

[Shri Rajasekharan]

We have just started. As you are aware, the new strategy in agriculture has just started. We have started implementing it since 1966-67. I would, therefore, request the Finance Minister to give a complete tax-holiday for our agricultural sector at least for ten to twenty years. We have been proposing tax-holidays to the industrial sector. We are giving development rebate to the industrial sector. We have been giving a lot of concessions to the industrial sector. Why not we give this particular sector, the agricultural sector, a tax-holiday? This sector has suffered for years together. This sector deserves a good treatment at least now at the hands of the Government.

If the money is put in the pockets of our farmers those people will be the biggest common market in our country. They are prepared to consume most of our industrial production, most of our consumer goods. In Japan, which is a highly industrialised country, about 80 per cent of its products produced by them are consumed by the farmers in Japan itself.

So, our rural population will be the biggest market for all our industrial output and the consumer goods in our country. Therefore, let the government give more attention to agro-based industries in this country so that the employment potential will increase.

Then I would say that the government should immediately come forward with a price support policy, so far as agricultural products are concerned. Now what unfortunately happens is that the farmer puts all his efforts and makes a good produce. But he is not able to get a good price, because he is at the mercy of the middlemen. This should go. For that the government should come forward with a strong agricultural price support policy. The earlier it is done the better it will be for the farmers.

Here I would like to say what other countries are doing in this connection. Take the case of Japan. Every year Japan is spending about 200 billion yen for giving price support to paddy. We should certainly emulate this example.

Then I would like to point out to the Finance Minister that agricultural development depends greatly on research. The success of new strategies and strains which

we are discussing on the floor of the House and which we are reading in newspapers depend on agricultural research. But what are we doing for agricultural research? We are allotting hardly ten per cent of our science budget on agricultural research whereas countries like Australia and New Zealand are spending 45 per cent of their science budget on agricultural research. I would appeal to the Finance Minister that at least during the Fourth Plan period substantial amounts should be set apart for agricultural research.

Then I come to regional imbalances. During the period 1951-52 to 1967-68 we have made an investment of Rs. 2,400 crores in the public sector. How much of it has gone to Mysore? Only about Rs. 48 crores. Though we have been talking much about giving proper or better treatment to States which are backward, these figures would indicate that the Centre has not treated all backward States on an equal footing.

In this connection, I would like to make one suggestion. I understand that the government is thinking of setting up a second unit of Bharat Electricals and Indian telephone Industries. Technical opinion has been in favour of setting up these industries in the Southern States because they want the area to be cool and dust-free. The technical committee has given a clear opinion that they should be set up in the area where they are already working. Here I may say that there is already a move to get these industries located in Uttar Pradesh or some other northern State. I would plead with the Finance Minister to see that these industries are set up in an area where they will be able to produce in an economic way.

SHRI M. SUDARSANAM (Narasaraopet); Mr. Chairman, Sir, in a developing country like ours, the budget has a tremendous impact on the economy of the country.

MR. CHAIRMAN; He may continue his speech tomorrow. We will now take up this half an hour discussion.

18.30 hrs.

HALF AN HOUR DISCUSSION

General Motors Corporation of U.S.

SHRI S. K. TAPURIAH (Pali): Mr.

Chairman, at the beginning let me say that it would have been better if the Minister of External Trade were also here because this matter would directly relate to his Ministry. But, somehow or other, the original question that was asked was asked of the Minister of Industrial Development and hence this important discussion also relates to him. While replying to the debate, if the Minister now takes the plea that the matter concerns another Minister, that would not be tenable. In that case, he should have asked his colleague to be present here.

In the beginning I must admit one thing about this government. What this government lacks in talent, in sincerity of purpose and desire for progress is, to a good extent, made up by its luck.

