

12.00 hrs.

CALLING ATTENTION TO MATTER OF  
URGENT PUBLIC IMPORTANCEJUDGMENT OF THE SUPREME COURT *re* :  
FIXATION OF CAR PRICES

श्री शंकर दयाल सिंह (चतरा) : अध्यक्ष महोदय, मैं अविलम्बनीय लोक महत्व के निम्न-लिखित विषय की ओर औद्योगिक विकास मंत्री का ध्यान दिलाता हूँ और उन से प्रार्थना करता हूँ कि वह उस के सम्बन्ध में एक वक्तव्य दें :

“कारों के मूल्य निर्धारण के बारे में उच्चतम न्यायालय का कथित निर्णय तथा इस संबंध में सरकार द्वारा की जाने वाली कार्यवाही”

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY) : Sir, in deference to your wishes as expressed in the House on the 25th November, 1971 with reference to the Calling Attention Notice given by Shri Shankar Dayal Singh and other hon. Members on the subject, with your permission, I beg to make the following statement...

MR. SPEAKER : It is a somewhat long statement, about 7 pages. Did you supply it to the Members.

SHRI MOINUL HAQUE CHOUDHURY : We got the judgment late yesterday afternoon ; it was delivered the day before yesterday. Thereafter we prepared the statement.

SHRI S. M. BANERJEE (Kanpur) : I got it at 11.30 and I have read it. If he wants to lay it on the Table of the House, he may do so.

MR. SPEAKER : It is a long statement ; you can lay it on the Table of the House.

SHRI MOINUL HAQUE CHOUDHURY : Sir, I lay it on the Table of the House.

*Statement*

Sir, in deference to the wishes of the Hon'ble Speaker as expressed in the House on the 25th November, 1971 with reference to the Calling Attention Notice given by Shri Shankar Dayal Singh and other Hon'ble Members on

the subject, with your permission, I beg to make the following statement :

As the House is aware, after examination of the Report of the Tariff Commission, submitted in 1968, Government notified the fair selling prices of the three makes of cars manufactured in the country, under section 18(G) of the Industries (Development and Regulation) Act, in their Notification dated 21st September, 1969. The three car manufacturers challenged the prices so notified by filing writ petitions in the Supreme Court. These petitions came up for hearing in the last week of April, 1970. The Court heard the arguments of the manufacturers for several days. Thereafter, while the arguments on behalf of Government were in progress, the Court suspended further hearing and recommended that Government should set up a Commission to recommend the fair selling-prices at which the three makes of car should be sold. In pursuance of this recommendation, Government set up the Car Prices Enquiry Commission with a retired High Court Judge as Chairman and with an Automobile Engineer and a Chartered Accountant as members. The Commission made a detailed investigation into the question of prices and submitted their report to Government on the 29th of March, 1971. Copies of the Report were immediately submitted to the Supreme Court. The hearing of the pending writ petitions was resumed on the 15th April, 1971. On the 16th April, 1971, the Supreme Court directed all the parties to file affidavits covering their respective submissions on the Commission's recommendations as early as possible. The Court also directed that with immediate effect, and as an interim measure, the manufacturers be permitted to sell their cars at the prices recommended by the Commission pending final disposal of the case subject to such adjustments as may be found necessary in the light of the Court's Judgement later.

Accordingly, with effect from 16th April, 1971, the ex-factory retail selling prices of the three makes of cars have been :

- (i) Rs. 16,819 for the Ambassador as against Rs. 15,316 notified by Government in September, 1969 ;
- (ii) Rs. 15,687 for the Fiat car as against Rs. 14,325 notified in September, 1969 ; and
- (iii) Rs. 16,080 for the Standard Herald 4-door model, as against Rs. 14,003/- notified in September, 1969.

The prices recommended by the Car Prices Commission were based on considerations of the achievable capacity of the three manufacturing units for cars as well as commercial vehicles and a return of 16% on the capital employed. In working out the ex-works costs of the cars, the Commission had allowed all the usual items of expenses, such as cost of direct materials, direct wages, manufacturing overheads, administrative overheads, selling and service expenses, depreciation and royalty. They had not allowed items like minimum bonus and warranty expenses as part of cost. The manufacturers had contended before the Commission that these two items should also form part of cost and Government had opposed such inclusion. Government had also argued that the rate of return should not be more than 12% of the capital employed. On the question of achievable capacity too, there was difference of opinion between the manufacturers on the one hand and Government on the other. The achievable capacities adopted by the Commission are :

- (i) 30,000 Ambassador cars and 10,500 commercial vehicles for Messrs. Hindustan Motors Ltd.
- (ii) 14,000 Fiat cars and 6,000 commercial vehicles for Messrs. Premier Automobiles Ltd., and
- (iii) 4,000 Standard Herald Cars and 1,000 commercial vehicles for Standard Motor Products of India Ltd.

The main points of the submission made by Government before the Supreme Court were in regard to the achievable capacity, the return on capital employed and the manner of computing working capital. Government submitted that the return on capital employed should not exceed 12%. In regard to working capital, the submission was that it should be taken at three months' cost of production instead of 4½ months' cost of production recommended by the Car Prices Commission for Hindustan Motors and Premier Automobiles, and 3½ months' cost of production for Standard Motor Products of India Ltd.

In regard to achievable capacity, Government's submission were :

30,000 cars and 13,000 Commercial Vehicles in the case of Hindustan Motors ;

14,000 cars and 7,500 Commercial Vehicles in the case of Premier Automobiles ; and

4,000 cars and 1,300 Commercial Vehicles in the case of Standard Motor Products of India.

Government also argued that bonus and warranty expenses should not be included as part of cost but should be met by the manufacturers out of their profits. Government further contended that depreciation on account of plant and machinery should be on the basis of historical cost as decided by the Commission and not on the basis of replacement cost as claimed by the car manufacturers.

