

SHRI K. HANUMANTHAIYA :
I am not able to answer that question straightaway. This is a matter of policy and it has to be looked into

✓ **श्री सुन्दर सिंह भंडारी :** श्रीमान्, शायद मन्त्री महोदय को अनुवाद के लिये मशीन लगानी पड़ेगी, मेरी हिन्दी समझने के लिये ।

मैं माननीय मन्त्री महोदय से यह जानना चाहता हूँ कि खाली स्थानों को भरने के प्रश्न पर जहाँ प्रमोशंस के द्वारा खाली स्थान भरे जाते हैं क्या यह बात सत्य है कि प्रमोशंस के द्वारा भरे जाने वाले स्थान भी पिछले तीन तीन वर्षों से खाली हैं जिसका सीधा असर उनकी वेतन श्रृंखला और सीनियरिटी पर पड़ रहा है । नये लोगों की भरती का जहाँ तक प्रश्न है माननीय मन्त्री महोदय उसमें कटौती करें, लेकिन प्रमोशंस के द्वारा भरे जाने वाले स्थानों के बारे में क्या माननीय मन्त्री महोदय यह आश्वासन देने की स्थिति में हैं कि उसमें किसी प्रकार की देरी नहीं की जायगी ।

SHRI K. HANUMANTHAIYA :
Yes, sir. So far as promotional policies are concerned, they must be adhered to, and I give the assurance to the hon. Member that the Railway Administration will not come in the way of any legitimate promotions.

✓ **SHRI ARJUN ARORA :** Sir, this statement makes out a case for more recruitment of workers on the Railways. In view of the increased volume of work handled by the Railways and the unit per worker having increased progressively, may I know whether the Minister of Railways will prepare a plan of recruitment of labour which will be consistent with the increased work ? If this statement, Sir, has any meaning, it means that the Railway employees are overworked and that as a result of overwork, the workers suffer from fatigue and the efficiency goes down. So, if he is true to his statement will he plan out a large-scale recruitment of people and thus reduce unemployment in the country ?

SHRI K. HANUMANTHAIYA :
The hon. Member is making a very useful suggestion. I will not only examine it but I will think with him also, Sir.

DR. K. MATHEW KURIAN : Sir, the hon. Minister has made a very sweeping generalisation that in terms of increasing the efficiency they are introducing new techniques and improved methods of work. I would like to know from the Minister precisely what new techniques and improved methods are being introduced. At least those who have been familiar with the working of the Railways are not aware of the so-called new techniques and improved methods of working.

Then, Sir, I understand from the statement that one of the methods for increasing the efficiency is dieselisation and electrification. With regard to dieselisation, I would like to ask the hon. Minister what its effect is in terms of increased foreign exchange expenditure. Has it increased the efficiency ? Have you taken into account the overall Social cost ?

SHRI K. HANUMANTHAIYA :
The hon. Member is apparently asking for details on these two matters which I will not be able to supply him information if he writes to me a letter detailing his point. ✓

VERGHESE COMMITTEE REPORT ON STANDARD MOTOR FACTORY

✓ *2. **SHRI LOKANATH MISRA :** †
✓ **SHRI M. K. MOHTA :**
SHRI PRANAB KUMAR MUKHERJEE :

Will the MINISTER OF INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state :

† The question was actually asked on the floor of the House by Shri Lokanath Misra.

(a) whether the Verghese Committee appointed by Government to go into the circumstances leading to the closure of the Standard Motor Factory has submitted its report to Government;

(b) if so, what are the salient features thereof; and

(c) whether Government have considered the report and if so, the re-action thereto ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY): (a) Yes, Sir.

(b) A statement giving a gist of the main conclusions / recommendations of the committee is laid on the Table of the House. (See below)

(c) The report of the Committee has been examined and Govt. have generally decided to accept the main recommendations. The conclusions/recommendations of the Committee have also been brought to the notice of the management of the Company and they have agreed to implement them in good faith progressively to the extent feasible.

STATEMENT

A gist of the main conclusions/recommendations of the Verghese Committee Report on Standard Motor Products of India Ltd.

(1) Production had been adversely affected consequent on the unsatisfactory industrial relations in the factory. For achieving normal levels of production, industrial relations would need to be improved. Labour too would have to assure a satisfactory level of efficiency. The incentive scheme would require to be suitably revised to provide a motivation towards higher productivity.

