

SHRI M. KAMALANATHAN: Is it a fact that the entire commerce of the Anda-maa and Nicobar Islands is in the hands of a single private organisation, that is, Ahuja and Company which is claiming monopoly rights on the basis of an agreement with the then British Government, and this business house is fully exploiting the import-export trade and thereby it is not allowing...

MR. CHAIRMAN : Kindly put your question.

SHRI M. KAMALANATHAN : Yes, Sir, I have put; I said "is it a fact?". That is a question.

Thereby it is not allowing free trade and prosperity of the people. What steps have the Government taken to end that monopoly?

SHRI MOHAN DHARIA : I would request the hon. Member to put the question to the Minister of Industrial Development.

SHIFTING OF LAMBRETTA SCOOTER PLANT FROM ITALY TO INDIA

*413. SHRI K. C. PANDA:

SHRI M. K. MOHTA: f

SHRI K. P. SUBRAMANIA
MENON:

Will the Minister of INDUSTRIAL DEVELOPMENT be pleased to state:

(a) whether it is a fact that Government have agreed to the proposal of the Italian Manufacturers of Lambretta Scooters to permit them to shift their plant to India under a joint sector project; and

(b) if so, the details of the proposal and the period likely to be taken in the implementation of the project ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY): (a) and (b) A statement is laid on the Table of the Sabha.

■ The question was actually asked on the floor of the House by Shri M. K. Mohta.

STATEMENT

(a) and (b) M/s. Innocenti of Italy have offered to sell to the Government of India their entire plant and machinery till recently used for the manufacture of Lambretta scooters at Milano in Italy in "as is where is" condition and to subscribe to the equity of a joint sector company proposed to be set up in India with majority Government participation for the manufacture of scooters. The offer of M/s. Innocenti has been accepted and it has been decided to purchase the entire plant along with all auxiliaries as well as the technical know-how including worldwide licensing trade Mark and export rights, for a sum equivalent to US\$ 1.85 million. Of this amount, the Italian company will invest in the equity capital of the Indian Joint Sector company to the extent of US \$ 4,00,000. The balance amount will be payable to the Italian Company in cash. The capacity of the plant is 1,00,000 scooters per annum.

The agreement with M/s. Innocenti is expected to be signed shortly. The project is expected to go into production within two years from the date of the signing of the agreement.

SHRI M. K. MOHTA: It is stated that..

SHRI A. G. KULKARNI: Sir, may I request you that since Question No. 420 is also connected with the same subject, both should be joined together?

MR. CHAIRMAN : If there is no objection they can be joined.

AN HON. MEMBER: Which question?

MR. CHAIRMAN : 420.

(Interruptions)

SHRI M. K. MOHTA: I am not accusing the Government of 420; that is not my accusation.

(Interruptions)

MR. CHAIRMAN : Yes, Mr. Mohta.

SHRI M. K. MOHTA : It is mentioned in the statement that the plant and machinery are being purchased for 184 lakh U.S. dollars. May I ask the hon. Minister...

MR. CHAIRMAN : Now I will call Mr. Sitaram Jaipuria.

SHRI A. G. KULKARNI : Sir, are you putting that question ?

SHRI M. K. MOHTA : It is not connected, Mr. Chairman.

MR. CHAIRMAN : I will ask him to put the supplementaries later.

SHRI M.K.MOHTA : It is not connected at all, Sir.

MR. CHAIRMAN : Objection to joining ...*(Interruptions)* ...Just half a moment please. Some hon. Members are raising objection to the joining together of these two questions. So, we are not doing it.

SHRI M. K. MOHTA : Therefore, I would like to ask the hon. Minister whether any survey has been conducted by the Government regarding the condition of the machinery which Innocenti have agreed to sell to India. How old are these machines and what is their useful life?— because our information is that the plant is more than ten years old and most of the machines are as good as obsolete. Who were the experts that were associated with such a survey—were they Indian experts or foreign experts? What are the names of the firms which are associated and what is their report about it?

