

conomic capacity were considerable, we could have still left it that way for a long time and borne the losses with a view to developing a large scale prototype factory. With the development of more indigenous production, however the importation of numbers of parts have ceased and we are utilising that capacity. In fact, the factory is divided into two or three sections more or less. One is for research and development of production of the prototypes; the other for the production of machine tools, and the third, for the production of parts as my hon. colleague has explained. It is expected that the investments on this are not marked as losses but as balances which could be recouped in a short time.

**Shri S. C. Samanta:** The hon. Minister said that they changed their mind and machine tools were not the only things to be manufactured there. May I know whether the Defence Production Organisation gave its verdict on it?

**Shri Raghuramaiah:** There is no question of changing one's mind. The question is, what was the original idea. The original idea, as I have explained, was only to manufacture the prototypes of armament stores. It was not meant to produce machine tools, and the Defence Minister has already explained why we had to do the other work subsequently. So, there is no question of any change in mind.

**Shri Morarka:** May I know the total losses suffered in this factory so far?

**Shri Krishna Menon:** I have explained that they are not marked as losses. There are certain balances on the account, as shown, and they will be recouped by the production in the coming years.

**Shri Balakrishnan:** Sometime ago, a car was manufactured by the HAL. Was it not a fact?

**Mr. Speaker:** Order, order. It was answered. Shri M. R. Krishna.

**Shri M. R. Krishna:** May I know whether this factory originally was

not intended for training-cum-production, and if there was training also subsequently, may I know whether any expansion has taken place in the training sphere?

**Shri Krishna Menon:** I am very glad to answer that question. For the production in the factory, there are a large number of highly skilled men and they are trained in the artisan training school which has been expanded, and even for that purpose, with the development of more indigenous production, the import is rather utilised for that.

#### Manufacture of Low Cost Car in Hindustan Aircraft Limited.

\*86. } Shri Subodh Hansda:  
      } Shri S. C. Samanta:

Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 201 on the 26th March, 1962 and state:

(a) whether any foreign technical aid has been asked for, for the Manufacture of low cost car in Hindustan Aircraft Limited, Bangalore;

(b) whether the design of the car has been prepared; and

(c) if so, who has prepared the design?

**The Minister of State in the Ministry of Defence (Shri Raghuramaiah):**

(a) No, Sir.

(b) Yes, Sir. H.A.L. have produced a first prototype car.

(c) It is an effort of the engineers of Hindustan Aircraft Limited.

**Shri Subodh Hansda:** May I know whether the cost of production of this car has been worked out and, if so, whether the cost is lower or higher than that of the low cost car that is proposed to be manufactured with the aid of the French?

**The Minister of Defence (Shri Krishna Menon):** An establishment like the HAL has to develop many study projects. The board of manage-

ment which is autonomous in this matter has made not only aeroplanes but also other things. The first prototype was submitted to the Committee which examined the car and they said that they require certain modifications. Unless the factory is over-occupied in aircraft production, they should give time for this purpose. This is part of the training that is required for development inside the factory.

**Shri S. C. Samanta:** May I know whether the design that was first prepared by the HAL underwent any change?

**Shri Krishna Menon:** There is only one prototype at the present time, and not much work has been done on it. The requirements for it have been gone into. There are certain fundamental features which, in the event of its going into production, will have to be decided by other people.

**Shri Prabhat Kar:** May I know whether the prototype was designed in the ordnance factory with the intention of a large-scale production for defence purposes and, if so, what is the estimated cost?

**Shri Krishna Menon:** The HAL produces a good many things, not for defence purposes only. It produces 500 coaches a year and I believe a thousand wagons from this year onwards.

**Shri Namblar:** What is the cost?

**Shri Krishna Menon:** I am saying that the HAL is a multi-purpose establishment.

**Shri Prabhat Kar:** The Defence Ministry should have had in view the purpose for which it is being used. Otherwise, with all this, the production will be given a go-by.

**Mr. Speaker:** It is still in the experimental stage.

**Shri Warrior:** Since how long is this prototype being manufactured there

and when was the report submitted to the Government?

**Shri Krishna Menon:** It went to the Pande Committee. The prototype was not available at the time they were examining other things. But they still had a look at it and they suggested certain modifications will be necessary. But even then, we ourselves have ideas about them, whether they will be suitable for this purpose or not. A prototype of this type takes about ten years to develop.

**Shri Hanumanthaya:** Is the Government aware that Sir M. Visver-varaya had a plan to manufacture cars some years ago?

**Shri Krishna Menon:** I have read it in the newspapers; I have no specific knowledge about it.

**Dr. L. M. Singhvi:** May I know whether it is proposed to elicit public opinion regarding this car?

**Shri Krishna Menon:** It has not reached that stage.

**Shri Sinhasan Singh:** May I know whether this low-price car proposed to be manufactured by the Defence Ministry is something different from the low-price car proposed to be manufactured in the public sector under the Commerce and Industry Ministry, which was so loudly talked about in the Parliament and outside?

**Mr. Speaker:** Would it not be better if the hon. Member enquired from the Commerce Minister as to what has happened to that?

**Shri Sinhasan Singh:** What is the difference between the two? Is it that the low-price car produced by the Defence Ministry will be confined to defence purposes only or will it be available to the public?

**Shri Raghuramaiah:** As already explained, as and when it is to be produced, it may be produced for anybody and everybody.