

and it particularly says that the reason is that the automobile industry has a seller's market and unless there is surplus capacity in the country it will not be possible for quality cars to be produced and so the Government of India has to take a final decision quickly to manufacture the small car either in the private sector or in the public sector and it will not be possible for the Government to make the Pandey Committee's recommendations accepted. I know that for the last twenty years so many Ministers have come and gone after giving this sort of an assurance. I know this Minister also will go away without implementing these recommendations. So many times it has been stated by the Government that the decision about the small car will be taken in a month or two. And we have seen that so many months have come and gone. So I want to know the position and I want a categorical reply from the Government when they will be coming to a decision. That is one thing. Secondly, one big thing that is required for any quality production is quality inspection, research and development which have to be carried out by the automobile industry. Has the Ministry approached the Finance Ministry to get a rebate on the expenditure on this development and research to be incurred by the automobile industry? If so, has the Finance Ministry agreed to it?

MR. CHAIRMAN: Wonderful question. It is a big speech. Relevancy is there, of course.

SHRI K. V. RAGHUNATHA REDDY: in these days when man is hoping to reach the moon perhaps it would not be too optimistic to expect that we will reach this moonshine also and get the quality improved. Apart from this, the Government is quite conscious of the fact that the quality of cars has to be improved and the recommendations of the Pandey Committee are very vivid and clear and unambiguous. Therefore since the

†The question was actually asked on the floor of the House by Shri Babubhai M. Chinai.

car project has been under consideration and it has received serious attention of the Government, I hope my hon. friend will wish me well and wish that I will still be here to complete this project.

SHRI M. P. BHARGAVA: Sir, I have not put any question. May I...

SHRI KRISHAN KANT: What about the other part of my question? Has the Finance Ministry agreed to give this subsidy for the expenditure on research and development?

MR. CHAIRMAN: I find here that so many Members, at least fifteen of them, are anxious to put questions. So I allow a half-an-hour discussion on this question. Now we pass on to the next question.

EXPANSION OF TATA STEEL PLANT

*635. SHRI BABUBHAI M.

CHINAI: t

SHRIMATI SARLA BHADURIA:

Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether the proposed expansion of the Tata Steel Plant further has been shelved; and

(b) if so, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI CHOWDHARY RAM SEWAK): (a) and (b) The Tata Iron and Steel Co. have decided not to expand the capacity of the Jamshedpur Steel Plant in the Fourth Plan period. The principal reason for this was the extremely heavy cost of the expansion project and the financial burden it would impose on the Company and their shareholders.

SHRI BABUBHAI M. CHINAI: In view of the fact that famous industrialists like the Tatas have thought it fit not to go in for further expansion in the steel industry due to several factors including the cost part of

it, may I know if the Government has given thought to the matter and whether so far as the public sector steel plants are concerned, the Government has taken this aspect of the matter, especially when the Bokaro plant is being set up at present? Under these circumstances, what would be the decision of the Government? I would like to know so far as our steel plants are concerned.

DR. M. CHANNA REDDY: A private industrialist however big he is, has the advantage of having no particular commitment to the entire economic programme of the country. But the public sector and the Government of India have a specific responsibility and commitment to the entire national economy. The cost factor is certainly very important and yet, even when it becomes sometimes high, as it is today, it cannot deter us from fulfilling our responsibility.

SHRI BABUBHAI M. CHINAI: In view of the fact, that the present public sector steel plants have not given sufficient yield—their yield has been practically negligible and even though it may be said that we have to take into consideration the overall economic situation in the country since the steel which is being produced at present is not even being lifted and since the cost is high, may I know whether the Government will give a second thought to this proposal?

DR. M. CHANNA REDDY: The question of profitability of the steel industry certainly has several aspects and the Government is fully conscious of certain shortcomings which we are trying to get over. It will be our attempt to reduce the losses to the lowest possible and increase efficiency to the maximum extent. While we have to continue this any reconsideration will be only to improve the efficiency.

SHRI B. K. P. SINHA: Now the issue of expansion of steel plants really involves two approaches. Firstly if you rely on the operation of the forces of free market economy it

†The question was actually asked on the floor of the House by Shri A. M. Tariq.

is not profitable to expand or to establish new units. The other approach is dictated by the interests of the nation: unless you build up a big and stable infrastructure like steel and heavy machine building industries, industrial development of the country is not possible. Therefore I would like to know from the Government whether they keep both these approaches in mind in deciding this issue or they are only guided by pound, shilling and pence, that is, profit and loss. What is the approach of the Government and what should be the approach of Government, national interests or pound, shilling and

DR. M. CHANNA REDDY: I think I should thank the hon. Member for strong endorsement of my views.

SHRI A. G. KULKARNI: In the Bokaro steel plant or in the public sector steel plants the cost per tonne of investment will be about Rs. 2,000 to Rs. 3,000 while in the private sector expansion it will be below Rs. 1,000 per tonne. In preparing the project for new steel plant may I know whether the Government will include these into consideration and include the project report so that the cost per tonne of investment will be reduced and may I know what steps the Government are taking for this purpose?

DR. M. CHANNA REDDY: Sir, as far as the cost per tonne of outlay is concerned, on several occasions previously I have tried to explain that the public sector units particularly those of recent years are tied down by in countries' credit and aid and they are also shut off from global tenders, and these factors certainly go to increase the investment. When we fully utilise the built-in capacity and increase efficiency we expect it will be possible for us to reduce* 000 per tonne.

PRODUCTION OF SCOOTERS

*636. DR. Z. A. AHMAD:

SHRI A. M. TARIQ : v Wil] the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state: