

**RANCHI-ROURKELA RAILWAY LINE**

M7J SHRI LOKANATH MISRA : \ SHRI RAM SINGH :

Will the Minister of RAILWAYS be pleased to state :

(a) the total cost of the railway line recently opened, linking Ranchi with Rourkela; and

(b) when this work was taken in hand and whether the same was completed in time '.

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI SHAM NATH) : (a) The total cost of the Ranchi-Rourkela (Bondamunda) line is estimated to be Rs. 18.39 crores.

(, b) The line was sanctioned and completed in stages. A statement showing the dates of sanction and completion of the different sections is placed on the Table of the House. The completion was more or less in accordance with anticipations.

STATEMENT The dates of sanctioning and opening to traffic of the different sections are indicated below :—

	Date of sanction	Date of opening
(i) Ranchi-Hatia (4-3 miles 6-9 K.M.)	9-5-50	Opened for goods traffic on 22-3-61.
(ii) Hatia-Nawagaon (85-41 miles/137-5 K.M.)	7-6-60	Opened for goods traffic on 26-1-64.
(iii) Nawagaon-Bondamunda (11-43 miles' 18-4 K.M.)	18-11-58	Opened for goods traffic on 19-6-62.

The entire line from Ranchi to Bondamunda was opened for passenger traffic on 27-12-1964.

SHRI LOKANATH MISRA : The statement shows that the total length of the line is only 100 miles. The work on the line was started in 1958 and was com-

tThe question was actually asked on the floor of \\r. House by Shri Lok'anath Misra.

pleted in 1964. Why was such a long time necessary to complete only 100 miles ?

SHRI SHAM NATH : The whole work was divided into three phases, namely, (i) Ranchi-Hatia (ii) Hatia-Nawagaon and (iii) Nawagaon-Bondamunda. All these three phases were completed in time.

**SMALL CAR PROJECT**

J DIWAN CHAMAN LALL : X<sup>18-1</sup> SHRI BHUPESH GUPTA: Will the Minister of INDUSTRY AND SUPPLY be pleased to state :

(a) what is the position today regarding the small car project;

(b) whether it is a fact that Renault's of France which is a Government concern offered to defray all the required foreign exchange;

(c) the reasons for which the offer was Uirned down; and

(d) what arrangements are Government I contemplating to reduce the price of the indigenou production of a small car to a i reasonable figure within the reach of people of small means ?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRY AND SUPPLY (SHRI BIBUDHENDRA MISRA) : (a) to (d) A statement is laid on the Table of the Sahha.

**STATEMENT**

(a) It is too early to report any definite progress in regard to the small car project except that further talks have been initiated recently with some of the foreign producers of cars interested in the matter, including Renault, to explore the economic feasibility of their proposals.

(b) M/s. Renault Corporation of France had offered in their earlier proposal in 1960-61 to provide the foreign exchange required for the import of capital goods in the form of a 15-year credit.

(c) The reasons for which Government could not proceed with the small car project at that stage were explained in the statement of the 10th August, 1962 by the then Minister of Steel and Heavy Industries.

tThe question was actually asked on the floor of the House by Diwan Charaan Tall

(d) Apart from exploring the possibilities of the establishment of a factory for the manufacture of a low-cost car in the country, an enquiry has been ordered into the cost of various ancillary units, as the cost of ancillary items plays an important part in the cost of the complete vehicle.

DRWAN CHAMAN LALL : May I draw the attention of the hon. Minister to the fact that no answer has been given to part (d) of the question in the statement that he has handed over to us ? The question is : What arrangements are Government contemplating to reduce the price of the indigenous production of a small car to a reasonable figure within the reach of people of small means ?

SHRI BIBUDHENDRA MISRA : The answer states: Apart from exploring the possibilities of the establishment of a factory for the manufacture of a low cost car in the country, an enquiry has been ordered into the cost of various ancillary units, as the cost of ancillary items plays an important part in the cost of the complete vehicle.

DIWAN CHAMAN LALL : May I draw the attention of the hon. Minister to the fact that this is not an answer to the question put ? The question put is in regard to the reduction in the price of existing cars, not a question in regard to ancillary components. It is a question in regard to the price of the existing three cars, namely, Austin, which is called, I believe, Ambassador, Fiat and Herald.

