

SHRI BHUPESH GUPTA: I am thankful to the hon. Member. I may say that I am a multi-purpose man and I move all kinds of Bills. This is one such Bill. All these things I have done. As you know, when the Preventive Detention Act came, we opposed it and we gave amendments to it. We do not want detention without trial at all. That is one part of it. The hon. Member has made certain suggestions and certainly they can be considered. But they will have to consider them. He refers to the Prime Minister. Well, we did not get any relief from any Prime Minister. We had two or three Prime Ministers but we could get no relief when the Home Minister arrested us. By Home Minister I mean the Police and the C.I.D. who arrested us. Then the Prime Minister did not do anything in those cases. Therefore, we do not trust the Congress Prime Ministers at all. No such Prime Minister will be trusted. You do not trust us also if we have Prime Minister. So you should have an Act of Parliament to protect you. If you ask for protection under the aegis of the Prime Minister, why not ask for protection under the aegis of an Act passed by Parliament itself?

SHRI M. N. KAUL: The protection is that of the Speaker and of the Committee of the House. The Prime Minister will only place all the facts before the Speaker and he will commit the matter to the Committee that I referred to.

SHRI BHUPESH GUPTA: Our experience of Speakers and all that—I do not want to name anyone—has not been a happy one either. So let us not drag in all that. You know very well what I mean. I have said that this is immunity. But Mr. Gujral says that this is privilege. What can I do? This shows the unlearning on that side. When I say it is immunity, Mr. Gujral says it is privilege and when I say it is privilege he says it is immunity. This will be by means

of an Act of Parliament. That does not preclude that other methods should not be adopted. Many other methods can be adopted. The niceties of it, we can discuss later on. Do you mean to say that the country will oppose it? Do you mean to say that we who represent here 60 per cent of the electorate, are coming here to take a stand which will be negated by the people? No, we are not. Would you like to have it passed in every State Assembly?

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair].

I say that the people are with us. We are speaking for the people. They on that side represent only 40 per cent of the people. We represent 60 per cent and we who have spoken here have made it abundantly clear that we want this thing to be passed. If we mislead the people in this matter, let us be condemned by the people.

But, mind you, in 1964 I moved that Bill and you see how the people have reacted towards us by making us victorious in the elections and by defeating the Congress because the Congress was opposing these things and other similar measures. Therefore the mandate of the people is clearly on our side and we are acting on behalf of the people.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Bhupesh Gupta, you can continue on the next day.

SHRI BHUPESH GUPTA: Yes; I have a lot of things to say about Mr. Gujral.

HALF-AN-HOUR DISCUSSION REGARDING MANUFACTURE OF SMALL CAR

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): I have a lot of names before me. I shall allow every one of them to put questions and the first speaker will get five minutes.

SHRIMATI LALITHA (RAJAGOPALAN (Madras): Mr. Vice-Chairman, I rise to raise a discussion on the points arising out of the answers to Starred Question No. 61 answered here in the House on the 25th May, 1967, regarding the manufacture of small cars.

This question has been—I would call it—not an untold story but unfolding story of the manufacture of small cars because it has been occupying the attention of this House for the past two years. I have been a Member here only for the past two years and I have been getting the same reply from the Ministers. From Mr. Manubhai Shah I got a reply and from Mr. Sanjivayya also I got a reply but this time my question was disallowed on the ground that it has already been answered. So far I have not got a satisfactory reply and I thank the Chair for giving us an opportunity to discuss this matter.

The other day we had a question regarding the manufacture of small cars and the Minister gave the reply that he was giving serious consideration to the matter. He also said that he will take up the matter when the financial situation in the country improves, which is something unthinkable, unimaginable. Now, at the outset let me thank the Ministry for supplying me all the details regarding this matter and I find that only three companies, the Premier Automobiles, the Standard Motors and the Hindusthan Motors are producing cars in the country. If we intend to have more cars I think, as suggested by Mr. Bhanu Prakash Singh, we must have a smaller car at a low price and there should be competition in this field. What I find now on the other hand is concentration and monopoly in the production of cars and this is not going to be of any help to us. I would also like to point out here that the Government should not follow a dog in the manger policy in this matter. They must come to a quick decision and they must choose whether they would have fertilisers or whether they would

have cars. They cannot have both from foreign country. If we are going on like this we would be Jack of all trades but master of none.

I would also like to focus the attention on another aspect. If the Government want to produce small cars with foreign collaboration that means the foreign collaborator will certainly impose his own conditions. If on the other hand the Government want to produce small cars on their own initiative then I think they will need a colossal amount of foreign exchange and at the present moment we cannot afford to divert our resources from fertilisers to small cars. The Government should take a practical view. They should not keep the matter alive all the time duping the public saying that they are going to produce small cars, that they are going to produce cheap cars.

In this connection I would also like to say that if I remember right, one Mr. Balakrishnan from Kerala produced a small car and it was exhibited in Madras at the Teynampet Congress Exhibition Grounds. It was inspected by the then Industries Minister of Madras, Mr. Venkataraman, and it was found to be very good. Why cannot the Ministry follow that up, inspect that car and see if it is all right? I remember when Mr. Sanjivayya replied to a question in the House, he said that the Government will not give licence just to A, B, C or D but that they will have to find out and satisfy themselves whether the party is in a position to take it up and whether the car is fit enough to be taken up. Why cannot they try out this car right from Madras to Delhi, inspect it and if found fit let him be given the licence. Why not the Government help a small man? Then the Government of Mysore offered to produce small cars. The Chief Minister of Mysore himself offered and I learn from the papers that they have given licence. I request the Chief Minister of Mysore to manufacture this small car soon and let him exhibit it to the country.

Now it is not only in the matter of these small cars that the Government follows a policy of dilly-dallying; they are doing the same thing in regard to the manufacture of TV sets also. I learn that licence was not given for the import of some components for the TV sets to be manufactured at Pilani because the Government were having negotiations with foreign firms for the import of foreign TV sets; I learn from papers that the TV set produced at the Pilani Institute is adorning the Prime Minister's house. The Government should consider this matter carefully. They are not prepared to give it to a small man nor are they going to produce it themselves. They always want to have foreign collaboration in every thing. If they are thus going the foreign way, then where is swadeshi, where is self-reliance?

I would also like to say another thing. Mr. Bhanu Prakash Singh said that the two essentials for a small car project in India were low price and quality of the car. May be he said that with good intentions but as far as I can see there is neither low price nor a good car (*Time bell rings*) Just five more minutes please.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Fifteen minutes has to be divided between so many. You can take another two minutes. That is all.

SHRI BHUPESH GUPTA (West Bengal): Sir, you can increase the time.

SHRIMATI LALITHA (RAJAGOPALAN): Mr. Vice-Chairman, I would just put questions. Firstly, I would like to know whether the Government is going to take any quick and final policy decision regarding the manufacture of a small car. Secondly, in order to do away with monopolistic tendencies, would the Government either in the public sector or in the private sector, encourage more units beyond the already existing three units so that there will be healthy competition? I also want to know whether the Government will give

up the idea of diverting its resources from more important fields, namely, stepping up agricultural production and leave the manufacture of small cars to State Governments and the private sector? Since the manufacture of small cars does not figure in the list of 59 priority industries why is the Government showing so keen interest in the latest French offer? I understand 190 parties have applied for taking up the production of scooters and the Government has yet to take a decision. At present only four firms are producing these scooters. Why has not the Government taken a decision to issue the licence to these firms as Lambretta and other scooters have almost replaced bicycles in the present living conditions? Lastly I would like to say that the note that has been given to me says that if there is any defect in the cars such defects may be referred to the Ministry and the D.G.T.D. so that these defects would not be repeated. I would like to know whether any such defects have been brought to the notice of the Ministry or the D.G.T.D. and what steps have been taken in that regard.

श्री विमलकुमार मन्नालालजी चौरड़िया:
(मध्य प्रदेश) : उपसभाध्यक्ष महोदय, यह छोटी कार का मामला कई वर्षों से चला आ रहा है। कई मंत्री आए और चले गए ...