SHRI MOINUL HAQUE CHOUDHURY : Sir, an inspecting team from India consisting of technical and financial experts were sent to inspect the equipment of M/s Innocenti at their works in Milano, Italy.

These financial and technical experts consisted of :

Mr. Chalapathy Rao, General Manager, Diesel Locomotive Factory, Banaras.

Mr. R. Dutta, Chief Engineer, NIDC.

Mr. C. B. Saran, Vice- Chairman, API.

Mr. C. K. Venkatanarayanan, Chief Engineer, HMT, Bangalore.

Another independent firm of assessors from the UK was also appointed to examine

the equipment offer. The firm is M/s Gibb Ewbank, London. This firm was appointed after consultation with the Supply Mission in London. Then the NIDC were also asked to assess the adequacy of the equipment offered by Messrs. Innocenti and to make preliminary assessment of the total capital cost involved to set up the project. The report given by both Gibb Ewbank and also by the technical and financial experts was that the condition of the machinery was reasonably good and the value was more than the amount of US 2 million dollars asked for but actually the deal was completed at 1.85 million dollars.

SHRI M. K. MOHTA : I asked what is the life of the machinery and what is the future life? Are they good for working for 5 or 10 years ? That answer has not come.

SHRI MOINUL HAQUE CHOUDHURY : The machinery are of different periods. Some are even 2 years old and some are 10 years' old. It is different for different machinery. They have a reasonable life.

SHRI M. K. MOHTA : May I know whether any survey has been made as to which of those machinery are already available in the country because it is one of the principles governing the issue of import licence that if any machinery is available in India, it will not be allowed to be imported but here more than half the machinery are such as could be manufactured in India by the HMT and others in India and still they are being imported. May I know if any enquiry has been made on these lines or not ? Along with the machinery may I know if continued technical assistance will be available from Messrs. Innocenti?

SHRI MOINUL HAQUE CHOUDHURY : This is a deal on the basis of 'as is where is'. Therefore the question of indigenous availability does not arise. The whole machinery has to be purchased. That was the deal and that is why we could get it so cheap. Messrs. Innocenti themselves will join with us in the company and a part of their money they will invest in equity. The whole thing will not be allowed to be taken. There is the 20% limit of 400,000 dollars and therefore their services would be available.

SHRI K. P. SUBRAMANIA MENON: This deal with Innocent of Italy does not seem to be such an innocent affair because in this country when indigenous know-how has developed to such an extent as to produce our own scooter under our own brand name, where is the need to import this sort of machinery and wholesale plant from Italy to manufacture scooters in India which may ultimately swamp the indigenous production and pave the way for monopoly control by foreign interests?

SHRI MOINUL HAQUE CHOUDHURY: The API and Bajaj who are producing scooters are doing so with foreign collaboration. It is not indigenous know-how.

SHRI K. P. SUBRAMANIA MENON: There are one or two brands which are completely indigenous.

SHRI MOINUL HAQUE CHOUDHURY: The Government appointed a team to look into this question and they came to the conclusion that there was no indigenously developed design for scooters available and that the development of new design of scooter starting from the drawing board would take about 4 or 5 years and that thereafter the project plan and implementation might take a further period of 3 years.

SHRI MOINUL HAQUE CHOUDHURY: That means it will take about seven to eight years to have mass production of scooters in this country. That is why the Government had to go in for this project with the hope that within two years they will be able to produce scooters on a mass scale.

SHRI S. S. MARISWAMY: I am afraid the hon. Minister is not aware of the fact that here is an hon. Member who is manufacturing scooters completely indigenously.

MR. CHAIRMAN: That is all right.

SHRI S. S. MARISWAMY: It is a fact, Sir.

MR. CHAIRMAN: May be a fact but no discussion now.

SHRI A. G. KULKARNI: Sir, I am really surprised...

MR. CHAIRMAN: You put the question.

SHRI A. G. KULKARNI: I am putting the question after the surprise.

MR. CHAIRMAN: Don't take time unnecessarily.