SHRI T. N. SINGH : The point is that we have found that ancillary parts form a large part of the cost of a car. So immediate steps were taken to find out how far, as a result of economising the costs, we could reduce the price of the car. That was one step taken. In regard to other reductions, since the main manufacturers have not responded, as we expected, it has been proposed that we might have a new car. The question of a small car is being looked into separately.

DIWAN CHAMAN LALL : May I also draw the attention of the hon. Minister of Industry to the fact that he has referred to a statement which was laid on the Table on the 10th August, 1962 by the then Minister of Steel and Heavy Indus-L2RS/65—2

i tries ? Has the attention of the hon. Minister been drawn to the fact that that statement is not based on any facts, that these were mere surmises on the part of the hon. Minister and that these surmises were all entirely wrong ?

SHRI T. N. SINGH : I do not think it will be accurate to say that. As a matter of fact, we have got answers from the three main producers expressing their inability to reduce their cost.

SHRI BHUPESH GUPTA : May I know, Sir, whether it is not a fact that the previous Minister-in-charge of this definitely pointed out that the project offered by the Renault Corporation could not be undertaken on account of the economic situation and shortage of foreign exchange and so on, although it was otherwise very inviting and that it could not be undertaken anyhow in the Third Five Year Plan ? That is the position. May I know whether the entire matter is being reviewed with a view to starting a small car project in the public sector and, if so, what steps are being taken and whether there is any truth in the news that the Hindustan Motors and other concerns in the private sector would not like the Government to start a public sector project but would like the project undertaken by them in their own private sector units ? I should like the position to be stated very clearly as to what the Government propose to do in the present situation.

SHRI T. N. SINGH : It is not a question of any particular industrial undertaking wanting Government to do this or that. Government is not going to be influenced by such things. What is most important is to have a full-fledged report and investigation in regard to the feasibility of a small car. For that purpose what can be the best alternative arrangement, in regard to which make, etc., etc.—all that has got to be looked into. We are simultaneously, as I have stated already, having talks with a number of parties, four or five parties for the manufacture of a small car. Once we come to some conclusion in regard to that—because it is too early a stage to say anything definite—we shall certainly take the House into confidence. But at this stage I would suggest that *we may be* left to negotiate with the various parties till the outcome is known.

SHRI BIREN ROY: There is some misapprehension in the minds of all regarding small cars. The Ambassador and the Fiat are not really small cars but medium-power cars. They are more than 11 h.p. The Ambassador is 15 h.p. and the Fiat is 11.5 h.p. The point is, the question arose about a small car which must be less than 10 h.p. so that the price of the components and other materials used will be so cheap that the car will be available for every ordinary person. May I know whether such a possibility is being envisaged by the Government or only the ancillaries of other medium-sized cars are being envisaged ?

SHRI T. N. SINGH : All the possibilities in regard to a small car, even a car smaller than the Fiat, are being looked into, and we are certainly very keen that if a project has to be taken up in the public sector, it should be one which should satisfy the general clientele in the country. I think the hon. Member has mixed up. What we said was in regard to the ancillaries of the existing cars only.

SHRI C. D. PANDE : In view of the fact that in every car the manufacturing price is two-thirds the market price—for example, the Fiat costs Rs. 14,000, its ex-factory price is Rs. 9,000 odd; similar is the case with Ambassador, it is Rs. 10,500 ex-factory but the selling price is much higher because of the taxes—will Government assure this House that in manufacturing the small cars they should be small in price too ? That means that you are waiving Rs. 3,000 of taxes and Rs. 500 of sales tax. If that is not done, if you make a car at Rs. 5,000 and add Rs. 3,000 to it, it will cost Rs. 8,000 or Rs. 9,000. Will Government assure this House that all taxes which make the car costlier today will be removed from this car ?

SHRI T. N. SINGH : The cost of a car should not be judged merely by this or that element. It is the totality of various things, including the cost of manufacture, that come into the price that the consumer has to pay. The present position is that these cars are being manufactured at a higher cost than need be because of certain factors. Everything will be considered, but it is very difficult for me or for any one to give an undertaking regarding the

tax structure. That is a thing which, has to be looked into by Finance.

SHRI BHUPESH GUPTA: May I know .

SHRI ARJUN ARORA : Sir he has already asked a number of questions.

MR. CHAIRMAN : I hope you would not question that. The question stands in his name also. I would allow him another question.

