

sector and 5,84,000 in the private sector, and the present capacity is 2,18,300 in the public sector and 10,000 in the private sector.

SHRI N. C. KASLIWAL: The hon. Minister has informed this House that the licences which have been granted to the private sector have been returned. May I know whether those licences have been given to some other party or they still remain as they are?

SHRI P. C. SETHI: That was the case only in Madhya Pradesh where the party did not come forward to establish the factory, and that factory has been taken over in the public sector.

SHRI BHUPESH GUPTA: In the course of the Second Plan we were told or at least the Industrial Policy Resolution interpreted to me that further expansion of fertiliser factories would only be in the public sector. May I know what has happened since then that the private sector should have been allowed to step in in the field of new expansion and that so many licences were to be given to them? What is the reason that the target was fixed at 2,00,000 for the private sector and why they have extended it by another 1,00,000 making it 3,00,000? Why is this patronage to the private sector?

SHRI C. SUBRAMANIAM: Policy questions cannot be raised during Question time, because that means discussion of this. I am sure the planning is being discussed in this House and policy matters could be raised there.

SHRI BHUPESH GUPTA: This is strange. In my parliamentary career I have never been told that this question cannot be raised. Anyway perhaps in Madras Assembly it is done like that. Government has to explain the reasons why they have suddenly

changed this thing. They need not discuss the policy. But what are the reasons that the private sector has been given so many licences in contravention of what was stated earlier that the public sector should get . . .

SHRI C. D. PANDE: Mr. Chairman, the reference to the Madras Assembly and particularly in that manner should be expunged.

SHRI BHUPESH GUPTA: Why?
(Interruption)

MR CHAIRMAN: Order, order.

SHRI C. SUBRAMANIAM: I am sorry I cannot explain during Question time why the policy was changed. It has been taken. It has been licensed not suddenly but in the course of the last two or three years.

PRODUCTION OF MOTOR CARS

*779. SHRI DAHYABHAI V. PATEL: Will the Minister of STEEL AND HEAVY INDUSTRIES be pleased to state:

(a) what has been the increase in the number of motor cars produced during the last 4 years, unit-wise, and whether this is according to plan; and

(b) whether the Statewise distribution of cars is based on the production of vehicles and reserve priorities for Government officials?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND HEAVY INDUSTRIES (SHRI P. C. SETHI):

(a) and (b). A statement is laid on the Table of the House.

STATEMENT

(a) The cars, at present, manufactured in the country are Ambassador, Fiat '1100' and Standard Companion/Standard Herald. The production of these cars during the last four years

and for the first six months of 1962 has been as follows:—

Year	Ambassador	Fiat '100'	Standard Herald	Total
1958	3833	1226	1129	6,188
1959	5595	4380	1392	11,367
1960	9199	6453	3326	18,978
1961	11056	7165	3409	21,630
1962 (Jan.-June)	7037	3561	1705	12,303

The targets laid down for the manufacture of cars in the Second and Third Five Year Plans are 20,000 Nos. and 30,000 Nos., respectively.

(b) The statewide distribution of cars is based on the production of each manufacturer and subject to the following formula:—

- (i) the production upto the level of year 1959 is distributed in the same proportion as it was during the year 1956 or 1957, whichever is higher; and
- (ii) the production in excess of the level of the year 1959 is distributed at the discretion of the manufacturers, taking into consideration the needs of different regions were the off-take was comparatively very low during 1956 or 1957 but which have developed or are developing industrially, commercially, etc.

To meet the requirements of Government Departments, Institutions etc., on a priority basis, quotas in respect of each of the three makes of cars have been fixed for the Central Government as well as State Governments. The quota of a State Government is 5 per cent. of the distribution of cars to that State each quarter, subject to a maximum of 5 cars and minimum of one car. The quota for the Central Government is not fixed on any percentage basis; it is fixed on an *ad hoc* basis from quarter to quarter. After meeting the urgent requirements of the Government Departments, the balance of the quota is utilized for making allotments to the Members of Parliament and Officers of the Central Government

SHRI DAHYABHAI V. PATEL: Is Government considering the possibility of increasing the production of the existing factories both with a view to meeting the increased demand—there is a long waiting list people are waiting for cars—and also because larger production means reduction in the price of the car?