(2) Industrial relations in the factory should be strengthened through appointment of a qualified and competent personnel manager.

(3) For lack of forward planning in effecting deletions, the installed manufacturing capacity of the factory has

progressively suffered. The committee has estimated the installed manufacturing capacity of the factory at the present stage of deletions at 3,000 Standard Herald cars and 1,000 standard 1-tonne trucks. The Committee has recommended that in planning further deletions, care should be taken to see that the existing installed capacity does not suffer. This could be ensured through addition of new equipment to the extent necessary.

(4) Efforts should be made to introduce suitable modifications to the existing model to suit the market conditions in the country.

(5) The dealer-net work of the company needs to be better planned. The Company has not made any survey. Publicity efforts to highlight the distinctive features of the car have not been adequate. The Committee is of the view that more aggressive publicity efforts combined with imaginative sales promotion techniques would help the Company in sales promotion, in sustaining larger production and achieving better profitability.

(6) The profit margin of the Company has been eroded progressively. Price has not kept pace with rising production costs. The Committee has recommended corrective action in this regard.

(7) The financial position of the Company has been tight for some years. According to the assessment of the Committee, the Company would need additional amount of Rs. 60 lakhs for purchase and installation of additional equipment and Rupees 85 lakhs additional working capital to maintain an annual production of 3,000 Standard Herald cars and 1,000 Standard 1-ton trucks. The Company should locate suitable sources for securing the financial resources needed.

SHRI LOKANATH MISRA : I think, Sir, the replies to the question could probably be better given by the Labour Minister rather than the Internal Trade Ministry because the answer that has been given by the hon'ble

Minister is neither satisfactory nor to the point . . .

MR. CHAIRMAN : Please put your question.

SHRI LOKANATH MISRA : The points I wanted to know specifically are as to what are the specific recommendations for putting the factory back to work. The highlights of the recommendations of the Verghese Committee as have been given to me, are:—

(i) That the company needs Rs. 60 lakhs more for going back to production.

(ii) They want to reorient the machinery to make it up-to-date, and things of this type.

All these need a lot of finance. May I know from the hon'ble Minister whether the company itself is in a position to employ the finance necessary in consultation with the Government or they have applied for loans ? If they applied for loans, what is the reaction of the Government of India ?

SHRI MOINUL HAQUE CHOUHDURY : Sir, the company had in fact, reopened since 22-2-71 and the work is going on. I understand. They have also applied for a loan of Rs. 90 lakhs from the Industrial Development Bank, and this Ministry has supported this loan move.

SHRI LOKANATH MISRA : May I know, Sir, whether the deletions, as they call it, of 3,000 Standard Harald cars and 1,000 Standard 1-tonne trucks, which is supposed to be the annual production target of the company, could be boosted up with the existing arrangements made by the hon'ble Minister so far as the reopening of the company is concerned, and whether the workers have given any satisfactory assurance to the knowledge of the hon'ble Minister that they would increase their efficiency with the existing amenities made available to them ?

SHRI MOINUL HAQUE CHOUHDURY : Sir, the performance of this company had not been satisfactory in the year 1970. There is no doubt about this fact. The Labour Department of the Government of Tamil Nadu is in full know of the facts since they had been also conducting the negotiations. It is too early to say whether the Government would be in a position to resume its full production.

SHRI LOKANATH MISRA : My point is this. If the company is not in a position to resume its full production of the capacity that has been approved by the Government of India, which is far too low, may I know whether the Minister has not the assurance from the company that at least this particular capacity would be completed by the company.

MR. CHAIRMAN : All right.

SHRI LOKANATH MISRA : My difficulty is I am, as a consumer, hit hard.

MR. CHAIRMAN : Do you wish to supplement the answer ?

SHRI MOINUL HAQUE CHOUHDURY : Sir, in view of the fact that they have agreed to implement these recommendations in good faith, we wish and pray that they would be able to fulfil the commitment. But, as I said, we have got to proceed cautiously in this matter in view of the past performance of this company.

SHRI M. K. MOHTA : It would appear from the recommendations of this Committee that the reasons for uneconomic production of cars at the Standard Motor Factory are (1) a very low volume of production and (2) the uneconomic prices realised for the products. In view of these two recommendations, I would like to know the Government's view as to why motor car production should not be delicensed at least in respect of expansion. Secondly, why should not car prices be decontrolled so that economic realisation may ensure economic work-

ing of the plants? And one more thing that I would like to know—which has been missed by this Commission—is whether it has come to the notice of the Government that another very important reason for uneconomic working is the scarcity of essential raw materials like special steels and their high prices; if so, what is the Government doing in this regard?