SHRI A. G. KULKARNI: Because of the reply just now given by the Government may I know whether the Government has abdicated the policy of self-reliance to the foreign monopolies in the matter of creating manufacturing capacity in India whereas the Minister surely knows that the licence for indigenous manufacture of scooters has already been given to a Kerala manufacturer and he is manufacturing scooters? Even if you wanted to bring in this plant, why did you not allow it to be brought into the public sector instead of giving it to the API as they have now agreed to do? What is this self-reliance?

SHRI MOINUL HAQUE CHOUDHURY: This is a public sector project but the Government is having 51 per cent share. 20 per cent would be given to the innocent so that they are continuously associated and so that part of the money is not immediately sent out of the country, that is, 400,000 U.S. Dollars. Their technical know-how would be continuously available to the Government. The second point is, production of a few limited number of scooters is one thing, while mass scale production is a completely different technology, a completely different thing.

SHRI G. A. APPAN: May I know from the hon. Minister what is the total requirement of scooters in the country per year and what is the present production? Further when the manufacturers in India have applied for increasing their production why should we go in for a foreign collaboration at this state? And is it not a fact that there is a manufacturer who is indigenously manufacturing scooters. It is called Atlanta in Kerala and it is completely...

MR. CHAIRMAN: That is all right; this has already come in.

SHRI MOINUL HAQUE CHOU-DHURY : Sir, the National Council of Applied Economic Research has estimated the demand for scooters to be 2,43,000 per year by 1979-80. The Planning Commission's study Group has estimated it to be 2,10,000 per year by 1973-74. As against this huge demand our production is 49,270, 48,392, 67,212 and 6464 for the year 1969, 1970, 1971 and 1972 up to January respectively. Therefore there is a huge gap between demand and availability with the result that people are required to wait as long as seven years to get a scooter.

With regard to the second part of the question I have already answered that mass technology is quite different from limited production.

श्री बनारसी दास : क्या माननीय मंत्री जी कृपा करके बतलायेंगे कि हिन्दुस्तान के अन्दर स्कूटरों की कमी का कारण यह है कि सरकार स्कूटरों का उत्पादन बढ़ाना नहीं चाहती है और जिन कंसर्न्स ने एक्सटेंशन के लिए प्रार्थना-पत्र दिये हैं—एक लाख के लिए—उन्हें राजनीतिक कारणों से और कुछ विवेक की वजह से एक्सटेंशन की इजाजत नहीं दी गई है। सरकार अपनी सेल्फ रिलायन्स की नीति के विरुद्ध फारेन एक्सचेंज को इटली की कंसर्न्स के साथ बरवाद करने जा रही है, इसका क्या कारण है ?

SHRI MOINUL HAQUE CHOU-DHURY : Sir, I deny the imputations made.

SHRI S. D. MISRA : The hon. Member just now put a question asking whether there was any proposal for expansion by the indigenous manufacturers ; that is whether the Lambretta and the vespa people have applied for expansion. And the Minister says he denies that. What does it mean ? He must say whether there is any programme for expansion or not.

SHRI MOINUL HAQUE CHOU-DHURY : May I submit that it was an involved question?

श्री सीताराम केसरी : प्वाइन्ट आफ आर्डर। उन्होंने यह कहा कि राजनीतिक कारणों से एक्सटेंशन नहीं दिया गया, उन्होंने गलत कहा और मिनिस्टर बिलकुल जस्टीफाइड है।

(Interruptions)

MR. CHAIRMAN : Please sit down. Do you wish to add anything by way of reply to Shri Banarsi Das's question ?

SHRI MOINUL HAQUE CHOU-DHURY : Sir, the question was an involved question. If I could understand the question correctly the question asked was: "Is it correct that because of political reasons you are denying the expansion?" And I said: "I repudiate the imputation."

श्री गनेशी लाल चौधरी : यह बड़ा इम्पार-टेंट सवाल है।

SHRI MOINUL HAQUE CHOU-DHURY : If a proper question is put, I will answer.

SHRI K. N. SHEJWALKAR : Sir,...

MR. CHAIRMAN : No more. Let me go on to the next question.

