

RAJYA SABHA

Monday, 15th December 1958

The House met at eleven of the Clock, MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

†MANUFACTURE OF TRUCKS BY ORDNANCE FACTORIES IN COLLABORATION WITH FOREIGN FIRMS

*70. SHRI BABUBHAI M. CHINAI: Will the PRIME MINISTER be pleased to state:

(a) whether there is any proposal under consideration by Government for the manufacture of trucks by the Ordnance Factories in collaboration with some foreign firms;

(b) if so, what are the foreign firms with which such collaboration is contemplated;

(c) what is the capital likely to be invested and what is the foreign exchange component;

(d) whether any representations have been made by the automobile manufacturers against the proposal; and

(e) if so, what action Government propose to take on the representations?

THE PRIME MINISTER AND MINISTER OF EXTERNAL AFFAIRS (SHRI JAWAHARLAL NEHRU): (a) and (b). Yes. An agreement for the manufacture of trucks in the Ordnance Factories has been concluded by the Government of India with Messrs. M. A. N. Works of Munich, West Germany.

(c) The present estimate is Rs. 47 lakhs inclusive of Rs. 23 lakhs in foreign exchange. This foreign exchange will come out of the amount allotted for the purchase of trucks on

†Transferred from the 25th November, 1958.

95 RSD.—1.

behalf of the Army and no fresh demand for it will be made.

(d) Yes.

(e) The proposal to manufacture trucks in the Ordnance Factories covers Defence demands only at present, which are estimated to amount to two thousand trucks per annum. The civil demand which is estimated to be much larger is not affected by it. The Defence require special types which may not be necessary for civil demands. The need of Defence for such trucks to be manufactured in India was urgent and the price and terms agreed upon with Messrs. M. A. N. were considered favourable. A reply to this effect has been sent to the representation made. Other matters concerning such manufacture will be examined in consultation with the Ministry of Commerce and Industry.

SHRI BABUBHAI M. CHINAI: May I ask the hon. Prime Minister, will not the present decision of the Defence Ministry to manufacture their own trucks be handicapped in an emergency as the trucks manufactured by them will not be in common with those made by those of the civilian industry?

SHRI JAWAHARLAL NEHRU: I have not quite understood the question. The whole object of the Defence Ministry organising this manufacture more or less under their auspices is to prepare for any future emergency. In fact one of their difficulties was that they were too dependent on sources which sometimes did not meet their demand. I do not understand the question as to how it will come in the way of an emergency.

SHRI BABUBHAI M. CHINAI: My question was, if Defence is going to manufacture this and at the same time the Indian automobile industry is going to manufacture this, then slowly if we are to depend only on Defence for their own requirements specially of these trucks, then in the case of an emergency will not the

Defence be handicapped because the civil will not be manufacturing?

SHRI JAWAHARLAL NEHRU: But the civil will not be manufacturing. As I said, by far the greater demand for trucks is our civilian demand which is probably ten times the Defence demand. It will be there. If need arises, one can always rely upon that.

SHRI BABUBHAI M. CHINAI: May I know if it is not a fact that the decision of the Defence Ministry to manufacture trucks in their Ordnance Factories is contrary to the recommendation of the Tariff Commission and accepted by the Government to the effect that civilian and Army demands should be considered together with the small volume of demands for motor vehicles in the country?

SHRI JAWAHARLAL NEHRU: That report of the Tariff Commission was made some time back. It is out of date so far as we are concerned in this matter.

SHRI T. S. AVINASHILINGAM CHETTIAR: If technical ability and personnel are available within this country, what is the reason for coming to an agreement with a foreign firm? Admittedly there are automobile firms which are already manufacturing trucks and which can also manufacture these trucks. When that is the case, what is the reason for going in for foreign collaboration?

SHRI JAWAHARLAL NEHRU: If the premise of the hon. Member is accepted, the conclusion also follows. Obviously if we have enough equipment and trained technical personnel, then there is no question of our going abroad. It is because we have not got them, we have to go abroad.

SHRI T. S. AVINASHILINGAM CHETTIAR: May I know whether in this matter of collaboration there was any tender called for, or whether any firms tendered, or was it the only firm which offered and which was selected?