उपसभाध्यक्ष (श्री महाबীর प्रसाद भार्गव) : छोटे से रूप में कहिये बहुत बड़े रूप में नहीं।

श्री विमलकुमार मन्नालालजी चौरड़िया:
मगर जब आप बड़े आदमी विद्यमान हैं, आपके रहते मैं छोटे रूप में रखूँ—मैं आपका अपमान नहीं कर सकता क्योंकि समाज में जो छोटी कार का जिक्र है उसको सरकार ने बड़ा बना दिया है।

उपसभाध्यक्ष महोदय, यह अत्यन्त आश्चर्य की बात है कि समाजवाद का नारा लगाने वाली सरकार इस तरह की सारी बातें

[श्री विमलकुमार मन्नालालजी चौरङ्गिया]

करती है और उस समाजवाद के नारे को पलीभूत करने के लिए ताकि लोग आराम के साथ रह सकें, कुछ नहीं करती है। लोग एक स्वप्न देख रहे थे कि अगर छोटी कार आ जायेगी तो आराम हो जायेगा। वे लोग इस तरह का स्वप्न देख रहे थे कि अब हमारे देश में छोटी कार आ जायेगी, टेलीविजन आ जायेगा और इस तरह के वे स्वप्न देख रहे थे, लेकिन हमारी सरकार आज तक इस छोटी कार के निर्माण करने का निर्णय नहीं ले सकी है।

इस बार के निर्माण के सम्बन्ध में सरकार ने कई कमेटियाँ बिठलाई, कई रिपोर्ट सामने आई। कई विदेशी लोग कालोबरेशन के लिए लिख चुके हैं, हमारे यहाँ के लोगों ने भी कहा है कि हम इन्डिजिनस काम्पोनेन्ट्स लेकर कार का निर्माण करने के लिए तैयार हैं। तो मैं सरकार से यह पूछना चाहता हूँ कि क्या कारण है कि हम सरकार उसको बनाना नहीं चाहती है? सरकार कहती है कि हमारे यहाँ फ़ारेन एक्सचेंज की कमी है, टेक्नीकल नो-हाऊ नहीं है, जो इम्पलाइड रीजन्स हैं, वह हमारी सरकार दे देती है। बाहर वाले भी जो कार यहाँ पर बनाना चाहते हैं, वे लोग सरकार की इस नीति के कारण नहीं बना सकते हैं और वे लोग कहते हैं कि यह तो टाटा और बिड़ला की सरकार है। अगर छोटी कार बन जायेगी तो बिड़ला साहब नाराज हो जायेंगे और उनकी अम्बेसेडर कार को कुसान हो जायेगा। इस तरह की दलील दी जाती है। लेकिन हमारे देश में सिर्फ बिड़ला की ही अम्बेसेडर कार नहीं बनती है, यहाँ पर फ़िएट कार भी बनती है और स्टैन्डर्ड कार भी बनती है। तो हमारे सामने जो इस तरह की दलीलें दी जाती हैं कि फ़ारेन एक्सचेंज की कमी है, टेक्नीकल नो-हाऊ नहीं है, जबकि यहाँ वाले और बाहर के लोग हमारी मदद करने को तैयार हैं, तो फिर बात समझ में नहीं आती है। इसलिये मैं फ़क्कूदीन

अली अहमद साहब से यह जानना चाहूंगा कि वे साफ़ कर के बतलाय कि छोटी कार न बनाने का मेन रीजन क्या है जिसकी वजह से वह हमारे देश में नहीं बन पा रही है? जब हमारे देश के निवासी इस तरह की कार को शत प्रतिशत इन्डिजिनस चीजों से बनाने के लिए तैयार हैं।

इस देश की गरीब जनता के लिए छोटी कार बहुत ही आवश्यक है क्योंकि छोटे छोटे बाबुओं को 5 बजे से ही डी० टी० यू० की क्यू में घर जाने के लिए खड़े हो जाना पड़ता है और इस तरह से वे शाम के सात या आठ बजे घर पहुँचते हैं।

श्री महेश्वर नाथ कौल (नाम-निर्देशित):
शायद स्कूटर बनेंगे मासेज के वास्ते।

श्री विमलकुमार मन्नालालजी चौरङ्गिया:
स्कूटरों की तो यह हालत है कि 4 अगस्त 1966 को लेम्बटा के लिए 70,27 अप्लीकेशन्स थी और वास्पा के लिए 94,703 अप्लीकेशन्स थी। जिस तरह के लोग बस की इन्तजार में क्यू में खड़े रहते हैं, इसी तरह से यहाँ पर भी उनको खड़ा रहना पड़ता है। लेकिन आज हालत यह है कि लोगों को घर पहुँचाने के लिए अगर टैक्सी से जाना पड़े तो उसके लिए भी उनको अब ज्यादा पैसा देना पड़ेगा। श्री मोरारजी भाई की कृपा से पेट्रोल के दाम बढ़ गये हैं और किसी को आफिस से घर पहुँचना हो तो जब तक जेब में पाँच रुपया नहीं होगा तब तक वह जल्दी अपने बच्चों से मुलाकात शाम को नहीं कर सकता है। अगर हमारी कांग्रेस की सरकार पद यात्रा के लिए फिर से कह दे क्योंकि वह पद यात्रा पर विश्वास करती है, मगर रोज पद-यात्रा की जायेगी तो वह भी संहरी पड़ेगी।

जहाँ तक छोटी कार का ताल्लुक है, मैं आप से यह निवेदन करना चाहता हूँ कि हमारे यहाँ जो फ़िएट कार है उसके लिए,

जनवरी 1960 तक 98 हजार अप्लीकेशन्स पेंडिंग पड़ी हुई थी। जिस तरह से एक आदमी मरने पर अपने वारिस को काम सौंप जाता है उसी तरह से जिस आदमी ने अपनी कार बूक कराई है उसको उसके मरने के बाद ही मिलेगी और वह अपने बेटे से कह जायेगा कि तुम कार को ले लेना क्योंकि 6 साल से भी ज्यादा अरसा हो गया है अभी तक लोगों को अपने आर्डर जो उन्होंने बक कराये थे नहीं मिले ? क्या यही तुम्हारी इन्डिस्ट्रियल पालिसी है ? मैं आप से कहना चाहता हूँ कि अगर यह सरकार इस तरह की कार नहीं बना सकती है तो वह साफ कह दे कि लोग आफिस से घर जाने के लिए पद-यात्रा करे। कुछ मद्द्द में नहीं आता है कि 1960 के अगस्त को आर्डर बक कराया गया और अ 1967 हो गया है फिर भी लोगों को गाड़ी नहीं मिली। तो मैं यह पूछना चाहता हूँ कि आप किस तरह की योजना बना रहे हैं और किस योजना की बात करते हैं ? आप बड़ी बड़ी योजना बनाते हैं मगर इस बारे में आप फारेन एक्सचेंज की बहाना करते हैं। लेकिन अब फारेन एक्सचेंज का बहाना भी साफ हो चुका है क्योंकि अभी हाल में स्टेट्समैन अखबार में निकला था कि एक दक्षिण के निवासी जो सोंघली के रहने वाले हैं उन्होंने कहा है कि 97 प्रतिशत इन्डिजिनस मेटिरियल से कार का निर्माण यहाँ पर किया जा सकता है। तो मैं यह जानना चाहता हूँ कि जब अपने देश का एक आदमी इस तरह छोटी कार बनाने के लिये तैयार है तो सरकार को क्या आपत्ति है ? इस कार्य के लिये एक कमेटी बैठी थी, उसकी रिपोर्ट के बारे में यहाँ पर बहस भी हुई। फ्रांस ने इस तरह की कार बनाने के लिये कालो-बारेन करने के लिये कहा था। उन्होंने कहा था कि हम कुछ हिस्सों को एक्सपोर्ट करेंगे जिससे फारेन एक्सचेंज का प्रबलम भी हल हो जायेगा। इस तरह से इस तरह की कार बनाने के लिये काफी अप्लीकेशन्स

आई है, तो मैं साफ तौर से जानना चाहता हूँ कि किन वजूहाती से सरकार इस कार को बनाने नहीं जा रही है। अगर वह खुद नहीं बनाना चाहती है, तो मैं प्रार्थना करूंगा कि वह स्पष्ट रूप से बतलाये कि जब 97 परसेंट इन्डिजिनस मेटिरियल से कार बनाने के लिये यहाँ लोग तैयार हैं, तो वह उनको इजाजत क्यों नहीं देना चाहती है। तो मैं फिर आखिर में मंत्री महोदय से प्रार्थना करूंगा कि वह क्या छोटी कार बनाने की घोषणा करने की कृपा करेंगे।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) Mr Arjun Arora, you can put your question, no speeches.

SHRI ARJUN ARORA (Uttar Pradesh): But I should at least be treated on a par with the second speaker.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): No, no. He was the original mover. You cannot be treated on a par. You can only put questions. I cannot give five minutes each. It is after all 'Half-an-hour discussion'.

SHRI D. L. SEN GUPTA (West Bengal): Sir, on a point of order. Shrimati Lalitha Rajagopalan's name comes first. How is it?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): She gave the notice. Let us not go into details. Everybody else will put his question. That is all.

SHRI ARJUN ARORA: May I refer to the two dangerous aspects of the reply given by the hon. Minister when he dealt with this question on May 25 ? The first is, he says in reply to a supplementary by Mr. D. Thengari:

"As I have already stated, during the last four or five months I have received certain proposals . . ."

This implies that the matter is only four or five months old. The fact is

[Shri Arjun Arora.]

that the matter is a dozen years old. An exhibition of the models of small cars, which could be produced, was held in this country in Delhi on the exhibition grounds in September, 1960 and it was inaugurated by Pandit Jawaharlal Nehru, the then Prime Minister, two days after the death of Mr. Feroz Gandhi, his son-in-law. So, the matter is so old.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Come to your question.

SHRI ARJUN ARORA: I want to know why he says that the matter is only five months old and that only proposals which he has received since he became the Minister of Industrial Development are under examination. The second clarification which I would like to know is his reference, in reply to a question of Mr. Banka Behary Das:—

“I am giving serious consideration to this aspect and as soon as the financial position of the country improves, something will be done.”

This financial position of the country improving has a serious implication. So, I want to know what he really means. Does he think that the financial position will really improve?

AN HON. MEMBER: Never.

SHRI ARJUN ARORA: The third clarification which I want to know is this. In 1962 this House was told that somehow the small car project could not be taken up for five years and it was not included in the Third Five Year Plan. May I know whether the Minister has already taken some steps to see that this project is included in the Fourth Five Year Plan which, thanks to the lethargy and the attitude of Mr. Asoka Mehta, has not yet been finalised? So, there is still opportunity for the Minister of Industrial Development to get this project included in the Plan.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): That will do.

SHRI ARJUN ARORA: May I know what steps he has taken or proposes to take to see that the project is included in the Fourth Five Year Plan. I have only put questions and not made a speech.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Thank you.

SHRI BANKA BEHARY DAS (Orissa): May I know why this matter is hanging for the last fifteen years? Is it because of the influence of the vested interests and monopolies, particularly those three firms, i.e., Fiat, Ambassador and Standard, that the Government could not come to a decision? In 1966, the Government finally decided to have a small car project under the public sector. But they again went back because of those influences, though to outside they said that the difficulties of foreign exchange were there. Even these big car manufacturers, particularly of Ambassador, have reduced the weight of the car by 5 to 7 maunds without the permission of the Government, but they are still charging the old price, and you know also in the market we have to pay about Rs. 5000 to Rs. 6000 extra as premium for having a car, whereas these car manufacturers up till now are withholding by all sorts of methods the manufacture of small cars. Even the foreign collaborators have become so angry with the Ambassador proprietors, the Birlas, that they are not going to renew the licence from the coming year, because the standard of material has gone down, and their reputation has also gone down in the international market. May I know from the hon. Minister how many proposals he has before him about this manufacture of small car, from which countries those proposals have come, how many proposals are from our own country India, and in each of the project how much foreign exchange is involved? Has he any proposal in

which the foreign collaborators have assured us that the foreign exchange part will be borne by them either in the shape of assistance or of loan so that there will be no drain of our foreign exchange reserves? If there is such a proposal, may I know from the Minister how it compares with the other proposals that are existing here?

Lastly, I want to know whether the Government is considering to have this proposal in the public sector or private sector in collaboration with those foreign firms

SHRI BHUPESH GUPTA Sir, on a point of order

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) Let us go on with the discussion

SHRI BHUPESH GUPTA For our discussion I want it I think we are conducting it not in a regular manner You refer to rule 60 of the Rules of Procedure You turn to sub-rule (4)

"If more than two notices have been received and admitted by the Chairman, the Secretary shall hold a ballot with a view to drawing two notices and the notices shall be put down in the order in which they were received in point of time"

That is one thing It does not seem to have been complied with here Secondly, how the discussion proceeds? The questions are to put at the end of the half-an-hour discussion Those who have given notice speak, then the Minister speaks, then other Members, if they have complied with the rules, can put questions

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) Where is that?

SHRI BHUPESH GUPTA Sub-rule (5)

"There shall be no formal motion before the Council nor voting The

member who has given notice may make a short statement and the Minister concerned shall reply shortly Any member who has previously intimated to the Chairman may be permitted to put a question for the purpose of further elucidating any matter of fact"

This is the sequence The question of elucidating facts can only arise after the Minister has made the statement, because all others who will be speaking here will be raising a discussion, and on behalf of the Government the facts are supposed to be stated by the Minister, and putting-the-question part of it comes only after the Minister's statement

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) I shall follow it The Minister

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED) My friend, while reading the rules also mentioned . . .

श्री विनयकुमार अनामनाजी चोर-
डिया : बवेश्चन तो पूछ सकते हैं । उनमें
नियम में है कि पूछ सकते हैं । आप कहेंगे
तो नहीं पढ़ेंगे ।

THE VICE CHAIRMAN (SHRI M. P. BHARGAVA) Let us hear the Minister

SHRI A. G. KULKARNI (Maharashtra) Am I to understand that after the Minister we are allowed to put questions?

THE VICE CHAIRMAN (SHRI M. P. BHARGAVA) Those who have given me in writing earlier I have got the list of Members

SHRI FAKHRUDDIN ALIAHMED My hon friend while quoting the rule, if I heard him correctly, mentioned that the Minister had to reply very shortly Shall I follow that or make a statement which will give him the clear picture?

SHRI BHUPESH GUPTA: Let him make a long statement. The Chair has power to give him more time.

SHRI FAKHRUDDIN ALI AHMED: I just wanted to know this as a precaution.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): "The Minister concerned shall reply shortly." So you can reply shortly.

SHRI FAKHRUDDIN ALI AHMED: I would like to place before the House a statement which will cover most of the questions that have already been raised and which also I can anticipate. I am aware that this question is disturbing the minds of hon. Members.

The House is aware of the past history of the low cost car project. It is, therefore, not necessary for me to dilate on the past at this stage. The House will recall that after examining the Jha Committee's Report on the automobile industry, the Government decided in August 1960 that the question of manufacture of a low cost car should be investigated by an expert committee and that if the expert committee came to the conclusion that the proposal was feasible, the project should be undertaken in the public sector. The expert committee subsequently appointed—known as the Pande Committee—submitted its report in June 1961. The Committee's conclusion was that the project was feasible. It also recommended a particular model to be taken up for manufacture. However, after considering all the pros and cons, the Government decided in August 1962 that, in view of the foreign exchange situation prevailing then, the proposal should be deferred. The then Minister informed the House in August 1962 about Government's decision to postpone the implementation of the project till the advent of more propitious conditions.

Since then in deference to popular demand voiced in Parliament and

outside, the position has been reviewed from time to time, in the light of the developments subsequent to the decision taken in 1962. The last such review was made in July 1966. While a decision on the question of taking up the project in the public sector was again deferred, the Government decided that the possibility of setting up the manufacture of a cheap car in the private sector without involving any imports or request for foreign exchange should be examined. The parties who had shown interest in the indigenous manufacture of a low cost car were accordingly requested to submit revised proposals in case they were in a position to undertake the manufacture without any imports whatsoever or request for foreign exchange, either for capital equipment or for components and raw materials. No scheme fulfilling these conditions was received in response to this request.

Interest has again been focussed on this project during the last two months. As I informed the House during Question Hour on the 25th May 1967, exploratory talks have taken place with some parties both Indian and foreign, who have offered to manufacture a low cost car either in the private sector or in the public sector. I have given the House a list of the parties who have expressed such interest. I am asking each one of them to furnish sufficient details of their offer in order to enable the Government to decide whether any of the schemes and, if so, which one is feasible.

Hon. Members will pardon me if I say that I get the impression that a good deal of sentiment and emotion appear to be attached to any discussion on this project. What is really essential, however, for a decision on the subject is an objective and realistic appreciation of the implications involved in a project of this magnitude. Some of my friends have apparently been impressed by claims put forward by one or two entrepreneurs that they are in a position to make a

car with a very low investment of the order of Rs. 7 lakhs or Rs. 8 lakhs and with a nominal allocation of the order of about Rs. 200 per car in foreign exchange. On careful scrutiny, the difficulties of establishing commercial production on such a basis will become clear. I do not deny that it might be possible to make a few hundred cars or a thousand cars or even, say, five thousand cars on that basis. But can production in such a low volume help in placing on the market a car priced at, say, Rs 7,000 to Rs. 8,000 and make a worthwhile impact on the heavy pent-up demand? Government's decision to postpone the implementation of the project till the advent of more propitious conditions.

Since then in deference to popular demand voiced in Parliament and outside, the position has been reviewed from time to time, in the light of the developments subsequent to the decision taken in 1962. The last such review was made in July 1966. While a decision on the question of taking up the project in the public sector was again deferred, the Government decided that the possibility of setting up the manufacture of cheap car in the private sector without involving any imports or request for foreign exchange should be examined. The parties who had shown interest in the indigenous manufacture of a low cost car were accordingly requested to submit revised proposals in case they were in a position to undertake the manufacture without any imports whatsoever or request for foreign exchange, either for capital equipment or for components and raw materials. No scheme fulfilling these conditions was received in response to this request.

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Hon. Members will pardon me if I say that I get the impression that a good deal of sentiment and emotion appear to be attached to any discussion on this project. What is really essential, however, for a decision on the subject is an objective. I have no doubt in my mind that in order to be able to avail of the economies of scale, the first prerequisite is a large volume of production of at least, say, 50,000 cars per year. Such a large volume of production cannot be established without special purpose machine tools, automatic transfer lines and other modern equipment. It is all very well to say that cars can be made in the small-scale sector of industry but such production cannot be economical. Take only one instance. For making the bodies of 5,000 cars in a year, about 50,000 tonnes of steel sheets have to be pressed to make the various panels for the doors, roof, mud-guards, etc. This operation will require a number of heavy presses and dies made of special alloy steel. Neither this type of presses nor the dies needed are presently being made in our country and so they have necessarily to be imported. The cost of the presses and dies will be at least a few crores of rupees. From this instance alone, it should be clear that it is not realistic to talk of manufacturing a low cost car without a large investment. All the same, I am giving an opportunity to all the entrepreneurs who have made offers to give us the details of their schemes so that we could have them examined. Simultaneously, I am also asking those parties who have offered schemes based on foreign collaboration to furnish details of their proposals to enable the Government to take a view on them. I hope to be able to get all the details in the next three months or so and thereafter have them speedily examined.

[Shri Fakhruddin Ali Ahmed]

As the House is well aware, the low cost car project has not so far been **taken up** for implementation, not because the demand for such a car is not there, nor because Government do not appreciate the need for it, but because Government could not find the resources required for the project on account of the compulsion to earmark the limited available resources for projects of higher priority. The decision to postpone the project has certainly not been influenced by any external pressure. I, for one, am in agreement with those who believe that this project should be given a higher priority than hitherto. There is a large unsatisfied demand for passenger cars in the country. The prices of the cars now being made are certainly high. Their quality is indifferent and appears to be, if anything, deteriorating instead of improving. Neither the manufacturers nor the dealers seem to have any interest in giving the customer a product of quality nor in helping the customer to maintain it in good condition. It is undoubtedly a sellers' market today and repeated appeals to maintain minimum standards of quality do not appear to have produced the desired results.

I would mention that my Ministry had suggested a provision for about Rs. 35 crores in the Fourth Five Year Plan for a public sector car project. The limited availability of resources and the *inter se* priorities to be assigned to various projects, however, have not permitted the inclusion of this project among the approved Fourth Plan projects. I would, however, assure hon. Members that if within the next three months I receive a reasonable proposal which is feasible of implementation, I shall certainly take up the question of the project being included in the Fourth Five Year Plan with my colleagues in the Cabinet and the Planning Commission.

SHRI A. P. CHATTERJEE (West Bengal): Will the hon. Minister make

clear these points? In August, 1960, an Expert Committee was set up and in July 1966 its report that the small car manufacture would be in the public sector was reviewed. Now, what really happened in the meantime to reverse the decision that this small car manufacture must now be in the private sector? Well, may I take it that this reversal of the decision was merely a way of scuttling the entire scheme? That is my first question, because it appears that immediately after it was switched over to the private sector, it was found that the private tenders were not satisfactory. That is what the Minister has said. Why was it actually switched over to the private sector? That is my first question. Then the Minister has said about the foreign exchange. Now, if a small car is manufactured in the private sector, then will it not require foreign exchange? Will that private firm not require foreign exchange? If a private firm takes up the manufacture of small cars, will the position of foreign exchange be a little different from the foreign exchange position if the small car is manufactured in the public sector? If the foreign exchange position is the same both when the car is manufactured in the private sector as well as in the public sector, actually why was it switched over to the private sector, unless it is to scuttle the whole plan of the small car manufacture? This is the second question that the Minister will please answer. The third clarification I want is this. It appears that in the Third Plan, manufacture of the car either in the private sector or in the public sector was not included. It was promised that it might be included in the Fourth Plan. The Minister said—and he is wrong there, he will kindly clarify—that since July, 1966, no interest has been shown, except for past two or three months in 1967. In fact, in August 1966 a spate of questions were asked in this very House about the manufacture of low-cost cars. So it is not correct to say that since 1966 no public interest or no interest of Members of this House has been shown in the question of manufacture of low-cost cars.

The Minister will kindly clarify this position also whehter he is correct in saying this or not.

The last question which I shall ask is this. It appears from the resume which the Minister has given that since August, 1960 committee after committee, review after review, have taken place but the position has remained exactly at the same place. Now, the Minister has said that no external pressure has been brought to bear upon him. Will the Minister kindly say how, after the Pande Committee which was set up—this Mr. Pande, it appears, is a close relative of Mr. Pande who is in the Pilani Trust of the Birlas—since August, 1960, this small car project, for one reason or another, has been shelved? Has there been any letter on behalf of the Birla manufacturers sent to the Ministry concerned asking them to reconsider the position or reconsider this proposal on the basis of that letter? These are the questions I am asking him.

SHRI FAKHRUDDIN ALI AHMED: All the questions which have been raised by the hon. Member have more or less been touched upon in my long statement. What have pointed out, so far as the question of interest is concerned, is not the interest taken by the public or the hon. Members of this House but the interest taken by some of the private entrepreneurs after the statement was made by the Minister, my predecessor, in 1966. I may assure the hon. Member that if I have the way and it is left to the Government, we would always prefer to have this project in the public sector because I firmly believe that a project of this nature can only become economical if we believe that a project of this nature can only become economical if we go in for the manufacture of a large number of cars. It will not serve the purpose about which the hon. Members are anxious if another private individual is given a licence for manufacturing another 15,000 or 20,000 cars. Therefore, when we have the opportunity to examine the pro-

posals and the hon. Members are also in favour of the same objective that projects which are likely to result in the concentration of wealth in the hands of a few should not be encouraged but should be undertaken in the public sector, it is only desirable that such a big project should be considered under the public sector. Now, here the question of priority will come. Hon. Members may be aware that even what was provided in the Fourth Five Year Plan has to be reconsidered because of the various difficulties and shortfalls in our expected resources. The proposal which had been sent by my Ministry for inclusion of Rs. 35 crores for this project in the Fourth Plan was not taken into consideration, and was postponed, because funds had to be provided for other more important items which had to be given priorities. And it is for this reason that this was not taken into consideration. But as I have said that if there are proposals, certain questions have been framed by me and they have been sent to all the applicants concerned in order to obtain the necessary details from them and after they have been obtained, I shall see which one should be pursued and, recommended for acceptance by the Government.

SHRIMATI LALITHA (RAJAGOPALAN): The Rule says:

“There shall be no formal motion before the Council nor voting. The Member who has given notice may make a short statement and the Minister concerned shall reply shortly.”

The Minister has replied but he has furnished only information regarding certain things which I have asked. He has not replied to all my questions. Am I permitted to put the questions to him?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let us finish with all others and then we shall see.

SHRI BANKA BEHARY DAS: Our question has not been replied.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let us hear all the questions and answers. If anything remains, then we shall see.

SHRI D. THENGARI (Uttar Pradesh): The explanation by the hon. Minister that the Government has not been yielding to the pressures of the monopolists is not very much convincing. Nevertheless, one thing is certain that the Government is following a policy of vacillation and procrastination. We want to know categorically whether the Government is inclined to give preferential treatment to any foreign concern, for considerations other than economic, instead of to any Indian concern.

Secondly, much is talked of about foreign exchange. That is true. But why is the Government unwilling to divert a part of foreign exchange that is made available to big car manufacturers for import of different materials for small car projects?

Thirdly, may I know whether, in order to enable a small car project, when it comes into being, the Government is prepared to give some sort of relief in excise duty, taxes, etc. or whether the Government is hesitating and is reluctant because of this point also?

SHRI FAKHRUDDIN ALI AHMED: Again some questions have been raised which are outside my purview. So far as the question of taxes, excise duties are concerned, these are matters which should be referred to the Finance Minister because what I am concerned with is the cost of production of the car ex-factory without the excise duty and other taxes. It is only a matter of opinion. I have already said that so far as we are concerned, we have not yielded to any pressure. If that notion I cannot remove by my statement, I do not know what is the other way of removing that impression from the mind of the hon. Member. As I have already pointed out, it is my desire that as far as possible this project should be taken up in the public sec-

tor. But if any private entrepreneur has to be considered, then certainly preference will have to be given to one within our own country.

SHRI D. L. SEN GUPTA: May I know, Sir, whether in the allocation for the Industries Department in the Fourth Plan the subject of a small car's manufacture finds any place? This is my first question. This has been shelved for years because it was not in the Plan. We now hear that it will get priority. But I want to be very specific whether it is in the Plan itself.

Coming to the second question, so far as tenders are concerned, certain firms have tendered. May I know, Sir, whether any firms so far have indicated within what price they are going to sell it in the Indian market or, for the matter of that, whether our Government has any price ceiling within which the tenderers have got to manufacture and sell.

The third question is this. So far as our Government is concerned, it has been consistently charged of refusing because of the vested interest who are in the field already like the Ambassador, Fiat and Standard manufacturers, small cars are not being allowed to come in the field. Their pressure still exists, we know. And this monopoly is being preserved by not allowing any indigenous or foreign manufacturers to manufacture small cars. Now the Minister said that unless 50,000 small cars can be manufactured it will be an uneconomic proposition. May I know, Sir, whether the Government, if necessary, as a matter of policy will manufacture 50,000 small cars to make it economical irrespective of whether any other firm agrees to manufacture or not?

SHRI FAKHRUDDIN ALI AHMED: So far as the third question is concerned, I have already replied. It is a matter of opinion. Now, in order to determine the question of priority, it is not only my Ministry which is concerned but other Ministries—also. The list of priority has to be prepared

in accordance with what is most urgently needed for the country and what is more important for the purpose of our development.

SHRI D. L. SEN GUPTA: Have you initiated that?

SHRI FAKHRUDDIN ALI AHMED: Even if we initiate, the views of other Ministries have also to be taken into consideration. So far as my department is concerned, we have given priority to light commercial vehicles in order to provide more facilities to passengers travelling by buses, to scooters and so on. And, as I have also pointed out, we had also sought a sum of Rs. 35 crores to be included in the Fourth Plan for manufacture of cars. (*Interruptions by Shri D. L. Sen Gupta*). These Rs. 35 crores are not to be given to them.

(*Interruption by Shri D. L. Sen Gupta*)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You have put your questions. Now hear the answer.

SHRI D. L. SEN GUPTA: How is he answering it?

SHRI FAKHRUDDIN ALI AHMED: I do not know what is the idea of the hon. Member about a small car.

(*Interruption by Shri D. L. Sen Gupta*)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Sen Gupta, no running commentary, please. Let him reply.

SHRI FAKHRUDDIN ALI AHMED: I am concerned about cheap cars whether it is a small car or a big car. I am concerned with a cheaper car. I do not know what he means by a small car.

SHRI D. L. SEN GUPTA: What do you mean by a small car?

SHRI FAKHRUDDIN ALI AHMED: I am not prepared to enter into a controversy with the hon. Member. My statement has clearly made the position of the Government clear that

as far as it is possible we shall see that the project is undertaken in the public sector. If it is not possible to do so and if I have a reasonable offer from the private sector, I shall consider the offer.

(*Interruption by Shri D. L. Sen Gupta*)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Please resume your seat, Mr. Sen Gupta.

SHRI SURJIT SINGH ATWAL (Punjab): May I know, Sir, whether the Government is ready to allow any Indian to manufacture a small car if he does not want any foreign exchange and agrees to sell the small car at the agreed rate of Rs. 7,000? Is there . . .

श्री विमलकुमार मन्नालालजी चौर-
डिया) : आज ही लइमेंस ले वो भार्ड ।
फ़व्वरहीन माहब पर मे फइर हे कि
वम से वम वह ऐसा नो ज़रूर करेगे ।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let him put his question, Chordiaji.

SHRI SURJIT SINGH ATWAL: And if anybody is there what is the harm to the Government? How does the Government lose on that question if the party loses the money in putting up such a plant?

My second question is whether there is any proposal by the Yugoslav firm or the Government for manufacturing a small car. If that is true, what is the hitch in accepting that offer when they are not asking for hard currency foreign exchange?

My third question, Sir, is what is the total amount that we have paid now in these Committees; and who are the experts who will examine these proposals submitted by the manufacturers of small car. My fourth question is . . .

श्री विमलकुमार मन्नालालजी चौर-
डिया) : आपका नो एक ही क्वेश्चन काफी था
कि क्या आप बढा सकेंगे ।

श्री सुरजित सिंह अटवाल : वा नहीं
बड़ा रूके ।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Please put your question. Let there be no cross talk.

SHRI SURJIT SINGH ATWAL: Sir, sometime ago, the Standard car manufacturers asked for permission to change their car into a car with four doors instead of two doors. What was the hitch in not allowing them to provide four doors instead of two doors? There was no question of foreign exchange there.

SHRI ARJUN ARORA: A four-door standard car will be a very good car.

SHRI FAKHRUDDIN ALI AHMED: The entire position is misconceived because our permission or licence is not necessary when the investment involved is less than Rs. 25 lakhs and when there is no import content. If a person is able to manufacture a car without importing and by investing less than Rs. 25 lakhs, there is nothing to prevent him from procuring and for this purpose, he need not come for my permission . . .

SHRI ARJUN ARORA: He wants Rs. 35 crores to produce a car but he wants others to produce it with less than Rs. 25 lakhs.

SHRI FAKHRUDDIN ALI AHMED: I am very sorry for the interruption of Mr. Arora. He must realise that I am not saying this at my own instance but replying to the question that when a person is in a position to manufacture a car with only a few lakhs of rupees, with indigenous effort, what is there to prevent me from giving him permission. I was replying that in that case the question did not arise. When these proposals are received by me, certainly they will have to be examined by experts, who are in the know of these things, who are engineers. Whatever engineers we have at our disposal, they will certainly look into all these things.

Now as regards the cost involved in setting up a Committee and so on, unfortunately I have no information now. I can give you later.

Regarding the other question that we were standing in the way of four doors being provided, actually we did not stand in the way. When the proposal came to us, we permitted it.

SHRI BHUPESH GUPTA: Before I ask questions, I wish to make a submission to you. From the questions and replies, you will gather that the matter is very important. I have already given notice for a two-hour discussion on the subject and I hope that in view of the importance of it, you will kindly see that during this session, there is a discussion on the subject. I have already tabled a Motion on the statement.

Now, first of all, I would like to know from the Minister; Is it not a fact that the project which was approved by the Pande Committee and which was also gone through by the Defence Ministry, really involved no foreign exchange because the French motor company Renault guaranteed a certain quota of import, that is to say, export from this country which they will buy and offered to meet the foreign exchange component of that particular project with those earnings? Is it not a fact that as this project was under discussion, very heavy pressures were built upon the Government and the private sector, especially the Birlas, wanted the small car project to be given to them? Is it not a fact that as a result of this, delay was caused and nothing was taken in hand? I should also like to know, when the hon. Minister is pleading shortage of foreign exchange, whether it is not a fact that under the Third Five-Year Plan, a sum of Rs. 35 crores, or some amount between Rs. 30 and Rs. 35 crores, was sanctioned as foreign exchange mainly for the Birlas, who have almost monopolised in this matter, and for two other companies in the line. Yet no foreign exchange was available for pushing through this small car project in the public sector.

May I know from the hon. Minister whether it is not a fact that Mr. Subramaniam, when he was the Minister in charge, in this very House gave a solemn assurance, when Members asked questions, that whatever happens, when the project came, it would come always inevitably in the public sector? Why now is the Government trying to modify its stand? They have modified it when they say that it may be in the public sector or in the private sector and they are considering more private sector proposals than public sector ones. Mr. Subramaniam's statement will be found in the proceedings of the House. May I also know whether it is not a fact that in the recent period, after having cornered the automobile market, the Birlas and others wanted that the small car project should come to them and they made representations to the Government that the Hindustan Motors was in a position to turn out small cars provided the Government would sanction the necessary foreign exchange and other facilities for them? I should also like to know whether it is not a fact that there were reports, in Delhi and other places, of sheer bribery and political influence or certain other influence being exerted by certain business concerns? If you ask me, I can give you names—some names you have heard already—but I do not wish to. Now, I should like to know whether it is not clear that under these circumstances of pressure from the big business, coupled with, I say, bribery, that the small car project had been scuttled as far as the public sector is concerned. And they were waiting for the scarcity to grow and difficulties to arise. And then even when the foreign exchange position is worse than it was in 1963, they are thinking of making over the small car project to the private sector. Do I have here a categorical assurance by the Minister that private proposals for the small car project will never, never be entertained unless the matter has been discussed in Parliament? Do I get an assurance from the hon. Minister in charge here

that this matter should be discussed in Parliament and that past commitments should be kept?

We started, Mr. Vice-Chairman, with the public sector. You were there and you took very great interest in this matter. We reiterated public sector. But back-door sabotaging went on, bribery went on and corruption went on. And now this Minister comes and tells us here that he is considering so many proposals and whatever he considers good will be accepted. But his mind is already made up. It is for the private sector. Therefore, Sir, I would ask them to reiterate the solemn assurance that if the small car project materialises, it would materialise in the public sector, if necessary by nationalising the Hindustan Motors of the Birlas where we can easily produce, with the equipment they have, small cars reducing the production of big cars, so that on the one hand, we have the public sector expanded and on the other, who meet the needs and requirements of our economy in the present situation. The need of the hour is to nationalise this monopolised automobile industry, not to go in for further expansion in the private sector, whether it is small car or big car. Therefore, I would ask the Government whether they consider, first that the public sector is a "must" if the small car project materialises, and secondly, whether Government would consider the advisability and proposal for taking over the existing concerns, particularly the Hindustan Motors, especially after what has come to light in the various discussions about Birlas here, so that we push through without any inhibition the public sector project to produce the small car the nation needs to-day. The small car project must be in a public sector project. Public opinion is absolutely clear and I hope the Government will not yield to pressure or succumb to bribery.

6 P.M.

SHRI FAKHRUDDIN ALI AHMED:
My friend has actually said what I have been saying myself.

SHRI BHUPESH GUPTA: You give the assurance.

SHRI FAKHRUDDIN ALI AHMED: I have said it that in order to make a cheap car, economic car, it is essential that we should go in for a very large project and it will be very unwise to give that responsibility to the private sector but the large number of questions which were put in this House suggested that we were not taking any actions on so many applications from entrepreneurs; their applications were pending and they were not given the opportunity of manufacturing the small car. I think some Members even on that side of the House pleaded for the applications being considered, that is to say applications which have been given by a large number of private sector people. If I have my own choice, we shall go in for a very big economic project and that will have to be under the public sector. For that purpose, as I said, we had approached the Planning Commission and asked them to give us Rs. 35 crores. That has not been accepted till now. We shall again make an effort and if it is possible for us to find the funds and for us to persuade the Planning Commission and the Finance Minister to agree to our proposal.

So far as the first question raised by him is concerned, about Renault . . .

SHRI BHUPESH GUPTA: The name of the car was Dolphin.

SHRI FAKHRUDDIN ALI AHMED: My information is that what has been stated by my friend is not correct because this company had only suggested that there may be a possibility of exporting to pay for import required for the purpose of manufacturing this car.

(Interruptions)

SHRI BHUPESH GUPTA: They phased out the credit for a long time.

SHRI FAKHRUDDIN ALI AHMED: They had given this suggestion but when they were asked whether they were prepared to undertake this responsibility of exporting, they said 'No' and it was because of their inability that this project could not go through. This was only a suggestion which someone had given but when they were asked the specific question whether they were prepared to undertake the responsibility of exporting the car manufactured here in order to make up what we would be spending on the import of the various items, they replied in the negative and said that they could not give that guarantee. It is for that reason that this proposal fell through.

SHRI BHUPESH GUPTA: I must say this because I have been here, that it was not the argument when we raised it. The argument at that time was—which was advanced by your Government and you were not here then—of foreign exchange shortage. In fact, some of the Government papers contained that kind of a proposal coming from the French company. The argument of the Government was not that because they would not like to take the responsibility for export but the argument was 'We do not have foreign exchange'.

SHRI FAKHRUDDIN ALI AHMED: Therefore what has been stated by the Government is perfectly consistent. As we had to depend on the foreign exchange and because there was shortage of foreign exchange, the proposal could not be accepted.

SHRI BHUPESH GUPTA: No.

SHRI FAKHRUDDIN ALI AHMED: Yes.

SHRI BHUPESH GUPTA: There was a discussion. We produced various papers. We were in possession of the Pande Committee report and various other documents which showed that it was possible to overcome the foreign exchange difficulties and the Renault Company was willing to cooperate in the best possible way.

The Government at that time said. The Second Plan difficulties are there, the foreign exchange difficulties are there and certain other things like the Steel Plants are there being discussed'. They therefore said: 'Even if we get, we would not be in a position to take it up. It was not so categorical as you are saying to-day. Therefore I submit that in view of the public interest in the matter, let there be at least a two-hour discussion. We shall relate the whole thing on the basis of the documents.

SHRI FAKHRUDDIN ALI AHMED: I shall only be too glad if my friend can produce an agreement under which the company undertook to provide at least .

SHRI BHUPESH GUPTA: I never said agreement. The correspondence was there. It was noted by the Government. I did not say it was a pucca thing.

SHRI FAKHRUDDIN ALI AHMED: That is what I also say

SHRI BHUPESH GUPTA: To-day you are discussing it when the foreign exchange situation is far worse. To-day is after the devaluation. Please understand it. At that time the foreign exchange needed was very little compared to what would be required now even on the best of terms. At that time it was given up, as we pointed out, under the pressure of Birlas and others. That is the main thing.

SHRI FAKHRUDDIN ALI AHMED: That is what I am pointing out that because the suggestion given by them could not be translated into actual agreement, the liability of finding the foreign exchange was on the Government of India and because they were not in a position to find out the foreign exchange, the whole thing fell through. This is what I am saying that if what was suggested had been actually put into the agreement and they had taken the liability of finding out what we had to spend on foreign exchange by taking our cars out of the country and selling it,

things would have been all right but they could not take that responsibility. They said that this was only a suggestion and they would try but nothing more than that was undertaken. They were not prepared to assure us. That means finding out the foreign exchange for the entire project from within our country and that is why the Government could not take it up, at that time. So these were the two main questions.

SHRI BHUPESH GUPTA: Other questions are there. When the small car project has not been finally abandoned from consideration, you are sanctioning even heavy foreign exchange under the head 'Automobile' to the Birlas.

SHRI FAKHRUDDIN ALI AHMED: No. There is no such thing that we have been sanctioning. Of course their project is there.

SHRI BHUPESH GUPTA: I have been in the Consultative Committee for the Third Plan, the one formed by the Prime Minister. The figures were given and they should be available to you. From memory I say Rs 30 to Rs. 35 crores for the entire period was the sanctioned foreign exchange for Birlas and others under the head 'Automobile Industry'. Even if you do not study them, what can I do? Therefore I say for goodness' sake, Mr. Vice-Chairman, you agree to a discussion on this project. Let us say things, because we have also a lot of things to say. Much of dirty linen we want to wash here in order to show how sabotage has taken place.

