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SPEECH OF SHRI P.K.DEO IN LOK SABHA ON
4.12.64 ON MANUFACTURE CONSUMPTION AND
PRICE OF CARS.

SHRI P.K.DEO (Kalahandi): Mr. Speaker, Sir, for the last seven years our ears have been jarred by the sermon of the Government that they are giving their due consideration to the manufacture of a people's car or a small-priced car. The last we heard from the Government was on the 27th November, 1964 when in reply to a question the Government stated that the main possibility of achieving substantial economy in production is to maximise the **scopes** of production. We entirely agree with this. But what steps have been taken in this regard? Government have suggested that the various car-manufacturing units are to be integrated, or in the alternative one of the three has to be expanded, so that the production capacity may be increased and ultimately there will be a price reduction.

At the same time the Government have said that the reply from the various manufacturing concerns is not encouraging; they are not prepared either to integrate themselves or to reduce the price, and at best they can reduce it by Rs.750 if the capacity is stepped up to fifty thousand.

Further, they have stated that they are going to investigate the rise in the high price.

I beg to submit that the Government cannot fool all the people for all the time. They have been hoodwinking the people by this statement that they have been looking into the price structure and that fresh negotiations are taking place, and at this delicate moment they are not in a position to spell out what they are doing with indigenous and foreign manufacturers.

Sir, the country has been tired of this talk. It is an admitted fact that there is a shortage of cars; and, as pointed out by the previous speaker, it is a regular racket

(An Hon. Member: Junk). Are we supposed to pay for this car such a huge amount? These are mere junk. Should the Government be a silent spectator to this?

I beg to submit that if the Government are really sincere about it, they should go in for the production of a cheap car. In this regard the Pande Committee has submitted a report, though it never saw the light of day. We do not know what happened. But we learn that they have made a specific recommendation by adopting which we could easily have a car for five thousand rupees.

In this connection I would like to draw the attention of the Government to their Resolution of 6th September, 1960. In that Resolution Government has stated that in case the Expert Committee consider a low-cost car feasible in the price range indicated, the project will be taken up in the public sector. The Expert Committee found it feasible and made their recommendation, but the Government backed out. I would like to know why the public sector backed out. If they are not prepared to deliver the goods they should leave it to other people who can manage the show and deliver the car. And they are prepared to produce the same car.

DR. M.S. ANEY: In that case the public sector will have to go.

SHRI P.K. DEO: I will say, let them produce. But why did they back out? If there was any foreign-exchange difficulty, Messrs Renault of France offered to solve this difficulty, in a very big way. The Renault-Dauphin, which is a four-seater car, has been tested by the Defence Ministry in Ahmednagar and it has been proved to be satisfactory, economical and suitable for Indian conditions. And it would be 600 lbs. lighter than our Fiat car. That means less consumption of steel. This Renault-Dauphin would be weighing 11,00 lbs. while the Fiat weighs 1,760 lbs. And the price would be Rs. 5,100, and production would be at the level of 50,000 cars. They further stated that the foreign-

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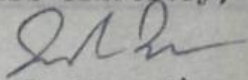
My dear Satyanarayanbabu,

* I have today sent you a telegram, (copy attached) which speaks for itself. Kindly place it before the meeting on Monday so that there will be no misunderstanding about the Party's position on this issue.

2. May I suggest that you may kindly give a somewhat longer notice of such meetings in future so that Party leaders may adjust their travel plans accordingly ?

With kind regards,

Yours sincerely,



(M. R. Masani)

Mr. Satyanarayan Sinha,
Minister for Parliamentary Affairs,
19 Akbar Road,
New Delhi.

Encl : *
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