The hearing of the case was resumed in the Supreme Court on the 6th October, 1971 and lasted till the 1st November, 1971. In their judgement delivered on the 24th November, 1971, the Supreme Court has laid down the principles on which the future selling prices of the three cars should be worked out and notified by Government. These are :

- (i) The production capacity should be taken as 30,000 cars and 5,000 Commercial Vehicles for Hindustan Motors, 14,000 cars and 6,000 Commercial Vehicles for Premier Automobiles and 3,400 cars and 1,000 Commercial Vehicles for Standard Motors.
- (ii) The cost and expenses on account of warranty and bonus should not be included in the ex-works cost but should be met out of the return.
- (iii) The return on capital employed should be 16% as recommended by the Commission.
- (iv) Depreciation on account of plant and machinery should be on the basis of the historical cost as allowed by the Car Prices Commission.
- (v) The prices recommended by the Car Prices Commission in July, 1970 should be modified on the basis of the afore-mentioned factors and brought uptodate by allowing for variations in cost of production since July, 1970. For this purpose the car manufacturers will furnish the neces-

[Shri Moinul Haque Choudhury]

sary details and the relevant data to Government within a fortnight of the date of judgement to enable Government to promulgate a fresh order refixing the prices of the cars in accordance with recommendations of the Commission as modified by the Court. The order should indicate that the prices as fixed are liable to be increased or decreased in accordance with the provision relating to escalation and de-escalation contained in the judgment.

- (vi) Provision should be made for escalation of the prices of the cars after the initial fixation. The position should be reviewed by Government every six months in the beginning of the months of January and July. Six weeks prior to 1st January and 1st July, the Car manufacturers should submit all the necessary data and proof for determining the increases claimed. The Government should decide about the matter by the 1st of January and 1st of July respectively and allow the increases, if found to be genuine and correct, provided the total amount of such increases exceeds Rs. 100 per car in the ex-works cost since the last fixation. If Government fails to do so, the car manufacturers will be entitled to increase the prices to the extent of the actual increase if the total increase is more than Rs. 100 per car in the ex-works cost comprising all the items included in the ex-works cost.

- (vii) If there is a significant increase in the outgoings from the return on account of minimum bonus payable under the Payment of Bonus Act 1965, interest on borrowings and income tax, the car manufacturers can submit their case with all the relevant data as well as proof to the Government for claiming a corresponding increase in the return. The Government should give its decision within 10 weeks from the date the required data and proof are supplied. In doing so, the Government will be entitled to take into account any decreases which have taken place either in the items which make up the ex-works cost or

the aforesaid outgoings from the return.

The car manufacturers will, in accordance with the judgement, continue to charge for a period of two months from the date of the judgment the interim prices which were fixed by the Court on 16th April, 1971 *i.e.* the prices recommended by the Car Prices Commission for July, 1970. Government will take steps to notify the revised prices within two months.

श्री शंकर दयाल सिंह : अध्यक्ष महोदय, अभी हमारे सामने मंत्री महोदय ने अपना एक बयान रक्खा है। इससे बहुत सी बातें स्पष्ट होती हैं। कारों के मूल्यों के सम्बन्ध आप जानते हैं कि बराबर यह बेचारा गरीब देश छटपटाता रहा है। जहां आदमियों को साइकिल नसीब नहीं होती है, बैलगाड़ी नहीं मिलती, वह कार का सपना देखता है, लेकिन वह सपना भी उसका चकना चूर हो जाता है। कारों के मूल्यों के सम्बन्ध में सरकार ने निर्धारण किया कि उनका मूल्य यह होगा। उस के बाद कार-निर्माताओं ने सुप्रीम कोर्ट में अपील की। सुप्रीम कोर्ट के सुझाव के अनुसार सरकार ने एक कमिशन बनाया। कमिशन ने अपनी रिपोर्ट दी। वह रिपोर्ट भी हमारे सामने आई। उसके बाद सुप्रीम कोर्ट ने अपना जजमेंट दिया है, जिसका फुल टेक्स्ट हमारे सामने नहीं आया है, लेकिन मंत्री महोदय के पास पहुँच गया है। मैं इस सम्बन्ध में आप के माध्यम से सरकार से जानना चाहता हूँ कि क्या उग मिडल क्लास का सपना यों ही धरा रह जायेगा जो कार खरीदने के लिए किसी तरह से, मकान बेच कर, बच्चों की पढ़ाई रोक कर या और तरीके से रुपये का इन्तजाम करता है। जिन कारों के दाम बहुत अधिक हैं अगर सरकार उन दामों पर रोक लगाती है तो सुप्रीम कोर्ट के उस में दखलअन्दाजी करने का मतलब क्या है? हम देखते हैं कि जो हमारी जन-भावना है सुप्रीम कोर्ट बार बार उस पर कुठाराघात करता है। गोलकनाथ केस में हमने देखा कि एक आदमी के लिए 55 करोड़ जनता की भावना को दफन दिया गया। बैंकों के राष्ट्रीयकरण में भी हमने देखा है कि सुप्रीम कोर्ट का क्या रुख रहा है। वही रुख हम इस कारों के मामले में देख

रहे हैं। छोटी छोटी बातों को लेकर यह बातें हमारे सामने आ रही हैं।

इसलिए मैं आप के माध्यम से सरकार से कहना चाहता हूँ सरकार या तो इन छोटी छोटी बातों के बारे में कोई आदेश दे और उनके अनुसार ही वह चले या फिर वह कोई ठोस कदम उठाये और बतलाये कि वह क्या करना चाहती है। वह 55 करोड़ की जन भावना का आदर करती है या जो हमारे तीन कार-मैनुफैक्चरर्स हैं उनकी बातों की ओर ध्यान देती है, जिन के सम्बन्ध में सुप्रीम कोर्ट ने अपना जजमेंट दिया है।

मैं आप के सामने बहुत विनीत स्वर में कहना चाहता हूँ कि मैं अभी हाल में अमरीका गया था। वहाँ वाशिंगटन के जिस होटल में मैं ठहरा था उस के कमरों की सफाई करने के लिए जो लड़की आती थी, पहले तो मैंने उस को होटल की मालकिन समझा, लेकिन बाद में पता चला कि वह कमरों की सफाई करने के लिए आई है। मैंने उस लड़की से पूछा कि तुम कहां रहती हो? उसने बतलाया कि उसका घर वहां से 35 मील दूर है। मैंने उससे कहा कि 35 मील आने और 35 मील जाने में तुम का बहुत वक्त लगता होगा। उसने कहा, वक्त किस लिए लगता है? मैं तो अपनी कार से आती हूँ और अपनी ही कार से चली जाती हूँ। आप देखिए कि एक तो वह देश जहां कमरों की सफाई करने वाली लड़की भी बिना कार के नहीं हैं, वह कार से आती है (व्यवधान) और एक वह देश जहां कारों के लिए लोग तरसते हैं। एक वह देश जहाँ हर एक को यह अवसर प्राप्त है कि जिस तरह से उसको खाने और रहने की चीजें मिलती हैं उसी तरह से उसको आवागमन के साधन भी मिलें। लेकिन हमारे देश में क्या है? लाखों करोड़ों जनता—मैं जिस क्षेत्र से आता हूँ उसकी बात कहता हूँ—परेशान है। कार का तो सवाल ही क्या है, वहां सड़कें नहीं हैं, अच्छे रास्ते नहीं हैं।

मैं आप को बड़े ही विनीत शब्दों में बतलाना

चाहता हूँ कि अभी जो स्टेटमेंट आया है, या जो सुप्रीम कोर्ट का जजमेंट है, उसके अनुसार कारों का मूल्य निम्नलिखित होगा :

अम्बैसेडर कार	16819 रु०
फियट कार	15687 रु०
स्टैन्डर्ड हेरल्ड	16080 रु०

यह मूल्य बिना टैक्स के हैं। लेकिन जब कोई आदमी वेचारा कर्ज लेकर या नेशनलाइज्ड बैंक से रुपया लेकर कार को खरीदने जाता है तो जहां पर फियट का दाम 15687 रु० लिखा है वहां उस को 21656 रु० की रसीद दी जाती है। मैंने अभी हाल में गाड़ी खरीदी है। गाड़ी को खरीदते समय यह कहा गया कि चूंकि मामला सुप्रीमकोर्ट में विचाराधीन है इसलिए यह रुपये लिए जा रहे हैं, बाद में आप को 2,000 रु० वापस कर दिए जायेंगे। दो हजार रुपये मैंने यह कह कर लिए थे कि सुप्रीम कोर्ट के फैसले के बाद लौटा दूंगा। लेकिन मेरे जैसे आदमी को भी सुप्रीम कोर्ट की इस जजमेंट के बाद जब जलील होना पड़ा है, तो दूसरे लोगों का क्या हाल हुआ होगा, इसका अनुमान आप लगा सकते हैं।

कार निर्माताओं और जो डीलर्स हैं उनकी ओर भी मैं सरकार का ध्यान आकर्षित करना चाहता हूँ। छः छः और सात सात साल तक लोगों को क्यू में खड़े रहना पड़ता है और तब कहीं जाकर उनको कार मिल पाती है। बहुत से लोग तो इस दौरान मर भी जाते हैं। आप समझिये कि ऊपर चले जाते हैं लेकिन उनके घर के सामने कार खड़ी नहीं हो सकती है। एक ओर तो उनको छः छः और सात सात साल इन्तजार करना पड़ता है और दूसरी ओर अगर वे दो चार हजार रुपये अधिक खर्च करें तो उन को उसी वक्त गाड़ी मिल जाती है। मैं समझता हूँ कि इन सभी मामलों में सरकार को एक निश्चित नीति अपनानी होगी। गरीब टैक्सी वालों का क्या हाल होता होगा? कभी भी उन्हें टैक्सी ठीक समय पर और उचित दामों में नहीं



[श्री शंकर दयाल सिंह]

मिल पाती है। बराबर चोर बाजारी होती है।

मैं दो बातों की ओर सरकार का ध्यान दिलाना चाहता हूँ और प्रश्न पूछना चाहता हूँ। सरकार ने पिछले दिनों 24वाँ संविधान संशोधन विधेयक रखा। 25वें और 26वें पर हम विचार करने जा रहे हैं। उनको इस वास्ते रखा कि हम लोगों को न्याय दे सकें, समाजवाद की ओर आगे बढ़ सकें। हम एक लक्ष्य को लेकर, एक नीति अपनाकर और सिद्धान्तों की खातिर आगे बढ़ रहे हैं। मैं जानना चाहता हूँ कि तीन कार निर्माताओं के हक में सुप्रीम कोर्ट का जो फैसला हुआ है, इसको सरकार मान लेगी या इसको रद्दी की टोकरी में फेंक देगी और जनता के साथ न्याय करेगी? अगर सरकार इस मामले में कुछ नहीं कर सकती है और कार निर्माताओं की ही चलती है तो मैं माँग करना चाहता हूँ कि जितनी भी कार बनाने वाली फैक्ट्रियाँ हैं उनका राष्ट्रीयकरण किया जाए। इसका मैं निश्चित उत्तर चाहता हूँ कि क्या सरकार इसको करने जा रही है? मैं चाहता हूँ कि ऐसा करने के लिए कोई समय की सीमा निर्धारित कर दी जाए। वह एक साल की या एक महीने की हो सकती है। सरकार घोषणा करे कि इस असें में इस उद्योग का राष्ट्रीयकरण कर दिया जायेगा।

मूल्यों में स्थिरता आए, इसकी ओर भी मैं आपका ध्यान दिलाना चाहता हूँ। कारों के दाम 11-12 हजार हुआ करते थे और चढ़ते चढ़ते 22-24 हजार तक वे पहुँच गए हैं। उसके बावजूद भी सुप्रीम कोर्ट शह पर शह दिये चली जा रही है। कह रही है कि दाम बढ़ाने की तुम्हें आजादी है। यह कैसी आजादी है जो गुलामी से भी बदतर है। एक ओर ये दाम बढ़ाते चले जायें और दूसरी ओर जनता तबाह होती चली जाए। टैक्सी वाला अगर अधिक दाम देकर टैक्सी खरीदेगा तो उसका भार किस पर पड़ेगा?

अध्यक्ष महोदय : आप सवाल करें। आपने पन्द्रह मिनट ले लिए हैं।

श्री शंकर दयाल सिंह : पंद्रह मिनट तो मेरे हिस्से में आते ही थे। आपने मंत्री महोदय को बिठा दिया था।

अध्यक्ष महोदय : उस लड़की की कार की कितनी कीमत थी?

श्री शंकर दयाल सिंह : जबकि देश की 55 करोड़ जनता सुप्रीम कोर्ट के जजमेंट को देखकर अवाक रह गई है तो दूसरी ओर आज के स्टेट्समैन में एक समाचार निकला जो इस तरह से है :

“Car Manufacturers Happy Over Court Decision”

आगे लिखा गया है :

“With what they term as a ‘historic’ decision of the Supreme Court which declared as ‘inoperative’ the Government order fixing car prices—in their pocket, the happy car manufacturers will soon submit their cost data to enable the Government to fix within two months new prices for Fiat, Standard Herald and Ambassador cars on the basis of the principles laid down in the judgment.”

मैं दो सवाल करना चाहता हूँ। पहला यह है कि आपने पहले जो मूल्य निर्धारित किया था और जो अभी है, देश की, समाज की, जनता की स्थिति को देखते हुए मूल्यों में आप कहां तक राहत दे सकेंगे, कार के मूल्य की प्रवृत्ति क्या होगी और आगे आप इन मूल्यों को लेकर क्या कार्रवाई करने जा रहे हैं?

दूसरा मेरा सवाल यह है कि मैंने जब सदन की इच्छाओं का आदर करते हुए राष्ट्रीयकरण की माँग की तो सदस्यों ने मुझे बधाई और धन्यवाद तालियाँ बजाकर दिया और इस वास्ते मैं चाहता हूँ कि बताया जाए कि क्या आप इस उद्योग का राष्ट्रीयकरण करेंगे या नहीं करेंगे?

SHRI MOINUL HAQUE CHAUDHURY : I take note of the sentiments expressed by the hon. Member. It is quite disquieting that the Supreme Court has allowed a return of 16 per cent on the capital employed, as against our submission that it should

not be more than 12 per cent. The second most disquieting factor is that the price should be re-calculated and fixed, taking into consideration the price rise from a back date, namely, July, 1970. Not only that, every six months we have to fix the price according to the escalation or de-escalation. Therefore, this will be almost a constant exercise on the part of government and the consumers will always be at bay and in uncertainty with regard to the price of the cars. These are the two most disquieting features of this judgment. With regard to other matters, they have more or less upheld the submission made either by the government or by the Commission, as the case may be.

So far as the reduction of the price is concerned, this question will have to be looked into. We have to make a study and examination of the judgment and then only we can report back to this House as to how we can do it. But it shall certainly be our endeavour to see that the prices are reduced. If the principles given by the Supreme Court are to be given effect to, then the probability or chances of reduction of prices are very remote. In any case, so far as government are concerned, they will do their utmost to see that the price is reduced.

With regard to nationalisation, so far as Hindustan motors is concerned, as I have said earlier, it should not be nationalised in the interest of the nation.....(*Interruptions*) I am giving the reasons why it should not be nationalised. I would request hon. Members to listen to my reasons. This plant is out-moded. For years together nothing has been replaced. If this is taken over, it will be a junk plant. Should we take over a junk plant?

SHRI JYOTIRMOY BASU (Diamond Harbour) : It should be at the junk price.

SHRI MOINUL HAQUE CHAUDHURY : Instead of taking over a junk plant with all its liabilities, it is better to go in for a new car plant. Therefore, Government have decided to set up their own car plant.

With regard to the plant of Premiers, which is producing Fiat, we are examining the question whether we should take it over or not. At the moment this matter is under our examination.

With regard to Standard Herald we have

not yet examined the matter. We will certainly look into that case.

SHRI S. M. BANERJEE : I put this question on the clear assumption that this House is supreme is more supreme than the Supreme Court and that the desire, as expressed by the hon. Members in this House, will be given proper weight and consideration by the government. In my opinion, this judgment of the Supreme Court is a very damaging judgment. It is intended to help the car manufacturers. They are going to be benefited by the judgment, not the consumers.

In the judgment, it is said that they have not allowed minimum bonus and other warranty expenses as part of the cost. These car manufacturers, Hindustan, Premier and Standard Motors, want even these things to be added to the price of cars, like, the bonus and other warranty expenses. The hon. Minister has said that the Supreme Court has not allowed it.

The tragedy in this country is that the Supreme Court, instead of clearing their arrears, are now fixing the prices of sugar and cars. I do not know why the learned judges of the Supreme Court, our respected judges, are wasting their time on these things. It is true that cases are referred to the Supreme Court. I speak subject to correction and, I hope, I am wrong that when this case was going on in the Supreme Court, one of the employers who manufacture Fiat cars in this country wanted to oblige even the Supreme Court Judges by substituting all those parts by imported parts...

MR. SPEAKER : I am not going to allow it. (*Interruption*)

SHRI S. M. BANERJEE : Kindly hear me. I have heard that the employers wanted to do it. I never said that the Supreme Court Judges wanted.....(*Interruption*)

MR. SPEAKER : You are bringing in the conduct of the Supreme Court Judges. I am sorry I cannot allow it.

SHRI S. M. BANERJEE : They never accepted it. I may tell you that that was the desire of the employers. I am sorry that they go to that extent. I am sure, it has not gone home.

[Shri S. M. Banerjee]

I would like to know from the hon. Minister whether it is a fact that one of the Judges of the Supreme Court during the course of the hearing said something about the quality of the car. I think, it was Justice Hegde who said about the Ambassador car that it is a wonderful car of which all parts make noise except the horn. He repeated actually an observation made by a foreign expert who came to this country. When he mentioned about the quality of cars, I think, that was the opinion of the Judges about the quality of cars. When the quality is deteriorating day by day of all the cars—I have no car; I travel by taxi and I know what is happening to the taxi-walas—what is going to happen. I should know from the hon. Minister whether he will take into account the sense of the House and see that the price of cars is reduced, Supreme Court or no Supreme Court. Let us bring in a legislation fixing the prices of cars. I hope, the entire House will pass it with applause. If the Government is unable to take a decision, let the President promulgate an Ordinance fixing the prices of cars. We will welcome it.

In the judgment, it is said that the car prices are to be fixed afresh. I must congratulate my hon. friend for voicing the feelings of the House. The papers say that the car manufacturers are extremely happy over the Supreme Court judgment and long live the Supreme Court. But there is some force bigger than the Supreme Court and it is this House. It should not be forgotten that on the judgment of the Supreme Court, the entire House was dissolved, went to the polls and the massive majority they got led them on to their commitment and proved that this House is supreme than the Supreme Court. These car manufacturers cannot hold the country to ransom by fixing whatever price they like.

As regards taking it over, the hon. Minister for whom I have great regard has said that it is a junk unit. In a junk unit, junk cars are produced and, unfortunately, the people of India are allowed to purchase these junk cars. The car is not junk. The plant is junk and it is producing the wonderful car and I am surprised how that junk plant is producing this car. After all it is a junk plant. That junk should be taken over at the junk price and immediately and I hope if this Government is really moving towards socialism and if they have not been obliged either by Birlas or by

the Premier or by anybody, let them take a decision not over Fiat and Herald only but about the Ambassador also and set right the Birlas to some extent.

I would surely appeal to you and through you to the hon. Minister to give a definite reply. That plant is a not a junk plant. 20,000 workers are working in that junk plant and so many cars are produced in the junk plant.....(*Interruptions*) I wish the Minister's mind is not junk but should be sharp to visit that plant and see how that is working and take it over and the price should be reduced so that it comes within the reach of the common man or within the reach of the taxi-driver or a co-operative society. I am not talking of those who can afford to import impala cars worth Rs. 6 lakhs. Let them have it. I don't mind it. But, in India, the price of cars should not be more than Rs. 10,000 to Rs. 12,000. That should be fixed and I am sure the hon. Minister will take a note of it and will not create a feeling in this country by making a statement that the Birla unit is a junk and if the Birla empire is a junk, let us nationalise that junk empire and we will give gold out of it.

SHRI MOINUL HAQUE CHOU-DHURY : I have taken note of the suggestions made by the hon. Member. They will be considered when we take a decision on the various recommendations made in this judgment.

SHRI S. M. BANERJEE : Will the Parliament be taken into consideration before fixing the price? Let him answer that. (*Interruptions*) Members' opinion should be sought.....(*Interruptions*) I have put two specific points. One is that that is not a junk plant. My second point is.....

MR. SPEAKER : He has taken note of it.

SHRI S. M. BANERJEE : He has taken note of it. I have taken note of it long ago. Note is taken by the stenographer, not by the Minister.

My second question is : whether the Parliament will be taken into consideration, into confidence before fixing the price and before taking a final decision. Sir, you have been kind enough to allow this call attention notice.

I would only request you that this House should be taken into consideration, into confidence and into account before fixing the price. Will there be a legislation if the Supreme Court stands in the way? That is my question...  
(*Interruption*)

SHRI MOINUL HAQUE CHOU-DHURY : I may say that when we take a decision, all the suggestions of the hon. Member will be kept in mind.

SHRI H. M. PATEL (Dhandhuka) : I hope the motion which this decision of the Supreme Court seems to have engendered will not be the basis on which the hon. Minister will take any decision. Facts should be considered.

As the hon. Minister said, only on two points there was a difference of opinion. The Supreme Court has given a decision. This he feels will make it very difficult to bring down the prices if the Government complies with that decision. But the question should be really this. What is the fair thing to do? If you wish to control the prices, then there must be some fair basis for the fixation of the prices. The Traiff Commission was called upon to fix the prices and the Government decided to issue orders in accordance with that. The Supreme Court has chosen to adopt another basis, again on the basis of a special commission appointed and it has given a slightly modified recommendation. The decision has been by the Supreme Court on the basis of recommendations of various commissions, composed of persons competent to pronounce expert views on the subject of price fixation. If it is felt that the resultant prices are likely to be unreasonably high and that the manufacturers get high profits, there are two courses open. Why should Government be worried about the principle that has been fixed by the Supreme Court? Why cannot the Government permit the manufacturers to increase their capacity? It is said that people have to wait for so many years, but is it not due to the fault of the policy which restricts the number of cars to be produced? If the number to be produced is less than the number that is demanded, naturally, certain consequences follow.

SHRI AMRIT NAHATA (Barmer) : There is no alternative but nationalisation and reducing the cost.

SHRI H. M. PATEL : I am not for the present discussing nationalisation. I am only discussing the proper approach in regard to this matter. We have heard the view that this House is the Supreme body and it can modify the Constitution. But the Constitution itself says that the Supreme Court judgment binds this Government and this House.

SHRI BHAGWAT JHA AZAD (Bhagalpur) : People have shown in the recent election that Supreme Court is not the final authority. We do not regard their judgments as binding.

SHRI H. M. PATEL : What I have been saying is this that there is a Constitution and that Constitution is supreme. That still holds good; that still is the position.

SHRI JYOTIRMOY BOSU : Change the Constitution.

SHRI H. M. PATEL : By all means, do it. No one questions the right of this House. (*Interruption*) Mr. Speaker, Sir, may I be allowed to continue? It is true that my point of view is not appreciated by a number of Members in this House.

अध्यक्ष महोदय : यह पार्लियामेंट है, इसमें तो एक दूसरे की बात सुननी पड़ेगी। आप क्यों नहीं सुनते हैं? आप इतने मँच्योर हैं, मेम्बर चुन कर आये हैं। यहां एक दूसरे के ख्यालात सुनने पड़ते हैं। ऐसे आप के इन्टरप्ट करने-ले तो कोई फायदा नहीं है।

श्री भागवत झा आजाद : ऐसे एक तरफा प्लीडिंग नहीं होनी चाहिए।

श्री बी० पी० मौर्य (हापुड़) : यहाँ कोई विलायत की भाषा बोले और वह भी जनहित के खिलाफ तो कहाँ तक सुनेगा कोई?

अध्यक्ष महोदय : अगर शोर करने से, शाउट करने से कोई मसला हल हो जाता है तो कर लीजिए। मैं बैठा रहता हूँ। लेकिन ऐसे काम नहीं चलता।

SHRI H. M. PATEL : It has been said that large number of people have voted for the ruling party ; it does not mean that all have voted. There still is a minority which does not hold that view, and so long as we respect democratic institutions, Mr. Speaker, the Government should respect the views of the minority also. Let us consider all points of view.

SHRI S. M. BANERJEE : We may regard the judgment, but not respect it.

SHRI H. M. PATEL : Shri S. M. Banerjee has somehow confused issues. It is open to him to confuse issues. It is understandable why he does so. He takes it upon himself not even to understand the Constitution which he claims to respect. But I see that the hon. Minister does respect the Constitution and therefore in his statement he has said that Government will comply with the decision of the Supreme Court. That is the correct attitude. It is open to him as it is open to this House, later to take any other policy decision and to act accordingly. What I would say is this that this decision, I hope, will be respected and prices will be fixed accordingly, and thereafter not replace them by an ordinance, even if, after full consideration they do wish to modify the prices.

The hon. Minister has said that a great deal of inconvenience will be caused to the users of cars, because there will be refixation of prices and review of prices every six months. I agree. If there is going to be inconvenience, all that is necessary, as I see it, is to free the price. Let the prices take their own level.

Here, the point is this. It is said that this affects 55 crores of people. Does it really ? How many are users of cars ? Are the ordinary people car-users ? Can those who use cars be said to be poor ? Can they be said to be people whose feelings should be given such great consideration ?

SHRI BHOGENDRA JHA (Jainagar) : The car producers are poor :

SHRI BHAGWAT JHA AZAD : They are poor because they are only three or four.

SHRI H. M. PATEL : We are not considering the question of poverty or the wealth of the car producers.

MR. SPEAKER : The calling-attention-notice is just for the purpose of asking questions. We could give a little latitude to the first Member who raises it, but if every Member makes a long speech, then it would become very difficult. Let the hon. Member straightway ask a question.

SHRI BHAGWAT JHA AZAD : We would like to have a full discussion on this matter and expose these car manufacturers.

SHRI H. M. PATEL : I am prepared to accept what you, Sir, have said, but since my predecessors had made speeches, I am compelled to make a speech and try and meet the points that they have made, and put forward my point of view to the hon. Minister.

I would ask the hon. Minister firstly whether it is the intention of Government to comply with the decision of the Supreme Court.

Secondly, if it is the feeling that this may cause inconvenience to the users of cars, because the prices may have to be reviewed every six months, it is quite possible to arrive at some understanding with the car manufacturers to ensure that the prices for the public may be revised at a certain different interval. This is also possible for them to do. Will they consider sitting down with the manufacturers to arrive at some way of removing such difficulties as might be caused because of the judgment ?

SHRI AMRIT NAHATA : It will be settled by Parliament and not by the car manufacturers.

SHRI H. M. PATEL : Parliament is always there eventually, but Parliament need not waste its energies at too early a stage.

SHRI S. M. BANERJEE : Why did the Supreme Court waste their energies ?

SHRI H. M. PATEL : Everybody here seems to forget that the price of the cars is high due to not a inconsiderable extent to the heavy taxation that is imposed. Is it realised that the percentage of expenditure...

(Interruptions) I am saying that it is not the ordinary man who uses the car, but it is the fairly well to-do person who use cars. Why is everybody so anxious to protect the interests of the well-to-do? I am very happy to see that you want to safeguard the interests of every citizen, that is, of course, what our duty should be, not only of the poor but also of the rich and middle class and everybody else.

SHRI MOINUL HAQUE CHOU-DHURY : I do not agree with Shri Patel that car is used only by the rich people. What about the small taxi-wallas and small users? Then there are the middle class people who are forced to use it with the expansion of urbanisation. Therefore, to say that cars are used only by fairly rich people is incorrect. But it is correct to say that only rich people are the owners of the car factories.

As for sitting down with the manufacturers, they are at liberty to come and represent their grievances to Government at any time. Under the Constitution, everybody has the right of petition. Everybody at any time could ventilate his grievances to Government who will certainly consider them. That door is open to everybody; it is open to ordinary citizens as well as to industrialists. We shall always discuss with them, but we would never agree to decontrol prices. We will not let the poor people and the administration be idle spectators to the price rise made by the car manufacturers.

SHRI H. M. PATEL : I have not suggested that.

SHRI JYOTIRMOY BOSU : Sugar, edible oil.

SHRI MOINUL HAQUE CHOU-DHURY : At the moment, we are talking of the car. Let him not make this a debate on everything.

We fixed the price, announced it, notified it and enforced it. It is the Supreme Court which has undone it now. The question is how to tackle the judgment. We have said that the judgment as it is has to be respected and it is binding on us. But certainly this Parliament and Government can take steps in order to get out of it, as we have done in other cases.

SHRI JYOTIRMOY BOSU : I want to say something that will interest the House concerning the price and quality of the cars as compared with cars in the rest of the world in the advanced countries where the labour cost is much more, where the purchasing power of the consumer is much higher than that of the people here. Here we talk about warranty which really does not exist at all.

Shri Patel has talked about supply and demand. But he has conveniently forgotten that in this motor car business, the producers have been given all protection they require by Government. It is a completely monopoly market, closed market, sellers' market.

Why is it that we hesitate to bring forward a Bill—this announcement should be made here and now, today—to nationalise the motor car industry? In 1955 the cost of Hindustan Car was Rs. 9 000 inclusive of tax, today it is Rs. 23,000. In 15 years, it has gone up 350 per cent. As Shri Banerjee has said, quoting one of the Judges, it is one of the inferior cars that one has seen; everything makes noise except the horn. You cannot sell one piece of it in the world market at half the price. I am prepared to lay a bet on that. You have no machinery, no desire, to maintain the standard, to give the consumer his money's worth.

SHRI AMRIT NAHATA : That is the efficiency of the private sector.

SHRI JYOTIRMOY BOSU : The House will be interested to know that when the Car Prices Commission was sitting, Birla's interest, the Ambassador's interest, was fully advocated and pleaded by Shri Siddhartha Shankar Ray, the great socialist. The Birlas tried to influence and purchase some of the members of the Commission. One of them complained to me about it. This is a very serious crime. Government must institute a CBI inquiry into it; they have tried to bribe some members of the Commission. They connived with people to defraud the consumer.

When we talk about the Tariff Commission, we should take what they say with a pinch of salt. They are hand in glove with the big manufacturers. I know how many Tariff Commission members got their sons employed in big positions in Birla's.



[Shri Jyotirmoy Bosu]

Why this 16 per cent when there is an assured market, a sellers' market? Why this 16 per cent? What is the basis? Why is it again 12 per cent? That is also too high. We must know. Will the hon. Minister kindly tell us what is the basis of the 16 per cent, and what are the terms for similar industries in this country where, in the cost structure, governmental institutional financing has been included because this private sector is trading and making money with the Government's money? The figures are there and you can have a look at them.