SHRI MOINUL HAQUE CHOU-DHURY: So far as the question of prices is concerned, the matter is under adjudication in the Supreme Court. As suggested by the Supreme Court, a Commission was appointed and I expect a report from this Commission by to-day or tomorrow. After that, the matter would be laid before the Supreme Court. A decision would be taken either by the Supreme Court or, if it is left to us, by us. With regard to difficulties in the matter of raw materials, we have, of late, taken certain decisions to liberalise the import policy. I hope this will improve the position.

SHRI M. K. MOHTA: What about the volume of production to ensure economic working?

(No reply)

SHRI PRANAB KUMAR MUKHERJEE: May I know from the hon. Minister whether the Government obtained an assurance from the management, while recommending financial assistance, that no retrenchment will take place when production starts? Secondly, may I know from the hon. Minister whether the Government of India will have any say in the management, as they have recommended a large amount of money as financial assistance to the company? Thirdly, I would like to know whether the Government of Tamil Nadu has expressed its desire to take over the management of the company under the Industries (Development and Regulation) Act and, if so, the reaction of the Government of India thereto.

SHRI MOINUL HAQUE CHOU-DHURY: Sir, the Government of Tamil Nadu recommended as follows:

(1) the Central Government itself directly assuming management of the undertaking; (2) the Central Government and the State Government jointly assuming management of the undertaking as a joint venture; and (3) the Central Government authorising the State Government to assume management of the undertaking and to run it as a joint venture with suitable and competent private parties. That was their original proposal. But subsequently, there had been discussions both at the officers' level and at the ministerial level. Ultimately when the company was re-opened, it was with the blessing of the Tamil Nadu Government that it was re-opened. I, therefore, presume that the Tamil Nadu Government has no further reservations in the matter. With regard to the management, two directors would be taken in the company, one from the side of the Government of Tamil Nadu and one from the side of the Government of India. The company had given an assurance that they would co-opt these two directors. A third director will probably come in as part of the conditions laid down by the financial institutions; the financial institutions will certainly insist on having their own representation in the board of directors.

SHRI PRANAB KUMAR MUKHERJEE: What about an assurance that there will be no retrenchment?

SHRI MOINUL HAQUE CHOU-DHURY: There had not been any specific assurance as such to my knowledge. But I presume that there would not be any retrenchment as such.

SHRI BALACHANDRA MENON: May I know whether the Government is aware that in spite of the reopening of the factory, the workers have not been given continuity of service and that the Tamil Nadu Government has been insisting on that? Secondly, now that the Government of India is advancing a large sum of money, may I know whether the Tamil Nadu Government and the Central Government will have a greater number of representatives in the management body?

SHRI MOINUL HAQUE CHOU-DHURY: Sir, this is a private company. Unless and until we decide to take over its management, we will have to go somewhat on the basis of negotiations. As per the negotiations they have agreed to take two directors out of the ten. Already there are eight directors. Two vacancies are there. One would be taken from the Government of Tamil Nadu and one from the Government of India. And, as I have said, they would change their Articles of Association and one more director would be taken from the financial institutions. So far as the workers are concerned, we have been assured that all the workers would be taken back in a phased manner in proportion to the capacity of working, as and when it increases.

SHRI ARJUN ARORA: Sir, he has not replied to the question about the continuity of employment.

SHRI BALACHANDRA MENON: I know about the continuity of service. I know that it can be phased. . .

SHRI MOINUL HAQUE CHOU-DHURY: I want notice for that.

SHRI LOKANATH MISRA: The Minister needs some coaching.

MR. CHAIRMAN: Now Dr. Bhai Mahavir. Dr. Mahavir, please do not insist on this question. We have already taken a long time.

SHRI LOKANATH MISRA: Sir, the point is that they do not reply to the questions. They need some coaching how to reply to the questions.

MR. CHAIRMAN: Dr. Mahavir, please do not insist on this question. .

DR. BHAI MAHAVIR: Sir, I am asking something which is very contradictory in this statement. I will not take long.

MR. CHAIRMAN: The House

desires that we should not take more than ten minutes on a question.

