

INTEGRATION OF AUTOMOBILE MANUFACTURING UNITS

227. SHRI R. K. BHUWALKA: Will the Minister of INDUSTRY AND SUPPLY be pleased to state:

(a) whether there is any proposal under Government's consideration to integrate the four automobile units in the country with a view to realising the economics of large-scale production; and

(b) if so, the details of the proposal; and

(c) what other steps Government contemplate so as to bring down the prices of Indian cars?

THE MINISTER OF HEAVY ENGINEERING IN THE MINISTRY OF INDUSTRY AND SUPPLY (SHRI T. N. SINGH): (a) to (c) With a view to rationalise production, calculated to secure economies, the three manufacturers of passenger cars were asked to consider the following alternatives: —

- (i) The existing car manufacturing facilities may be integrated into a common unit, to produce one or at the most, two makes of cars, making rational use of existing facilities and undertaking expansion in the most economic manner.
- (ii) One of the existing manufacturers may be selected for substantial expansion, the selection being made on competitive basis, with reference mainly to requirements and arrangements for foreign exchange and assurance in regard to price reduction. Concentration in a single enterprise will have to be balanced by participation of Government therein.

The proposals of the manufacturers, made in this connection, are under examination.

CONTRACT BY S.T.C. FOR SUPPLY OF INDONESIAN LONGCLOTH

228. SHRI RAM SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether it is true that the State Trading Corporation during the months of September/November, 1963, entered into a contract with a Delhi firm, who were till then not even established exporters, for supply of 1,20,00,000 yards of Indonesian Longcloth @ 84 nP per yard F.O.B., whereas a Bombay firm had offered to supply the same material @ 82 nP per yard F.O.B.; and

(b) if so, whether it is a fact that this firm with whom the order was placed was not able to meet the commitments for supplying any quantity before the scheduled delivery period, *i.e.*, 31st March?

THE MINISTER OF COMMERCE (SHRI MANUBHAI SHAH): (a) Within the framework of the Agreement dated the 5th September, 1963 signed between the Government of India and the Government of Indonesia, the State Trading Corporation entered into a commercial contract for the export of 11-86 million yards of cotton cambrics to Indonesia. The supplies to be made at 88 nP per year f.o.b. were arranged by the State Trading Corporation through their associates M's M. Ramnarain Private Ltd., Bombay. The S.T.C. have exported cotton yarn and textiles to Indonesia and other countries through this firm i» the past also.

After the contract for supply of cotton cambrics to Indonesia had been entered into, another Bombay firm offered to supply 4 million yards of cotton cambric at 82 nP f.o.b. per yard. Since the supplies had already been arranged, the S.T.C. could not accept their offer.

(b) The supplies could not be completed by March, 1964 because the cotton required could not be imported