The *modus operandi* is inflated cost of production, because you do not wish to have any arrangement for cost accounts audit. That is the basic thing for catching an industry. I wrote to Shri Fakhruddin Ali Ahmed, when he was the Minister in charge. Many times, I asked him, "Why is it you do not have a departmental cell for cost accounts audit, in respect of inflated cost of production, and Mr. Ganesh, deflated cost revenue?" You can get at the roots only if you go into that aspect. But they are not going into that, because another election is coming in February. You require money.

You, Mr. Speaker, are riding in an Ambassador car in your private capacity. Suppose, they are using the radiator for fitting it in the cars; Ten in 50, they damage themselves. It is a very minor damage; by one two-pound hammer, they just damage the fins, not the pipes. These are then sold as junk, may be by weight, costing Rs. 10 each. It goes to the Mullick Bazar in Calcutta, famous bazar called chor bazar. So, it goes there. If one want to buy a radiator, one goes there. Even the wrapping paper is not removed. It is sold for Rs. 60. Now, the Hindustan Motors, when they sell it as metal, junk, in the book of accounts, it is not so in fact. You understand what is the market value or the depreciation value. Do you understand? (*Interruption*)

SHRI MOINUL HAQUE CHOUHDURY: No. I am trying to understand.

SHRI JYOTIRMOY BOSU: So, when they produce a car—junk—not a word is coming from knowledgeable persons. (*Interruption*). What I am saying is that there is inflated cost of production; what is

the basis of your costing? Each and every item is inflated. Then it comes up to a total. Why is it that when in Britain, America, Germany, where the workers' wage is five times, 10 times or even 20 times higher than those of your workers, where the price of steel is as much as you pay, your car price is more? Why the quality is so much inferior? Because you are an ostrich; you do not want to open your eyes and see that the consumer gets full value for his money. You do not want to do it because again the elections are coming.

Mr. Speaker, Sir, you have an Ambassador car.

MR. SPEAKER: I had it at one time.

SHRI JYOTIRMOY BOSU: They make more money out of spare parts. Once, I asked a ball-point pen manufacturer in London, "How is it that you give so beautiful a pen for six pence?" He said "I do not make money on the pen. I make money on the refills." So, spare parts is the gold mine of car manufacturers. You do not want to touch it, because again the elections are coming.

They fiddle with the scarce raw materials, especially imported raw materials.

MR. SPEAKER: The hon Member's time is up.

SHRI JYOTIRMOY BOSU: I have not taken even five minutes, Sir.

MR. SPEAKER: You want one hour!

SHRI JYOTIRMOY BOSU: I shall finish now. I shall be at your command. They fiddle with scarce raw materials. To put it bluntly, black marketing is there. They get a bigger quota than they actually require and sell it in the black market.

Then, about the agencies. They have benami agencies. You go to any State capital. You would not find a proper agent of the Hindustan Motors who is not a client or a benami agent.

Then there is the fiddling in foreign exchange. There was a case. They should tackle it. Mr. Moinul Haque Choudhury is

a lawyer. He knows how to sabotage the cases. It is not difficult. So, they have sabotaged the cases. They continuously fiddle with the foreign exchange. There is every six months a review. What does it mean? Half-yearly price rise. Why is it that you cannot nationalise it? Your Industrial Policy Resolution gives you enough coverage, items 4 and 5 in Schedule A. You can take it over easily without any difficulty. You are violating your own Resolution because of your class character.

If they are talking about any committee or any formation, there must be sufficient workers' representatives and consumer representatives because the worker can tell you everything. You cannot hoodwink him. You can purchase a lawyer or a judge or a commission; you cannot purchase the workers. He will come and tell you where the shoe pinches.

Lastly, when did you start the Hindustan Motors take-over assessment work? When was it done? What is the value of the plant today?

SHRI MOINUL HAQUE CHOU-DHURY: I have taken note of the various things the hon. Member has stated. We have no information about the allegation made about the Tariff Commission Members. If the hon. Member passes them on to us, certainly we shall look into them. There are certain wild allegations.....

SHRI JYOTIRMOY BOSU: You hold your tongue. I shall give you the names of the members of the Tariff Commission whose sons are in the employ of the Birlas.

SHRI MOINUL HAQUE CHOU-DHURY: Without giving material proof .....

SHRI JYOTIRMOY BOSU: I shall give you names.

SHRI MOINUL HAQUE CHOU-DHURY: Give it to me; I shall enquire. Certainly, if any Tariff Commission member or member of any commission has got his son employed in Birlas, we shall enquire into that.

As to the various methods by which inflation is resorted to, some of these have been taken note of while cost accounting was done. We shall consider the Supreme Court judgment and we shall go again into the price question and certainly we shall take note of them again. If the hon. Member gives us a detailed note about it, certainly it will receive our utmost consideration because it seems he has some knowledge about this factory which is near Calcutta.

SHRI JYOTIRMOY BOSU: There are Reporters who are taking notes of what I have said. Why should it be duplicated?... (*Interruptions*) I asked the question: what is the value?

SHRI MOINUL HAQUE CHOU-DHURY: I cannot give information off hand about the book value.

SHRI AMRIT NAHATA: What was the basis on which the Minister said that it was a junk?

SHRI JYOTIRMOY BOSU: What is the book value on which he has called it junk?

SHRI MOINUL HAQUE CHOU-DHURY: If notice is given to me, I shall give you the book value.

श्री बी० पी० मोर्य : यह कार्लिंग रेट्रेंशन मोशन है जिसका जवाब देने के लिए मंत्री जी यहां पर उपस्थित हैं तो उनको तमाम जानकारी के साथ यहां आना चाहिए। इसके बिना काम नहीं चल सकता है।... (व्यवधान)...

SHRI BHAGWAT JHA AZAD: There has been a call attention notice and the hon. Minister is making an important statement that the Birla plant, the Hindustan Automobile is a junk. We want to know the book value of this plant. The information given by the Minister is based on value. How can he give such a statement without that information?

SHRI MOINUL HAQUE CHOU-DHURY: Some people have got too much of knowledge.