If we look around ourselves, agricultural production has gone up without the Government having done much for it; or, if we look into the industrial field, the aggravation of the situation caused by recession at least has been stopped and the situation has not worsened though the Government did not do anything to avoid the recession or to speed up the economy. Similarly, in exports this year there has been a tremendous rise though it may have been a result of the recession. Things have looked a little better but as a friend I can warn this Government, let them not stretch their luck too far because they might snap it.

Coming closer to the subject of exports, let us take the export of engineering goods. Out of a total world export of Rs. 1,200 thousand crores, our share this year is expected to be only about Rs. 85 crores. In the coming year the target is about Rs. 100 crores worth of goods. The total export of Rs. 85 crores that we have made is only 2 per cent of the total production of engineering goods in our country. What does that indicate? It indicates that there is a tremendous potentiality in the field of exports of engineering goods. If this Government gave it the speed, the direction and the purpose that is required, there is an endless potentiality for us to increase our exports of engineering goods.

Having said that I would like to come closer to the particular subject under discussion, namely, exports of automobile components and products of automobile ancillary industries. Out of the total exports of

engineering goods of Rs. 85 crores which I mentioned some time ago, our exports of automobile components is only worth about Rs. 1.5 crores. This again shows what scope there is for increasing the exports of our automobile goods. What our businessmen, our Government and our planners failed to foresee had to be told to us by a foreign concern, the General Motors. Their people were here recently and what they said indicates once again that a red-hot market exists in foreign countries for Indian products, specially for Indian automobile components.

The General Motors people know their business. Our Ministers should know—many of us know—that the annual sales of that Corporation is equal to the total Budget of the Government of India. When they say that a tremendous scope exists, they could not possibly have been talking loosely. According to newspaper reports, the General Motors representatives who were here said that the General Motors buys components worth \$10 billion annually from outside manufacturers. That team also indicated that even if they bought 1 per cent of their total requirements from India, it would mean export of goods worth more than \$100 million annually. What would that mean? That would mean that our exports in a single year can go up by Rs. 75 crores. Putting it in another way, it would mean that there is a possibility of a cent per cent increase in our exports of engineering goods; or, putting it still in another way, it would mean that our exports of automobile components can be stepped up fifty times in a year or two or as soon as the Government permits or as fast as our industrialists can move.

As has been said, we only have newspaper reports. That is why this discussion, so that the Ministers can enlighten us more about it. But to achieve this, one does not have to bat even an eyelid. Probably what is needed is that the Government will have to open its eyes. It has been said that the scope exists. It has been shown by other developing countries that the automobile industry puts the engineering industry in a developing country into high gear. This is what lays down the foundation for further expansion and the Government here should take it seriously.

I understand that when the team visited India to look into the various ancillary facto-

[Shri S. K. Tapuriah]

ries and assess their capabilities, it come to Delhi to meet the officials ; who are paid by the people of India to stick to their jobs. But just at that time the Commerce Minister Mr. Dinesh Singh at the last moment cancelled his appointment with the team and went to Lucknow for some Congress party work. I do not know whether the people of India expected him to look after the Congress Party work or to take care of the exports of the country.

If these projects come up and if the Government give fillip to exports, it would assist the industry itself and it will enable full utilisation of the existing capacity ; there is under-utilisation at present. This will create more job opportunities, besides creating component assembly and special assembly units. All this will have as snow-balling effect creating more jobs and more potentialities and more employment.

Having said that I shall now come to the questions and since the Minister is not there, probably the Deputy Minister will answer. We are all young persons...

AN HON. MEMBER He is older than you.

SHRI S. K. TAPURIAH : He may be older than me but still he is young.

I shall ask pointed questions and I pray that instead of making generalisations, he will answer them so that doubts in the minds of many people might be removed.

Firstly, what will be the policy of the Government with regard to collaboration agreements ? If the country is to make new components, we must bear in mind that the three automobiles that we are making in India are outdated in all the other countries. If components are to be exported, they have to be for the models that are in production in various advanced countries. And models change every year. Unless there is collaboration agreement or some tie-up, they will not be able to change so fast as their models change. Otherwise our components will be for models which had been thrown out of production in all the countries twenty years before.