SHRI FAKHRUDDIN ALI AHMED: There is nothing more to discuss so far as this matter is concerned. When foreign exchange is required by them for maintenance purposes only, the applications are made and they are considered.

SHRI BHUPESH GUPTA: Gherao those applications.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): This cannot go on.

SHRI BHUPESH GUPTA: We are very much agitated over it.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): I quite understand your anxiety. Have an idea of the limitation of time. For half-an-hour, I have allowed 40 minutes.

SHRI BHUPESH GUPTA: Ask him to tear up the proposals coming from the private sector, especially from Birlas.

AN HON. MEMBER: We want car, whether it is from Birlas or others.

SHRI BHUPESH GUPTA: This is sabotage.

SHRI FAKHRUDDIN ALI AHMED: My friend has indulged in all kinds of insinuations that there is corruption, there is bribery, so on and so forth. How far he is justified in making all these wild and sweeping statements I do not know but I think when such statements are made, the proof should be given and those should be substantiated. If you can tell me who has taken bribe . . .

SHRI BHUPESH GUPTA: You have an Enforcement Branch.

SHRI FAKHRUDDIN ALI AHMED: If you have some information in your hands which our Enforcement Branch has not got, it is your duty to place it at my disposal so that I may take action. But you run away when you are asked to substantiate your charges.

SHRI BHUPESH GUPTA: We will discuss it here.

SHRI FAKHRUDDIN ALI AHMED: You only keep on making insinuations and making all kinds of allegations without any substance at all. And this is not the way in which these matters should be discussed or should

even be considered, and I have submitted that there is no substance in them.

SHRI BHUPESH GUPTA: I put it to you that Birlas have contacted some of your officials. From the Telephone Directory I can mention the names.

SHRI FAKHRUDDIN ALI AHMED: But you are not mentioning the names . . .

SHRI BHUPESH GUPTA: Dev-Anand, 48 Jorbagh.

SHRI FAKHRUDDIN ALI AHMED: I take objection to my officers being maligned in this way without giving me the specific instance of the officer who is really responsible for any corruption.

SHRI BHUPESH GUPTA: I am not maligning all your officers. Some black sheep are there.

SHRI FAKHRUDDIN ALI AHMED: Whatever it is, even when you say that some black sheep are there, you are not prepared to give their names.

SHRI BHUPESH GUPTA: And some Ministers are also there.

SHRI FAKHRUDDIN ALI AHMED: But you are not prepared to give me the names.

SHRI BHUPESH GUPTA: Some Ministers. Why is he provoking me like this?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Why are you provoking him like this?

SHRI LOKANATH MISRA (Orissa): I take strong objection to the hon. Member having a running dialogue with the Minister. Unnecessarily time is being taken at this late hour . . .

SHRI BHUPESH GUPTA: How are you affected?

SHRI LOKANATH MISRA. I am also a Member of the House and I also want to ask question May I submit, Sir,

THE VICE-CHAIRMAN (SHRI M P BHARGAVA) Let the Minister finish, no cross talk, Mr Bhupesh Gupta

SHRI FAKHRUDDIN ALI AHMED Now may I submit this, Sir? My hon friend has made allegations against "some Ministers" and Ministers are also Members of either of the Houses My submission is that it is only proper that either these allegations should be withdrawn, or he should be prepared to give the names of the Ministers

SHRI BHUPESH GUPTA No at all Nothing doing

SHRI FAKHRUDDIN ALI AHMED In that case there is no justification for making such observations, and there should be a privilege motion

SHRI BHUPESH GUPTA What is the privilege motion? Your Government is in league with the Birlas. What is the privilege motion there?

SHRI A P CHATTERJEE Did not the Birlas meet your Ministers .

SHRI BHUPESH GUPTA Yes, we have seen how you are in league with the Birlas We have also seen that.

SHRI A P CHATTERJEE It has appeared in the press that some of the Ministers are in the pay of the Birlas

SHRI FAKHRUDDIN ALI AHMED That has been denied

SHRI A P CHATTERJEE Is any inquiry being held?

SHRI BHUPESH GUPTA One of the Birlas was invited by a Minister to take money from him for election purposes

THE VICE-CHAIRMAN (SHRI M P BHARGAVA) Why are you going into all kinds of extraneous things?

SHRI A P CHATTERJEE Mr. Vice-Chairman, when the question of privilege has come, then I shall put it this way There has been the allegation outside that some Ministers are in the pay of the Birlas Therefore there should be a parliamentary committee to go into the question whether some Ministers are in the pay of the Birlas

SHRIMATI LALITHA (RAJAGOPALAN). On a point of order, it does not concern this subject at all That a parliamentary committee should be appointed to go into the allegations made against some Ministers cannot figure in this Half-an-Hour Discussion, it does not come under this subject of the manufacture of small cars

SHRI A P CHATTERJEE But he is raising the question of privilege

SHRI FAKHRUDDIN ALI AHMED Mr Vice-Chairman, I take very serious objections to the allegations made by that hon Member. They are very objectionable and unparliamentary

SHRI BHUPESH GUPTA On a point of order, Sir, what is unparliamentary?

(Interruptions)

SHRI FAKHRUDDIN ALI AHMED Also I do not see any reason why he should have the monopoly of time while another is speaking

SHRI BHUPESH GUPTA You have the monopoly to deal with the Birlas and I have the monopoly to ask you questions in that connection

SHRI A P CHATTERJEE What is unparliamentary here? The allegation has been made in public that some of the Ministers are in the pay of the Birlas It has been in the press A Congress Member has also raised that What is unparliamentary if we say the same thing here? Let these Ministers come out in the public and say what they have to say in the matter

SHRI BHUPESH GUPTA I will produce the letter which I read out

[Shri Bhupesh Gupta.]

in the House, the letter which Mr. B. M. Birla wrote in November, 1954, from No. 25, Broadway Road, to Mr. Satya Narayan Sinha, which clearly indicated that there was liaison between them. It is a letter which I read out in this House. And so what happened to Mr. Satya Narayan Sinha?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let us confine ourselves to the Half-an-Hour Discussion about the small car and avoid references to all other things. Will you please finish?

SHRI FAKHRUDDIN ALI AHMED: There are certainly rules which have to be observed.

SHRI BHUPESH GUPTA: Again rules.

SHRI FAKHRUDDIN ALI AHMED: Unless the hon. Member has to raise a point of order, when I have been asked to reply to certain questions he is not in order to raise certain other matters. I will be doing me a great injustice if these observations are allowed to go unsubstantiated, and I again repeat that there was no justification for the hon. Member to make such wild allegations against any of my officers or any of the Ministers. If he has the courage to make the allegations, let him name those Ministers and officers. (Interruptions) And these matters can be inquired into in proper quarters, and now, since there is no substance in those allegations and maligning a Minister involves a question of privilege of this House this should not be allowed to go on.

SHRI BHUPESH GUPTA: I make a serious exception to it, that I have committed any breach of privilege. We, to the best of our knowledge.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Why didn't he also say what he has to say?

SHRI BHUPESH GUPTA: But where is the question of privilege in what I said, and what is the breach

of privilege? You are here to see whether there has been any breach of privilege or not.

SHRI FAKHRUDDIN ALI AHMED: I am appealing to you, Sir. Is he entitled to speak when I am on my legs?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Please listen to him now.

SHRI BHUPESH GUPTA: I will listen to him always.

SHRI FAKHRUDDIN ALI AHMED: Therefore, these allegations should not be made.

Now again my friend had said that we are giving a lot of foreign exchange to the Birlas. I may tell him that those details are not with me, but I am sure that if any foreign exchange was given, it was for the maintenance of the manufacturing unit, for the manufacture of cars, for which he has already got the licence. It is not for the purpose of import in connection with new undertakings. (Interruptions) I do not know; perhaps you know it better.

SHRI BHUPESH GUPTA: I do.

SHRI FAKHRUDDIN ALI AHMED: Therefore give the information to me.

SHRI BHUPESH GUPTA: I don't give it to you. I will state it here on the discussion.

SHRI FAKHRUDDIN ALI AHMED: You have not the material and courage to state it here also.

SHRI BHUPESH GUPTA: Not at your pleasure. When the Chair asks, I will do it.