SHRI BHUPESH GUPTA : The point is this. With regard to answer (a) of this question, it is said that the Government is negotiating with the Renaults also with a view to exploring the possibility of starting the things. Is it not a fact that the entire question was gone into and every aspect of the project was examined by the Ministry and proposals were concretised in May last ? Why should it not be possible for the Government to proceed on the basis on which these proposals were made at that time ? May I know whether it is not a fact that apart from the price of the car it was also shown at that time that Renaults, apart from providing the entire foreign exchange on a fifteen-year credit, would also at the same time guarantee 11 per cent, export of the output by it ? All these things are there. Why then again detailed investigation of the case is undertaken instead of acting on what is available to the Government ?

SHRI T. N. SINGH: Those are old terms which were offered by them then. Since then the matter was held in abeyance in any case. Now they have again shown interest recently. They have said that they will communicate to us a feasibility report and their terms and conditions. The whole matter has to wait till that is available.

SHRI ARJUN ARORA: May I know the names of the parties who have made offers similar to the one in which Mr. Bhupesh Gupta is interested, Renaults? Apart from that, are there any other offers ?

SHRI BHUPESH GUPTA : What ?

SHRI ARJUN ARORA : There is a Czech offer. You are not talking of that.

SHRI BIBUDHENDRA MISRA  
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There is the Skoda car which is a Czech

offer. There is the offer of Hillman of the United Kingdom. Then DKW, in which the TELCO has shown interest. Also there is another Japanese offer.

SHRI SANTOKH SINGH : The country has always felt the need of a small, cheap car. I think Fiat is also a small car. The need of a small, cheap car is always felt. Is it a fact that the offer was turned down because of the economics of the country as a whole, because in the three present manufacturing concerns of various kinds of cars, it was not thought desirable to manufacture another car ?

SHRI T. N. SINGH : The then Minister gave very sound reasons for stopping the project. I have nothing more to say in regard to that.

PROF. B. N. PRASAD : May we know the total time that has elapsed till now over the consideration of manufacture of a small car ? Secondly, how much more time is the Ministry going to take to finalise the matter ?

SHRI T. N. SINGH : Lapse of time is a continuous process.

SHRI M. RUTHNASWAMY : May I know whether the Government have made up their mind that the manufacture of the small car should be in the public sector ?

SHRI T. N. SINGH : Government's decision will depend on the terms and conditions received.

SHRI BHUPESH GUPTA : No, no.

SHRI D. L. SEN GUPTA : May I know whether the Government is aware that there is an insinuation that in the interests of certain big business houses who are manufacturing Ambassador and similar other cars

AN HON. MEMBER : Birlas.

SHRI D. L. SEN GUPTA : . . . maybe Birlas, maybe others also—the small car question is being shelved from year to year?

SHRI T. N. SINGH : I strongly repudiate that insinuation.

SHRI BHUPESH GUPTA : The proceedings on the floor of the House will bear it out. The hon. Minister's predecessor

gave repeated assurances that the small car project, if at all it came up, would be clearly in the public sector. Today I find he says, "it all depends". Do I understand that the Government has made a change of policy or do I understand that the Government is going to adhere to its declaration that the small car project—the gentleman is sitting there—would be in the public sector ? We should like to know very clearly whether it is going to be in the public sector or the Government is being bullied into accepting a private sector undertaking in this sphere.

SHRI T. N. SINGH : I have stated that given. I want to know whether this the terms and conditions available.

SHRI BHUPESH GUPTA : That is their philosophy. The question is clearly whether

MR. CHAIRMAN : It is quite clear. You give a clear answer.

SHRI T. N. SINGH : I thought the answer was quite clear.

SHRI BHUPESH GUPTA : No. On the floor of the House an assurance had been given. I want to know whether this assurance is going to be violated or whether in conformity with the assurance the project would be in the public sector. A very clear answer is needed.

SHRI T. N. SINGH : I have only said that in regard to the public sector taking up the project we will have to examine the terms and conditions. On that only the decision will be taken. Whatever I have said amounts to nothing contradictory to what the previous Minister said.

SHRI M. M. DHARIA : May we know finally how long the Government will take to decide the issue ? Let us know finally. A number of assurances have been coming since so many years.

SHRI T. N. SINGH : My answer is, as I said earlier, this is going to be a Fourth Plan project. After all, there is only one year for the end of the Third Plan. It takes two or three years to construct a big project of this size. Therefore, we have got to get the entire clearance from the Planning Commission. We are holding discussions with Planning Commission at this stage.