossal loss of cattle there and in other drought-prone areas, more and more tractors will be needed because cattle are not available? Have they taken this particular thing into consideration?

SHRI T. A. PAI: Sir, ordinarily, even when we imported the tractors in the previous years, along with the imported tractors the tractors that were made available did not exceed in any year 37,000. That was in 1971-72. In the earlier years it was 33,000 and still earlier, it was

28,000 and this year the indigenous availability is far greater and, therefore, I hope that there would be no problem in meeting the demands in a particular area.

MR. CHAIRMAN: Yes, Mr. Kulkarni.

SHRI A. G. KULKARNI: Sir, the Minister states that the indigenous capacity is increasing day by day. But the point is that the tractor is over-priced in the country for the farmers because it comes to something between forty and fifty thousand rupees inclusive of duties and what the Minister quoted is only the ex-factory price which is not relevant here. Whether you import or manufacture indigenously, we always prefer developing indigenous capacity. I would like to tell the Minister that the farmer is at the mercy of the indigenous manufacturers and many of the tractors produced are by the non-standard manufacturers and the tractors are lying in the farms unattended for many years. Will your Ministry take appropriate steps to put quality control on indigenous manufacturers?

SHRI T. A. PAI: My hon. friend has raised three questions. One is that the price of tractor is excessive for the farmers in this country. The House has approved in the past a high rate of excise duty on the tractors on the plea that tractors are being used by more affluent farmers and this is one way of collecting the money back. It is quite up to the House to ask for a revision of this excise if they feel that the farmer has to be looked after.

Secondly, with regard to the cost of manufacture, with the increased production and full rated capacity we hope the cost would be progressively reduced. So far as the quality is concerned, we are very much concerned. Even, of a number of imported tractors we have a museum in this country. We would very much like to have it standardized. And I assure the hon. Members that so far as indigenous tractors are concerned, if any deficiencies are pointed out, I shall take that up with the manufacturers and see that the quality is controlled . . .

SHRI A. G. KULKARNI: Do you mean to say that we should apply through you?

MR. CHAIRMAN: Now, Mr. Kulkarni, that is enough. Your question has been answered. But you have again stood up...

SHRI A. G. KULKARNI: Practical difficulty is there . . .

SHRI B. K. KAUL: I would like to know whether the Government of India would not consider it desirable to allow the Machine Tool Corporation of Ajmer, where the foundry is likely to go into operation soon, to manufacture tractors and the major parts of tractors, especially when it is working efficiently and economically?

SHRI T. A. PAI: Sir, the particular unit which the hon. Member has mentioned has to produce machine tools and to justify the profitability. At present the Hindustan Machine Tools is licensed to manufacture these in Pinjore. The Bihar Agro-Industries Corporation has also been considering going into this. I am afraid that the Ajmer unit may have to wait for some time before it takes up the diversification of its production programme.

श्री सीताराम केसरी : मान्यवर, माननीय मंत्री जी ने अभी कहा कि स्थानीय प्रोडक्शन के लिए साइसेंस दिये गये हैं और 1977-78 तक उन की पूर्ति हो जायगी। मैं जानना चाहता हूँ कि एग्रीकल्चर मिनिस्ट्री ने आप के पास कोई क्या इस तरह का इस्टीमेट दिया है कि अगले 1973-74 तक आप को 90 हजार ट्रैक्टर की आवश्यकता पड़ेगी इसलिए जैसा कि आप कहते हैं कि 1977-78 तक आप का प्रोडक्शन 40, 50 हजार ट्रैक्टर होगा तो जो अनुमान एग्रीकल्चर डिपार्टमेंट ने बताया है कि 90 हजार ट्रैक्टर्स की आवश्यकता होगी उस की पूर्ति आप कैसे करेंगे और कब तक करेंगे? और दूसरे,...

श्री सभापति : आप का सवाल हो गया।

SHRI T. A. PAI : Sir, the estimate made by the Agriculture Ministry is true that by 1973-74, 90,000 tractors would be required. But an independent estimate made by the NCAER is that the demand for tractors would be about 71,000 in 1978-79. So far as the demand of the registered persons is concerned, it is not more than 29,000 at present. I am afraid therefore, that we have to go by the more realistic figures. And if at all there is going to be a shortage, nothing prevents us from importing them at any time if we see that we cannot manufacture them here itself.

SHRI NABIN CHANDRA BURAGOHAIN: Sir, the cultivators have failed to utilize the bank advances for a long time for want of the availability of tractors with the dealers. May I ask the hon. Minister what steps do they propose to take to help the cultivators?

SHRI T. A. PAI : Sir, if the farmers want only one type of tractor for which, out of 29,000, more than 50% is registered in favour of only one manufacturer, we are afraid that it is not possible for us to do anything. It may be because there is a premium for that particular tractor. You see, this registration goes up for items like this. But so far as any other type of tractor in India is concerned, there is no problem at all and if any specific instances are brought to my notice, I shall certainly look into them.

MR. CHAIRMAN: Yes, Mr. Man Singh Varma. Last question.

श्री मान सिंह वर्मा : मैं माननीय मंत्री जी से यह जानना चाहूंगा कि देश में जितने ट्रैक्टर बनाने के कारखाने हैं उनमें से फारेन क्लोब्रेशन के साथ कितने चल रहे हैं और जो भारतीय ढंग से बना रहे हैं उनमें क्या सब के सब पुर्जे यहीं पर ही बनते हैं या उनमें भी विदेशी पुर्जे लगते हैं।

SHRI T. A. PAI : Except one unit, the Swadeshi Tractors, Punjab, almost all the others have had foreign collaboration. But we are now insisting that

there should be progressive indigenisation and even now the new factories that are coming into existence have been asked to come up to at least 70% of the total.

MR. CHAIRMAN : Yes, Mr. Panda. Next question.

South East Asian countries assailing India's International Policies

*621. † SHRI K. C. PANDA:

SHRI SUNDAR MANI PATEL:

SHRI DEBANANDA AMAT :

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government have recently received any reports from its missions in various South-East Asian countries regarding the hostile attitude of the local press towards India in respect of her international policies during some time past; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH): (a) Reports from Indian Missions in South East Asian countries do not support the view that the local press in these countries is hostile to India in respect of her international policies.

(b) Does not arise.

SHRI K. C. PANDA: Sir, many of the South-East Asian countries were liberated at the time India attained her independence or thereafter and they are looking to India, which is a big democracy and which is functioning well till now, in the hope of getting some help from India in future. Sir, India being the largest democracy . . .

MR. CHAIRMAN: The House knows that India is a big democracy.

SHRI K. C. PANDA: These countries were aspiring for getting help from India. But, Sir, now the internal difficulties of India have been very much. . .

†The question was actually asked on the floor of the House by Shri K. C. Panda.