(Interruptions)

SHRI FAKHRUDDIN ALI AHMED: Therefore I submit, Sir, that whatever is possible for us, we will do. If really some proposal of a project of this nature we have in view and if the resources are available to undertake it, all that is possible will be done by the Ministry.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Lokanath Misra, still have you got any clarifications to seek?

SHRI LOKANATH MISRA: Yes, Sir; many, particularly after the great emphasis . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): We must finish quickly, because we have exceeded the time quite a lot.

SHRI LOKANATH MISRA: I have many clarifications to seek, Sir, particularly after the great emphasis that was laid on ideology at the expense of the consumer. What was endeavoured to be done here was projection of ideology rather than production of car. Sir, I would like to ask the hon. Minister whether he was thinking of consigning this project only to the public sector, giving a monopoly to the public sector . . .

SHRI FAKHRUDDIN ALI AHMED: Monopoly to the public sector.

SHRI LOKANATH MISRA: Yes, why do you laugh? If you know anything on economics, it is monopoly in the public sector also. Or would you allow simultaneously the private sector to take it up, so that there is competition for the prices, and for the quality which you so much require, on which you so much laid emphasis? And if that is so, may I ask whether, along with the public sector—if you can erect a plant for the production of car—you are also going to look into the offer that has been made by a Yugoslav agency, which was so approvingly stated in the newspapers by the Deputy Minister in the same Ministry? I do not know whether you do not talk to each other about this business. The Deputy Minister came out with a statement—a bold statement—that he had a discussion with the Yugoslav agency and he approved of it. He thought that it was . . .

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH): One a point of clarification, Sir . . .

SHRI LOKANATH MISRA: Let me finish it; you have your clarification later on. It is between you and the Minister . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Lokanath Misra, he can make the clarification. You are referring to something and you are saying that he said this. Now he has every right to clarify and say what he said.

SHRI LOKANATH MISRA: Let him clarify later. Let me put the question; I am mid-way in the question. Let me complete the question. Then I will give you the chance.

SHRI BHUPESH GUPTA: He cannot get up.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Why cannot he get up if you put something in his mouth?

SHRI BHUPESH GUPTA: What is this, Sir? If you allow him to get up, I will not object. But here you use the singular and say that the Minister will reply, that the Minister will deal with it, and the Minister in question is Shri Fakhruddin Ali Ahmed, and the Half-an-Hour Discussion rule does not envisage two or three Ministers. The Deputy Minister is not mentioned here.

SHRI ARJUN ARORA: The term "Minister" includes the whole team of Ministers.

SHRI LOKANATH MISRA: Sir, this is a very serious matter. From the Statement it clearly appears that the Deputy Minister had approved of this suggestion, that it has had the approval of the entire Ministry, because he said that the car was less costly, that it needed less petrol and that it could be made available to the common man in the street. If that is so, then what is the objection if

[Shri Lokanath Misra.]

foreign exchange was made available and there was collaboration? So what is the difficulty in their simultaneously having in the private sector and in the public sector the manufacture of cars so that the consumer may get them at a cheaper rate and of better quality?

There is another question which has not been replied though it was a very relevant question put by Mr. Thengari. Where is the difficulty in diverting some foreign exchange? If there is shortage of foreign exchange, where is the difficulty in a part of the foreign exchange now being used by the three big car manufacturers, for this new project? We may even go without one particular type of car now being manufactured in the country. The foreign exchange thus made available could be switched over for the new car project so that the common man may get a cheaper car. The common man is interested in the production of a small car and at a cheaper cost, not in our discussions in the House. Let us make it feasible and possible for the Government and even if it means that we will have to go without a bigger car for some time, the country will be prepared for it. A part of the foreign exchange can be diverted and made available to this new project so that the small car project may be immediately taken up and it can be simultaneously done in both the private sector and in the public sector. Or if the private sector has the money in Indian currency and they have the collaboration, let them go ahead with the project. Why not you allow that?

SHRI BHANU PRAKASH SINGH: Sir, let me state it quite categorically that I made no statement whatsoever. It was only a press hand-out from my Ministry. I had only an exploratory discussion with the representative of a Yugoslavia firm who had come to see me and I only emphasised the need for a quality car at a low price. That is all. And now, with

regard to my Minister, I can tell this House very, very categorically that I command his full confidence and there is no question of . . .

SHRI LOKANATH MISRA: Nobody said anything about it. Who doubted it?

SHRI BHUPESH GUPTA: My Minister? Say your senior colleague, not "my Minister". That is not the way to speak of Ministers.

SHRI BHANU PRAKASH SINGH: And whatever has been done by me has been done with his full approval.

SHRI FAKHRUDDIN ALI AHMED: Again the issue between the private sector and the public sector has been raised. I would ask the hon. Member to settle it with Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: We will settle it all right. But the Birlas should not be given any foreign exchange.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Gupta, let the Minister continue.

SHRI FAKHRUDDIN ALI AHMED: I would like to state again that no foreign exchange has been given to the Birlas or to anyone for the purpose of any new car undertakings. I find that the indigenous content of, say, an Ambassador car in 1961-62 was nearly 74 per cent. Now it has gone up to 93.7 per cent. That is to say, they are importing only 7 per cent of the components for the purpose of manufacturing these cars. And unless we want to stop the production of these cars, can we deny this?

SHRI LOKANATH MISRA: Sir, on a point of order.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): What is your point of order?

SHRI LOKANATH MISRA: This is very misleading.

SHRI BHUPESH GUPTA: They always mislead.

SHRI LOKANATH MISRA: This is misleading.

THE VICE-CHAIRMAN: (SHRI M. P. BHARGAVA): Let me hear your point of order.

SHRI LOKANATH MISRA: The car costs Rs. 17,000. Sir, kindly listen to me because you have to give your ruling on my point of order. The car costs Rs. 17,000 and how much does 7 per cent. of it come to?

AN HON. MEMBER: If it is Rs. 20,000, 7 per cent comes to Rs. 1,400.

SHRI LOKANATH MISRA: That is it. It is not a question of percentages. This is very misleading. He should not talk in terms of percentages. He should talk in terms of the actual money, in terms of the rupee value.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): There is no point of order.

SHRI FAKHRUDDIN ALI AHMED: I am really sorry my hon. friend is confusing between the maintenance and the actual setting up of machinery which will be required for the purpose of putting up a manufacturing unit. How can we stop it, unless it is the desire of the House that these things should be stopped? Then there will be no production of these cars and there will be more shortage in the availability of cars. So I do not know why these questions are raised. As I have already stated, I have given my view as to how the Government wants to proceed so far as the production of this car is concerned. The academic questions can be settled by them both.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Just one last question by the mover.

SHRI ARJUN ARORA: May I put one question?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): No, please. There cannot be an endless debate on this.

SHRIMATI LALITHA (RAJA-GOPALAN): Sir, I initiated the debate and I should be permitted to put my question. Two of my questions remain unanswered.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Yes, yes. I am allowing you.

SHRIMATI LALITHA (RAJA-GOPALAN): The hon. Minister has not replied two questions. One is about the production of scooters. For this some 190 persons have applied and the Government is yet to take a decision. At present only some four firms are making these scooters. I want to know from the hon. Minister why the Government has not taken a decision regarding the production of scooters. These scooters and Lambrettas have replaced the bicycles in the present economic living conditions.

The second question is about the defects in the cars manufactured. The Ministry's note said that defects in the cars if brought to the notice of the D. G. T. D. that is to say, the Director-General, Technical Development, will be looked into and that in future such defects will not be there. I would like to know whether any such defects have been brought to the notice of the Ministry and of the Director-General and whether anything has been done regarding those defects.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The Minister need not reply the first question because it does not arise out of this debate. He may answer the second question.

SHRI FAKHRUDDIN ALI AHMED: I may also inform the lady Member about it, I know there is greater demand for scooters than the number actually manufactured. I have received letters about it. The matter will be looked into. This also comes in the priority list and so something

[Shri Fakhruddin Ali Ahmed.]

can be done. All these matters will be considered on merit.

So far as the complaint about cars is concerned, I have already referred to it in my statement. I am myself not satisfied with many of the things. How these can be improved I shall certainly try to discuss with the firms concerned and I shall look into the matter.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The House stands adjourned till 11 A.M. on Monday the 5th June.

The House then adjourned at twentyeight minutes past six of the clock till eleven of the clock on Monday the 5th June, 1967.