

STATEMENT

- (i) All the plant and machinery now installed in the Swiss factory will be transferred to India along with some key experts.
- (ii) The Swiss partners will hold 49 per cent. of the shares of the new company and the balance of 51 per cent. shares will be subscribed in India. The total issued capital will be Rs. 35 lakhs.
- (iii) The estimated cost of erecting the factory in production order is Rs. 35 lakhs. The contribution of the Swiss partners, i.e., Rs. 17,15,000 will be adjusted in the value of the plant and the balance of Rs. 17,85,000 to be subscribed locally will be transferred to Switzerland in convenient instalments beginning with the first instalment of Rs. 6.75 lakhs in order to enable Mr. Hoffer to release the Swiss firm from all its obligations there.
- (iv) The Swiss technicians will be responsible for the successful working of the factory. Indian technicians will also be trained, in due course.
- (v) Mr. Hoffer will accept all just and reasonable terms and conditions regarding percentage of profits transferable to Switzerland etc. as may be agreed upon by the Government.
- (vi) Marketing will be done by the Swiss partners who will have the advantage of established connections. No commission is to be paid to them on this account.

SHRI S. N. MAZUMDAR : May I know whether there is any definite agreement here as regards the training of Indian technicians ?

SHRI D. P. KARMARKAR : Yes, the usual ones.

SHRI C. G. K. REDDY : Is it any special kind of stone which will be produced by this synthetic stone factory ?

SHRI D. P. KARMARKAR : Yes, it will be synthetic stone.

SHRI C. G. K. REDDY : Would it be possible to build, say a mountain with stones from this factory ?

SHRI D. P. KARMARKAR : As regards building a mountain, I require notice.

SHRI H. P. SAKSENA : Is this stone meant for export purposes or to meet our internal requirements ?

SHRI D. P. KARMARKAR : At present it is for meeting internal requirements, but if we produce more than is needed for our internal use, then naturally we will export the products.

SHRI H. P. SAKSENA : May I know whether we have so much run short of natural stones that we should now go in for synthetic stones ?

(No answer.)

MANUFACTURE OF DIESEL ENGINES

*138. DR. R. B. GOUR (on behalf of SHRI V. K. DHAGE) : (a) Will the Minister for COMMERCE AND INDUSTRY be pleased to state whether it is a fact that an Indian company proposes to start the manufacture of diesel engines in India ?

(b) If the answer to part (a) be in the affirmative, what is the name of the company, when will it start production, and what will be its total capacity ?

(c) Is it an Indian venture, and, if not, what is the percentage of foreign capital invested in it ?

(d) What other help is the concern getting from foreign sources, and on what terms ?

(e) What was the value of diesel engines imported into India during the past three years ?

(f) To what extent will Indian manufacturers save foreign currency reserves when production of diesel engines starts in India ?

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR) :

(a) and (b). There are 7 Indian firms, who are now manufacturing diesel engines and 6 schemes have been approved by the Government. Particulars of the firms are given in the statement laid on the Table of the Council. [See Appendix III, Annexure No. 30.]

(c) and (d) In the absence of the name of the particular company, to which the hon. Member is referring, it is not possible to furnish the information asked for.

(e) 1949-50 ... Rs. 854 lakhs.

1950-51 .. Rs. 683 ,,

1951-52 ... Rs. 1473 ,,

(f) Rs. 50 lakhs on the basis of local production during 1952.

11 A.M.

DR. R. B. GOUR : Sir, in reply to parts (c) and (d) of the question, the hon. Minister has stated "In the absence of the name of the particular company, to which the hon. Member is referring, it is not possible to furnish the information asked for." But I have asked him for the information about the contracts with the foreign firm. So he has to give me the name of the firm or concern. I have asked, "Whether it is a fact that an Indian company proposes to start the manufacture of diesel engines in India"; and it is this very concern about which I want information, whether it has got any foreign aid and if so, to what extent.

SHRI D. P. KARMARKAR : Then we have misunderstood the question, in view of the word "it" coming in there. So I would require notice now.

DR. R. B. GOUR : I had already given notice, Sir, and now I have no time to give a notice.