My second question is : what will be the policy of the Government with regard to the permission for import of foreign engineers

and technicians ? Since these goods will be exported to countries thousands of miles away, there is a difficulty which will arise. If a thing is defective, if the buyer and seller are here, the buyer can go to the manufacturer or the buyer can reject the goods or accept them after seeing them. What happens if those goods are exported to England or America and rejected there ? That is why there may be need for having engineers or technicians so that goods can be made according to their specification according to their standards and inspected here.

My third question is : what will be the policy of the Government with regard to the import of machinery for making these components ? Suppose some specialised machinery is required. What will they do ?

Fourthly, what will be the Government's policy with regard to industrial licences ? A licence may not be required to make components and they may as well say that many industries had been de-licensed and many components do not require licence. This is a misnomer or hoodwinking and telling the people the wrong thing. An industry may be de-licensed but still people have to knock at the doors of the ministry to get collaboration agreements sanctioned, foreign exchange sanctioned for importing machinery components, etc. De-licensing is not as complete as it appears.

There have been cases that because of labour shortage in those countries, those manufacturers want complete components to be made here and they can import them. If that is the condition, there may be need for licensing. What would be the policy of the Government about modernising and increasing the volume of production ? Let the Minister ask himself one question. Will he do something with the things that the country produces but does not use up ? If we make things which we do not consume, will those people trust in the validity, in the quality and in the working adaptability of those components ? So, there might be a necessity of making those newer models and making them in larger volumes. In that case, I want to know what will be the policy of the Government of India.

Lastly, what will be your policy with regard to further expansion. We have seen in the case of Japan which was at the very

bottom level of automobile production like our country, in the last decade, there has been such a tremendous progress in Japan that Japan today is No. 2 producer of automobiles in the world and these people have taken over the market in South-East Asia. We can restrict things ourselves but we cannot restrict in the other countries of the world. It has been indicated by the General Motors that there may be a possibility of exporting 3 lakh cars to South-East Asia. Will the Government allow it? What is the position of the offer that has been made to them, what did they offer, what did they discuss with the Commerce Ministry what are the matters under the consideration of the Government. In reply to the original Question, you had said that the team had come, they discussed it with the Commerce Ministry and that the matter was under consideration. I want to know from the Minister what did the team offer, what did they discuss with the Commerce Ministry and what are the matters that you are considering now.

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH): Mr. Chairman, Sir, at the outset, I would like to thank the hon. Member for being a little charitable to the Government for the first time in admitting that there has been an increase in exports, that agriculture has been good and for that he has given us a better luck. I can assure you I also wish them equally good luck. But when it will come I do not know.

SHRI D. N. PATODIA (Jalore): It is in the offing.

SHRI BHANU PRAKASH SINGH: I hope this luck in the offing remains a good hope like a carrot dangling before you. Regarding the exports that have gone up, he has said it is due to luck. I would like to mention one thing. As he himself is an industrialist of some repute...

SHRI S. K. TAPURIAH: Am I?

SHRI BHANU PRAKASH SINGH: If you are not, I stand to correction. I would like him to go back 21 years and see what were the exports then and what are the exports now. That way, this country has

definitely progressed in the industrial field, probably, not to that extent where...

SHRI S. K. TAPURIAH: Let us not have this type of an argument. This type of argument has been thrown down our necks so often that it is useless. In an examination, if you get 1 mark in half-yearly and you may get 7 marks in annual, you may, of course, say that it is 700 per cent increase but still you do not pass. So, if you say in 21 years, it has gone up, still the people are not satisfied.

SHRI BHANU PRAKASH SINGH: I am replying to what he said. Again, he said that he wanted the components of the automobiles to be exported. I am very happy that the components should be exported. But I would like to know what is the quality of the components of automobiles. Please see the cars like the Fiat, the Herald and the Hindustan. There is a general public criticism. Are your components worth exporting? I would first like to ask my friends, let these companies have better components and then we can think of exporting them. Otherwise, if we export them and have a bad name, our goodwill is lost. I can assure you that the automobile components can never be exported. You will be surprised to know that in regard to all the exports that we do in this country, there is one unique thing and that is the one item that we do not export is the cars.

SHRI S. K. TAPURIAH: You are wrong. According to Government figures, cars worth Rs. 1.05 crores were exported last year. This is according to your Tariff Commission's Report.

SHRI BHANU PRAKASH SINGH: I stand to correction. But that is what I feel.

SHRI SHRI CHAND GOYAL (Chandigarh): Exported to Nepal.

SHRI BHANU PRAKASH SINGH: Possibly. But the point is that we do not have an export market for cars. Therefore, I would make an appeal that the quality of these cars should be improved.

SHRI D. N. PATODIA: He should be able to tell us the reasons why export is

[Shri D. N. Patodia]

not possible and there being no market for it. Is it because the cost is high, productivity is low or there is very high taxation ?

SHRI BHANU PRAKASH SINGH : It is for him to consider those things. He must hear my reply first. Then I will listen to him.

A team from General Motors had come in January 1969. They had discussions with the Commerce Ministry. There were two representatives from Vauxhall Motors, one from the Overseas Division of General Motors and one representative from the Opel Division of General Motors and there were representatives of Hindustan Motors also present during the discussion with the Commerce Ministry. Nobody from the Ministry of Industrial Development was present. The representatives had not met the Minister of Industrial Development.

They had said that there is a good market for Indian components and parts of automobiles and they can be exported. They said they were in a position to buy from Hindustan Motors these parts. Discussions were held with the Commerce Ministry. The Commerce Ministry asked these representatives to submit a concrete proposal. That has not yet come. So to say anything now is premature because we are awaiting their scheme which the Commerce Ministry had asked them to send to our Ministry regarding supply of parts and components for Vauxhall, peripheral parts for Opel and side castings etc. which need testing of the facilities required. Detailed proposals from the Hindustan Motors are awaited by the Government of India.

Regarding Hindustan Motors, they had a collaboration agreement with Messrs. Morris Ltd. of U. K. which expired in 1966 and they have a collaboration agreement with Messrs. Vauxhall Motors and General Motors regarding trucks. Their manufacture of passenger cars for the year has been 22,687 and that of commercial vehicles has been 1,981. Whereas their installed capacity was 20,000, their production has been 22,687.

Regarding the question of policy, it is well known to the hon. Member himself.

SHRI S. K. TAPURIAH : We want a specific answer, not a general one.

SHRI BHANU PRAKASH SINGH : Cases will be considered independently on merits. The Government of India have told these representatives that within their policy, export-oriented industries and their ancillaries will receive careful consideration for encouragement of export. But merely saying that so and so are experts and Hindustan Motors saying that there is good scope for export or that there is a substantial market available for export will not suffice.

In conclusion, I can only say that when Government receive some definite and concrete proposals from these representatives, they will consider what to do.

श्री बेरांगी शंकर शर्मा (बांका) : सभापति महोदय, बड़े दुख के साथ मुझे कहना पड़ता है जब एक दुकानदार ही अपनी चीज को खराब बताना है तो खरीददार उसकी उस चीज से किस प्रकार प्रभावित होगा। अभी मंत्री महोदय ने कहा है कि हमारे यहां जो मोटर कम्पोनेंट्स बनते हैं वे ऐसे बनते हैं जिन्हें निरुद्ध ही कहा जा सकता है। यह दोष किनका है ? मैं व्यापारियों को दोष नहीं दे सकता है। मजदूरों को भी नहीं दे सकता। व्यापारी स्वयं उन चीजों को नहीं बनाता है। बनाने वाले इंजीनियर होते हैं और उनके नीचे मजदूरों की ट्रेड यूनियन होती है। हमने इन यूनियनों को इतना मिर पर चढ़ा रखा है कि वे पूरा काम नहीं करते हैं। मजदूरों को उचित वेतन मिले, उचित सुविधायें मिलें, मैं इसका पक्षपाती हूँ। लेकिन मैं यह भी चाहता हूँ कि मजदूर और टैक्नीशियन ईमानदारी से और परिश्रम से काम करें। किन्तु यदि वे ऐसा नहीं करते तो यह जिम्मेदारी किसकी है ? मैं जानना चाहता हूँ कि क्या सरकार ऐसी कोई मशीनरी बनाने की बात सोच रही है जिससे हमारे यहां जो चीजें बने उनकी क्वालिटी अच्छी हो और उनकी मांग विदेशों में बराबर बढ़ती रहे ?