श्री बी० पी० मौर्य : इसमें ज्यादा जानकारी की कोई बात नहीं है। आप जब कोई बयान दें तो पहले से सोच लें कि किस आधार पर कहने जा रहे हैं। आपको सदन में पूरी जानकारी के साथ आना चाहिए।

MR. SPEAKER : The question here was about the judgment of Supreme Court and the reaction of the Government. If you want to go into each and every detail, the book value etc., you give notice so that the Minister can come prepared.

SHRI S. M. BANERJEE : On a point of order. After the Calling Attention was answered, a question was put by my hon. friend Shri Singh whether, in view of this judgment of the Supreme Court and the attitude of the various manufacturers, Government would consider taking over nationalising these units, including Hindustan Motors, and the Minister gave a reply to that that it was a junk plant. If he says something about the junk *motu* without ascertaining facts, then the natural question will be how he arrives at that conclusion. You should protect us.

SHRI JYOTIRMOY BOSU : On a point of order. I want to get an assurance from the hon. Minister that if I tabled a Short Notice Question, he will be kind enough to accept it.

AN HON. MEMBER : Why Short Notice Question ?

SHRI JYOTIRMOY BOSU : Why not ? He said he wanted notice, I shall give him notice right now of a Short Notice Question. Will he be kind enough to accept it ?

SHRI MOINUL HAQUE CHOU-DHURY : The dye casting machines of this plant are completely worn out.

SHRI JYOTIRMOY BOSU : That is why I want the book value.

SHRI MOINUL HAQUE CHOU-DHURY : That is why they produce engines which start smoking from the date on which

they are produced ; they start leaking right from the beginning.....

AN HON. MEMBER : That is not correct.

SHRI MOINUL HAQUE CHOU-DHURY : If it is not correct, they should be very good cars :

These dye, casting machines etc. ought to have been replaced every year by a phased programme. So far as this factory is concerned, they do not do so. The result is that today they have got some machines which are outmoded. They are producing engines which smoke, they produce things which are not up to the mark. They have been repeatedly told.....

SHRI AMRIT NAHATA : Why do you allow them to produce such cars ?

MR. SPEAKER : This matter has been creating so much controversy in this House for the last so many years. This Calling Attention Motion is occasioned by the judgment of the Supreme Court, but I would very much wish that if the Members want the book value any other thing, instead of giving an off-hand reply, the Minister comes out with a statement at some later time. Because he said it is just a junk, so many questions arise out of that, I cannot help it. In order that these points may be further elucidated, I do not mind if he comes out with a statement later on, if he is not in a position to reply now.

SHRI JYOTIRMOY BOSU : A Short Notice Question will solve the problem.

MR. SPEAKER : After all, these things have been happening in the country for so long. They have to come to this House. They can escape once or twice, how can they escape all the time ? He must come forward with a very well-considered statement containing all the facts, so that the position may be cleared.

SHRI MOINUL HAQUE CHOU-DHURY : The question was with regard to the judgment, not about the book value of this company. I could not be ready with the book value of the company.

13.00 hrs.

MR. SPEAKER : Leaving aside the relevancy, if the members are so keen, you can supply it later.

SHRI BHAGWAT JHA AZAD : The minister will take a statement and then we can have a discussion.

MR. SPEAKER : Later on, when the information is available, let him give it. Let him not give an off hand reply, which may involve him in further difficulties.

श्री बी० पी० मौर्य : इंजन से धुआं निकलता है, लीकेज होती है जोकि आपत्तिजनक बात हो जाती है...

अध्यक्ष महोदय : आप से धुआं आता है, कम से कम आप से तो धुआं नहीं आना चाहिए ।

SHRI H. M. PATEL : Has he agreed to make a statement ?

MR. SPEAKER : My observations are there.

SHRI R. R. SINGH DEO (Bolangir) : I want to put three specific questions. When everybody says that the car prices are very high, I would like to know how much dividend these car companies have paid to their share holders for the last five years. Secondly, will Government consider controlling the quality of the cars in any way ? Thirdly, will Government consider increasing the production of the cars so that the prices will come down ?

SHRI MOINUL HAQUE CHOUDHURY : I have not got the dividend figures with me. About quality, we have been repeatedly giving directions to them. We have given directions to Hindustan Motors to replace some of their old machines. About expansion, in the case of Hindustan Motors, we have said that if they replace their machines definitely, we will consider about their expansion. Otherwise, the quality of the car will not improve. About Fiat, we have said that if they come forward with such a proposal, we will favourably consider it. About Standard Motors, they have not even reached their present capacity.

13.04 hrs.

# RE. CALL ATTENTION NOTICES (Procedure)

MR. SPEAKER : Papers to be laid.

SHRI S. M. BANERJEE (Kanpur) : Sir, I have written a letter to you about the decision taken by the Rules Committee. It should be kept in abeyance and not enforced from Monday till we have discussed it further.

SHRI INDRAJIT GUPTA (Alipore) : As far as the calling attention part of it is concerned, the announcement in today's bulletin is a total surprise to us. Your problem was about the Question Hour.

MR. SPEAKER : About the calling attention also, originally we decided that we will spend 15 to 20 minutes every day. But almost every day it goes right into the lunch hour. After that, I have to take up the other part of the agenda up to the legislative business. I thought it would be better if the Rules Committee discusses it. We discussed it in the Rules Committee. They were of the opinion that it should be finished in 20 minutes. I said, it is very difficult, where there are five members, to be finished in 20 minutes. Every day it goes right into the lunch hour, with very few exceptions. The proper procedure, from which we have very much departed and which I wish is followed, is that after a brief statement by the Minister—it is provided in the rules that it should be a brief statement—the member could ask a question. Now the question becomes almost a long debate, sometimes trespassing even into the lunch hour. Then we have the other formal business like laying papers on the Table and introduction of Bills. Even there I receive notice from members about their intention to oppose the introduction of Bills. That puts the chair in a difficult position, so far as time is concerned.

SHRI INDRAJIT GUPTA : I agree with you that the original idea of the Calling Attention Notice was that after a statement by the Minister the members, whose names are there, are supposed to ask one or two questions, and not make a long speech. I think it is within your rights, and your duty also I suppose, with the co-operation of the groups, to impress again on the members that they should proceed to act in this way and that they should not make long speeches. But