SHRI P. C. SETHI: As far as the production of cars is concerned, at the moment it is not being given priority, because priority is being given to the production of commercial vehicles.

SHRI BHUPESH GUPTA: According to the statement which I have just seen, last year's full production was 21,000 cars. May I know why it was not possible, in view of the fact that the Government is sanctioning foreign exchange of the order of Rs. 30 crores to these three automobile concerns, to reduce the foreign exchange granted to them and spent the money for the production of small cars as opposed to big cars and concentrate on the production of commercial trucks in those three automobile industries?

SHRI C. SUBRAMANIAM: This question was discussed when we discussed the Small Car Project and I have given all the answers. The policy of the Government is now to give first priority to the production of commercial vehicles.

SHRI BHUPESH GUPTA: That is why I asked why it should not be possible. This is a specific question that these three big concerns should be asked to concentrate on the production of commercial vehicles, trucks, and so on, reducing their production of the cars like Standard Ambassa-

dor, and so on. Let this money be saved and spent in the public sector for producing small cars. Was it considered from that angle?

SHRI C. SUBRAMANIAM: I do not know how foreign exchange problem will be saved because the investment has already been made, and production capacity has been built up in these units and they have got to utilise that production capacity, and they are being permitted to utilise that capacity.

SHRI C. D. PANDE: May I know what is the percentage of indigenous components in each unit?

SHRI C. SUBRAMANIAM: The maximum is in Ambassador, 74.49 per cent; Fiat, 49.01 per cent; and Standard, 41.81 per cent.

SHRI A. M. TARIQ: May I know if Government is aware of the fact that people who manufacture and people who distribute these cars, all of them are involved in blackmarketing because these cars are not easily available? Secondly, is Government aware whether the Hindustan Motors' car, the Ambassador Roadmaster, is very well known in the public as "Bandmaster"?

SHRI C. SUBRAMANIAM: I do not know about the latter question, whether it is Road Master or "Bandmaster", whatever it is. That might be the hon. Member's experience. But as far as distribution is concerned, it is controlled by a Distribution Order, and as a matter of fact it has been now laid down that every intending customer will have to get himself registered with a bank guarantee of Rs. 2000, and distribution can be made only in the order in which they have been registered.

SHRI SURESH J. DESAI: The figures of indigenous content to which the hon. Minister referred just now—my information is that the latest

figure is something like 79 per cent. indigenous content in some of the cars.

SHRI C. SUBRAMANIAM: This relates to last year.

SHRI M. P. BHARGAVA: May I know whether Government have taken any steps to find out the actual cost of production by these three units or they rely on the figures given to them by the units themselves?

SHRI C. SUBRAMANIAM: There is cost accounting with regard to the manufacture of these cars, and that is taken into account.

SHRI BHUPESH GUPTA: After six years of production in the case of the Standard and several years in case of the Fiat by the Premier Automobiles, how is it that the indigenous content is only about 50 per cent.? May I know whether Government has gone into this question in order to find out what are the reasons for the slow progress in this matter, and whether the Government has appointed a Cost Accountant to find out the actual pricing of the cars?

SHRI C. SUBRAMANIAM: As far as increasing the indigenous content of the manufacture is concerned, recently we had a conference with the automobile manufacturers and an indication has been given to them that they should step up the indigenous components quite quickly, and they have agreed to put forward proposals. The real difficulty is, the manufacture of these components again involves investment and that requires foreign exchange. Unfortunately we are short of foreign exchange, and that is why we are unable to give the necessary foreign exchange for the investment.

ASIAN GAMES AT DJAKARTA

*780. SHRI M. P. BHARGAVA: Will the Minister of Education be pleased to state:

(a) what are the reasons for not sending a Tennis team for participation in the Asian Games at Djakarta;