प्रौद्योगिक विकास करना हमारे लिए बहुत आवश्यक है। निर्यात व्यापार बढ़ाना भी बहुत आवश्यक है। वह तभी बढ़ सकता है जबकि हम यहाँ अच्छी क्वालिटी की चीज बनायें और

उन्हें विदेशियों को खरीदने के लिए प्रार्थित करें। यह एक बहुत शुभ लक्षण है कि आज अमरीका की जनरल मोटर्स सरीखी कम्पनियाँ इस धोर मुखातिव हो रही हैं और वह हमारे यहां बनी चीजों को खरीदना चाहती हैं।

सनापति महोदय : आप सवाल ही पूछें। शीफ रहें।

श्री बेणी शंकर शर्मा : मैं जानना चाहता हूँ कि निर्यात व्यापार को प्रोत्साहित करने के लिए क्या सरकार कोई ऐसी मशीनरी बनाने की बात भी सोच रही है ताकि उनकी क्वालिटी अच्छी हो और बदनामी विदेशों में न हो। अगर क्वालिटी अच्छी नहीं होती है तो व्यापारी आपको दोष दे सकते हैं और आप उनको। लेकिन आप देख रहे हैं कि आप कुछ ऐसे कानून बनाते जा रहे हैं जिससे व्यापारियों का उत्पादन पर कंट्रोल नहीं रहता।

श्री भानु प्रकाश सिंह : माननीय सदस्य ने क्वालिटी का प्रश्न उठाया है। हमारे यहाँ प्रजातन्त्र है और सिक्स इकोनोमी है। प्राइवेट सैक्टर भी है और पब्लिक सैक्टर भी है। बहुत सी चीजें प्राइवेट सैक्टर में भी बनती हैं। गवर्नमेंट उनको इम्प्रूव करने को जहां तक हो सकता है प्रयत्न करती है। क्वालिटी कंट्रोल कमेटी की रिपोर्टें शंज भी आई थीं। उनको भी इम्प्लेमेंट करने की कोशिश की जा रही है। प्रजातन्त्रीय तरीके से जितना भी किया जा सकता है, सरकार करने की कोशिश कर रही है। लेकिन यह बहुत कुछ मनुफैक्चरर पर भी निर्भर करता है। वह स्वयं इस बात की ओर ध्यान दे ताकि जनता और देश को अच्छे से अच्छा माल मिल सके।

SHRI SRADHAKAR SUPAKAR (Sambalpur) : We know that, although we are manufacturing 22,000 passenger cars per year—Hindustan—we are still not in a position to meet the demand and people have to wait in the waiting list per years. In that context, I want to know this. If we permit these people to export these compo-

nents, will supplying the demand not be still further delayed and will the internal prices of passenger cars not go up still further? These are my doubts and I hope, the Minister will reply to these.

SHRI BHANU PRAKASH SINGH : The hon. Member has expressed his doubts. They may be true or may not be true. We shall examine them and then inform him.