SHRI D. P. KARMARKAR : We interpreted part (c) as referring to some particular firm, in view of the word "it" occurring there, and so I gave the answer I have given. But I am prepared to give the information to the hon. Member on notice.

SHRI B. RATH : Is it a fact that diesel engines passed on in the name of Kirloskar, are actually produced by Peter of U. K. in England ?

SHRI D. P. KARMARKAR : No, Sir, that is not a fact.

SHRI B. RATH : Is it a fact that only water pumps are produced in India by Messrs. Kirloskar, and that engines are not produced here, but are only assembled ?

SHRI D. P. KARMARKAR : No, Sir. My hon. friend should replenish his information. Pumps are made at Kirloskarwadi and diesel engines at Poona. I wish he knows more about it.

DR. R. B. GOUR : The hon. Minister has given a statement here and there to the effect that such and such concern has not made progress—"No progress so far; it is doubtful if they are serious. No progress so far according to information available. Buildings completed. Some machine tools imported. Reported to be facing financial trouble and it is doubtful if they can vigorously pursue their manufacturing programme," and so on. But does the Government propose to interfere and try to know as to what has happened to these schemes which they have approved ?

SHRI D. P. KARMARKAR : It is not a question of interfering with anything. We always.....

MR. CHAIRMAN : Assist and advise ?

SHRI D. P. KARMARKAR : We are always getting information and the hon. Member can be sure that we, in special cases, go carefully into the work of the concern.

DR. R. B. GOUR : I want to know why these concerns are not progressing ? What is the reason behind it ?

SHRI D. P. KARMARKAR : We shall find out maybe remissness on

their part, maybe financial difficulties ; but if the hon. Member is particular we shall find it out.

SHRI C. G. K. REDDY : If these ventures fructify, can the hon. Minister say if our requirements in diesel engines would be fully met, and if not to what extent they would be met, in terms of horse-power ?

SHRI D. P. KARMARKAR : Our requirements of diesel engines of 10 h.p. are 40,000 and engines of 11 to 20 h.p. we require about 10,000 per annum. I would take a little time to calculate the total capacity ; it is in the statement.

SHRI C. G. K. REDDY : Could he not give some indication as to whether these ventures would fully meet our requirements ?

SHRI D. P. KARMARKAR : I think the figures are there in the Statement.

SHRI RAJAGOPAL NAIDU : In view of the fact that large stocks of low power engines are lying in our country even now, is it advisable to have more of these items now ?

SHRI D. P. KARMARKAR : We are aware of this and so in the current licensing period we have banned those items.

FOREIGN DRUG FIRMS

*139. SHRI B. V. KAKKILAYA : Will the Minister for COMMERCE and INDUSTRY be pleased to state :

(a) whether any foreign drug firms have recently set up branches in this country ;

(b) if so, (i) which are these firms ; (ii) which countries they belong to ; (iii) what are their products ; and (iv) which part of their process of manufacture they carry out in India ;

(c) whether the same drugs or their equivalents are being produced by any Indian firms; if so, what protec-

tion Government have afforded to the latter ;

(d) whether any instances have been brought to the notice of Government of these firms indulging in profiteering ;

(e) if so, which are the firms and which are their products in respect of which profiteering has been discovered ; and

(f) whether Government propose to take any action to prevent such profiteering in drugs ?

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR) : (a) Many such firms have set up branches or subsidiaries in India.

(b) A statement giving information about firms whose manufacturing activities are known to Government is placed on the Table of the Council. [See Appendix III, Annexure No. 31.]

(c) Most of the items produced may be classified as patent and proprietary medicines. Similar patent medicines are being manufactured by Indian firms. The question of protection to Indian firms against products manufactured by their competitors within the country does not arise.

(d), (e) and (f). Government have heard of the complaint that the prices charged for patent medicines generally are high. Government have under consideration the appointment of a Committee to enquire into the Pharmaceuticals Industry and it is expected this Committee will go into all these questions.

DR. D. H. VARIAVA : May I ask if the Government are taking any steps for the manufacture of Chloromycetine and Auromycin in this country in view of the fact that we have to get large quantities of these from foreign countries ?

SHRI D. P. KARMARKAR : In respect of the particular commodities referred to by the hon. Member, I