DR. BHAI MAHAVIR: The House certainly desires it so, but I would have finished within this time, I would like to know how the Minister reconciles the two statements made in paragraph 3 and in paragraph 7 of the statement. In paragraph 3 it is said the factory at the present stage of deletion has the capacity of 3000 cars and 1000 trucks. In the last paragraph it is said that it would need an additional amount of Rs. 60 lakhs for purchase and installation of additional equipment for the same volume of production. In one statement it is said that we have equipment for this production and in the other statement it is said that they want Rs. 60 lakhs for additional capacity for the same production. Secondly, a question has been asked about price rise and corrective action has been suggested. We would like to know how much of price rise the Government is willing to allow, and if a price rise is not desirable, whether the Government will consider lowering the excise duty so that the car can come into market at the old price. Lastly, there is a suggestion about a qualified, competent, personnel manager. I would like to know if the factory did not have a qualified, competent, personnel manager all these years. Why was it allowed to work like that?

SHRI MOINUL HAQUE CHOU-DHURY: Sir, I do not think there is any contradiction between what is stated in paragraph 3 and in paragraph 7. Paragraph 3 says that the Committee has estimated the installed manufacturing capacity of the factory at the present stage of deletions at 3000 Standard Herald cars and 1000 Standard trucks. It is one thing to have an estimate and another thing to have actual production. Para 7 refers to the actual production. That can come into existence only if we give some assistance.

DR. BHAI MAHAVIR: The same Committee says two contradictory things?

SHRI MOINUL HAQUE CHOU-DHURY: With regard to the price rise I am not in a position to make any commitment at the moment in view of the fact that the matter is *sub judice* before the Supreme Court, and we expect a report in the course of the next fortyeight hours. So far as the personnel managements is concerned, yes, it is the report of the Committee that there had been a lot of mismanagement and they had not sufficient personnel rather sufficient y equipped personnel.

DR. BHAI MAHAVIR: This is a very evasive answer. I have asked whether the factory did not have competent and qualified personnel manager. He did not say yes or no. Secondly, the contradiction has not been resolved.

SETTING UP OF SCHEDULED CASTES AND BACKWARD CLASSES COMMISSION

***3. SHRI CHITTA BASU:** Will the Minister of LAW AND SOCIAL WELFARE be pleased to state:

(a) whether the attention of Government has been drawn to the suggestion made by Shri B. R. Bhagat, former Minister of Steel and Heavy Engineering for setting up of another Scheduled Castes and Backward Classes Commission comprising of men with integrated approach to go into their special problems and suggest ways to tackle them as reported in the Hindustan Times of December 20, 1970; and

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

THE MINISTER OF EDUCATION AND SOCIAL WELFARE (SHRI SIDDHARTHA SHANKAR RAY):
(a) Yes, Sir.

My answer to (b) is that the matter is under the consideration of the government. To that extent I have slightly modified the answer tabled.

SHRI CHITTA BASU: May I know from the hon. Minister whether he is aware of the special problems now confronting the Scheduled Castes, Sche-

duled Tribes and the tribal people? They are unemployment, alienation of land from the tribals, shortfall in the recruitment in the reserved posts on the ground of incapacibilities, special disabilities suffered at the hands of the caste Hindus and large-scale atrocities perpetrated on the Scheduled Castes and Scheduled Tribes. What special measures he has taken or he is contemplating to take in regard to tackling these special problems as indentified by me?

SHRI SIDDHARTHA SHANKAR RAY: This question does not arise from the original question. But I have already said that the appointment of a Commission is under the consideration of the government and all matters would be taken into account if and when such a Commission is appointed. With regard to the other question put, I would request the hon. Member to put a specific question.

SHRI CHITTA BASU: My question is whether the proposed Commission will also consider the special problems I have mentioned.

SHRI SIDDHARTHA SHANKAR RAY: The suggestion of the hon. Member will be kept in mind when the government considers the question of appointment of the Commission.

SHRI CHITTA BASU: Is he aware of the fact that many State governments cannot even spend the amount of money earmarked or allotted for the purpose of the welfare of the Scheduled Castes, Scheduled Tribes and backward communities? What steps the government proposes to take with regard to these failures of the State governments in this respect in terms of the Constitutional provisions?

SHRI SIDDHARTHA SHANKAR RAY: Such a question does not arise from this. The hon. Member is referring to the failures of the State governments, etc. Let my hon. friend put in a specific question and I will then deal with it.