(Interruptions)

SHRI BANARSI DAS : The hon. Minister withholds facts from the House. I want to know the correct position.

SHRI MAHAVIR TYAGI : Apart from the alleged imputation part of the question, actually, has the expansion of the project been denied or not ?

SHRI MOINUL HAQUE CHOU-DHURY : The hon. Member may repeat his question as in the din and bustle I could not hear it.

MR. CHAIRMAN : I will not ask him to repeat the question. Mr. Banarsi Das.

श्री बनारसी दास : श्रीमन्, मेरा प्रश्न यह है कि माननीय मंत्री महोदय ने यह बतलाया

कि स्कूटर्स की डिमान्ड हमारे देश में 2 लाख के करीब है और उत्पादन उससे कम है, जबकि वेस्फा कन्सर्न ने एक लाख स्कूटर बनाने का प्रार्थना पत्र दिया और लेम्ब्रेटा ने भी दिया तो क्या वजह है कि जब पैसा भी बच सकता था और फारेन एक्सचेंज भी बच सकता था कई साल हो गए उनको एक्सपेंशन की इजाजत नहीं दी गई ?

MR. CHAIRMAN : Now it is enough.

SHRI S. D. MISRA : Why was not the expansion allowed?

SHRI MONIUL HAQUE CHOUDHURY : Sir, these two concerns had applied for expansion. Their cases are under examination under the Monopolies Act.

HON. MEMBERS : Shame, shame.

MR. CHAIRMAN : Order please.

SHRI MOINUL HAQUE CHOUDHURY : Sir, their cases are under examination under the Monopolies and Restrictive Trade Practices Act. The hon. Members who are saying "Shame, shame", should know that this Parliament passed the Monopolies and Restrictive Trade Practices Act in order to stop dominance in any particular field. These two concerns were dominant undertakings. Therefore, their cases will have to go for MRTP examination.

MR. CHAIRMAN : Next question. Mr. Kalyan Roy.

श्री जगदम्बी प्रसाद यादव : देशी उद्योग को छोड़कर विदेशी को दिया जाय, उस एक्ट का यह मतलब नहीं है । श्रीमन्, जो देश में उत्पादन हो सकता है उसकी इजाजत विदेशी उद्योग को दी जाय, यह एक्ट में कहाँ लिखा हुआ है ?

SHRI MAN SINGH VARMA : Sir, you had called me.

MR. CHAIRMAN : Not now. I have called the next question, No. 285.

*285. [The questioner (Shri Kalyan Roy) was absent. For answer, vide col. 34-35 infra]

MR. CHAIRMAN: Next Question. Dr. Bhai Mahavir.

श्री नागेश्वर प्रसाद शाही : मेरा व्यवस्था का प्रश्न है। मेरा सवाल यह था कि माननीय मंत्री जी बैठी हुई हैं : . . .

MR. CHAIRMAN : No, no. I have called the next question.

श्री नागेश्वर प्रसाद शाही : उन्हें तो घोषित किया है कि हम आत्मनिर्भर होंगे और सब चीजों का राष्ट्रीयकरण करेंगे । इस नीति के अनुसार मंत्री यह कैसे कह सकते हैं . . .

MR. CHAIRMAN: I rule it out of order. There is no point of order in it. Next question, No. 414.

कांग्रेस पार्टी की एक सार्वजनिक सभा की कार्यवाही का आकाशवाणी से प्रसारण

414. डा० भाई महावीर : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि विगत 2 जनवरी को दिल्ली के रामलीला मैदान में प्रधान मंत्री का अभिनन्दन करने के लिए आयोजित एक सार्वजनिक सभा की कार्यवाही आकाशवाणी से प्रसारित की गई थी ;

(ख) क्या यह भी सच है कि उक्त सभा एक चुनाव सभा थी जिसका आयोजन स्थानीय कांग्रेस पार्टी ने किया था और इस सभा में विपक्षी दलों की आलोचना और कांग्रेस पार्टी की प्रशंसा की गई थी, और

(ग) क्या आकाशवाणी से ऐसे कार्यक्रम के प्रसार की अनुमति है ?