श्री शिव चन्द्र भा (मधुवनी) : मेरे सवाल यह हैं : (1) अमरीका से यह जो टीम आई थी, क्या यह अपने आप—आन इट्स ओन—आई थी, या सरकार ने उसको बुलाया था? (2) यहां से अमरीका को काम्पोनेंट्स के एक्सपोर्ट किये जाने के बारे में रिपोर्ट तो सरकार के पास बाद में आयेगी, लेकिन इस सम्बन्ध में अभी तक जो बातें हुई हैं, क्या उनके आचार पर सरकार ने कोई एक्टीमेंट बनाया है कि कितना एक्सपोर्ट किया जायेगा और उससे सरकार को प्रतिवर्ष और टोटल कितना फारेन एक्सचेंज मिलेगा? इस बातचीत में उनकी तरफ से कान्पोनेंट्स की जो प्राइस आकर की गई है, वह प्राइस दूसरे मुल्को से मिलने वाली इन काम्पोनेंट्स की प्राइस के मुकाबले में कितनी है? (8) क्या इस बातचीत में वे लोग कोई पोलिटिकल स्ट्रिज भी एटैच कर रहे हैं, जिमकी वजह से बातचीत में कोई प्रगति नहीं हो रही है? (4) जहां तक क्वालिटी का सम्बन्ध है, सबकी तरफ से यह विचार प्रकट किया जाता है कि वह अच्छी नहीं है और इस लिए हमारी मोटर कम्पनी का व्यापार आगे नहीं बढ़ रहा है। मैं समझता हूँ कि इस संबंध में जितनी खराबियाँ हैं, वे मोटे तौर पर इस इंडस्ट्री के प्राइवेट सैक्टर में होने की वजह से हैं। चूंकि सरकार का आदर्श समाजवाद है, इसलिए उसको दृष्टि में रखते हुए क्या सरकार आटोमोबाइल इंडस्ट्री का राष्ट्रीयकरण करने जा रही है, ताकि हमारी क्वालिटी अच्छी हो और हमारा एक्सपोर्ट भी बढ़ सके और हमें ज्यादा से ज्यादा फारेन एक्सचेंज मिल सके?

श्री मनु प्रकाश सिंह : (1) यह टीम सरकार ने निमंत्रण पर नहीं आई थी। (2) जब तक इस बारे में डीटेल्ड रिपोर्ट न आये, तब तक हम एक्सपोर्ट की यात्रा और उससे मिलने वाले फारेन एक्सचेंज के बारे में कुछ नहीं कह सकते हैं। अभी जबाबी बातें हुई हैं। रिपोर्ट आने पर इन बातों पर विचार किया जायेगा कि कितनी इनवेस्टमेंट होगी, कितना एक्सपोर्ट होगा, क्या फारेन कालंबोरेशन होगा, कितनी रायस्टी होगी, वगैरह। इस बारे में एक लम्बा-चौड़ा विवरण होता है। वह विवरण आने के पश्चात् ही इस बारे में कुछ कहा जा सकता है। (3) इसमें राजनीति का कोई प्रश्न नहीं आता है। चूंकि उन्होंने अभी रिपोर्ट नहीं भेजी है, इसलिए बात आगे नहीं बढ़ी है। और किसी कारण से यह मामला रुका नहीं है। (4)

अभी राष्ट्रीयकरण का प्रश्न सरकार के विचाराधीन नहीं है। अगर भविष्य में हो, तो मैं नहीं कह सकता हूँ।

श्री शिव चन्द्र भद्र : वे जो प्राइस आफर कर रहे हैं, वह दूसरे मुल्कों द्वारा दी जाने वाली प्राइस के मुकाबले में कितनी है ?

श्री मनु प्रकाश सिंह : अभी रिपोर्ट नहीं आई है। इसलिए अभी कोई बात विचाराधीन नहीं है। जब वे रिपोर्ट भेजेंगे, तो हम इस पर विचार करेंगे। माननीय सदस्य जो सुझाव देंगे, उस पर भी विचार किया जायेगा।

18.58 hrs.

*The Lok Sabha then adjourned till Eleven
of the Clock on Thursday, March 13,
1969/Phalgun 22, 1890 (Saka)*