SHRI JAWAHARLAL NEHRU: This matter has been going on for a considerable time with various firms. I think previously tenders had been called for, not at this particular stage. We had really reduced, after previous tenders, the number of firms with which we could deal, and ultimately had two left or something. One of them could not supply our demands as we wanted them to be supplied, and so we made this contract with this firm.

SHRI AMOLAKH CHAND: May I know by what time these trucks will be manufactured in India; in which Ordnance Factory they will be manufactured; and whether the machinery there is sufficient or not?

SHRI JAWAHARLAL NEHRU: It will not be manufactured in one Ordnance Factory. It will be manufactured, partly in a number of them, and the object of using the Ordnance Factory for this, more particularly, is that a great deal of our equipment is not fully used at present for normal purposes. We want to use that, supplementing it here and there with some additional equipment.

SHRI AMOLAKH CHAND: May I know if it was not possible to have any collaboration with any Indian firms which are manufacturing trucks in India, so that the necessity did not arise for entering into a foreign contract?

SHRI JAWAHARLAL NEHRU: Every Indian firm that has so far undertaken this manufacture has had to collaborate with foreign firms for that purpose, and that collaboration has gone on for years and years. It is no doubt achieving some results but not adequate results. The process has been very slow. What is laid down in this particular contract is a rapid transition to a hundred per cent. Indian manufacture.

SHRI H. D. RAJAH: How does the price compare . . .

MR. CHAIRMAN: That will do.

SHRI JAWAHARLAL NEHRU: It may perhaps be helpful if I place a full note on the Table of the House not only about this particular contract but three or four others. Members are no doubt interested, and so, Sir, if you permit me tomorrow I shall put a full note.

SHRI H. N. KUNZRU: May I ask whether this contract for the manufacture of trucks has been entered into by the Defence Ministry in agreement with the Commerce and Industry Ministry which had already arranged for the manufacture of trucks in this country?

SHRI JAWAHARLAL NEHRU: There have been consultations at various stages, and all the normal procedures were gone through. I cannot reply at what stage the particular consultation took place.

MR CHAIRMAN: No more.

ACQUISITION OF LAND NEAR INDUSTRIAL ESTATE, OKHLA, DELHI

*384. **SHRI M. P. BHARGAVA:** Will the Minister of COMMERCE AND INDUSTRY be pleased to refer to the statement supplied in reply to Starred Question No. 643 in the Rajya Sabha on the 18th September, 1958, and state:

(a) the terms of compromise effected between the National Small Industries Corporation and the Patiala Flour Mills regarding the walled garden of five acres of land; and

(b) whether it is a fact that the land in question was actually acquired for the Corporation but was later derequisitioned to enable the Patiala Flour Mills to purchase it?

THE MINISTER OF INDUSTRY (SHRI MANUBHAI SHAH): (a) and (b). As stated in the earlier reply, the land in question was under Civil dispute, and the Corporation was not interested in waiting till the Civil dispute was settled. The Corporation

therefore, informed the Delhi Authorities that the land may be denotified, which was done. The physical possession of this land was at no stage made over to the Corporation.

*385. [The questioner (Shri J. V. K. Vallabharao) was absent. For answer, vide cols. 2222-23 infra.]

*386. [The questioner (Shri Jugal Kishore) was absent. For answer, vide cols. 2223-24 infra.]

INDIANS REPATRIATED FROM MALAYA TO INDIA

*387. **SHRIMATI SAVITRY DEVI NIGAM:** Will the PRIME MINISTER be pleased to state the number of Indians repatriated from Malaya to India during the year 1957-58?

THE DEPUTY MINISTER OF EXTERNAL AFFAIRS (SHRIMATI LAKSHMI MENON): 1,741 unskilled Indian workers returned to India between April 1957 and March 1958 under the scheme of assisted repatriation according to which unskilled Indian Workers who emigrated to Malaya to work on plantations in that country are entitled to free passages to India.

SHRIMATI SAVITRY DEVI NIGAM: May I know if some other categories of people have been also repatriated like civilians, labourers or businessmen?

SHRIMATI LAKSHMI MENON: No, Sir.

SHRIMATI SAVITRY DEVI NIGAM: May I know if these people have been allowed to bring all their belongings with them or not?

SHRIMATI LAKSHMI MENON: Yes, Sir.

SHRIMATI SAVITRY DEVI NIGAM: May I know if these people have been given any rehabilitation facility like the allotment of land, housing accommodation, etc.?