

tendering and contracting under the Directorate of Disposals and Supplies; and

(b) if so, along what lines?

The Minister of Supply in the Ministry of Industry and Supply (Shri Raghuramaiah): (a) and (b). A Study Team has been set up to examine the working of the Directorate General of Supplies and Disposals. This Study Team will look into the procedures relating to tendering and contracting.

Pig Iron

- *142. { Shri Surendra Pal Singh:
Shri S. M. Banerjee:
Shri Bade:
Shri P. R. Chakraverti:
Shri P. K. Deo:
Shri P. C. Borooah:

Will the Minister of Steel and Mines be pleased to state:

(a) whether it is a fact that the indigenous production of pig iron has not kept pace with the demand;

(b) if so, the reasons for the shortfall in production of pig iron at home and the extent thereof; and

(c) the steps taken to augment the production of pig iron?

The Minister of Steel and Mines (Shri N. Sanjiva Reddy): (a) to (c). When the Third Plan was formulated, the demand for foundry grade iron by 1965-66 was placed at 1.5 million tonnes. Of this, one million tonnes was to come from integrated steel works and half a million tonnes from units in the private sector. The actual demand for pig iron has however outstripped these forecasts. It is now estimated that by 1965-66, the annual demand for pig iron would be about 2 million tonnes. Against this level of demand, the current production (mainly from the integrated steel-works) is about 1.2 to 1.3 million tons. The shortfall is of the order of 0.7 million tons. An important reason for

the shortfall is the poor progress in the implementation of licences granted to units in the private sector. Apart from arranging for imports to the extent of 100,000 tons immediately to tide over the present shortage, steps have been taken in hand to ensure greater availability of pig iron during the early years of the Fourth Plan.

Automobile Industry

- *143. { Shri D. C. Sharma:
Shri Indrajit Gupta:
Shri P. K. Deo:
Shri Mohammad Elias:
Shri Yashpal Singh:

Will the Minister of Industry and Supply be pleased to state:

(a) whether the U.S. Government has authorised three credits totalling \$37.8 million to help the Indian automobile industry to expand and modernize its production facilities and to increase its heavy engineering capacity; and

(b) if so, the terms and conditions of the credit and the manner in which it is proposed to be utilised?

The Minister of Heavy Engineering in the Ministry of Industry and Supply (Shri T. N. Singh): (a) and (b). The following three credits have recently been authorised by the Agency for International Development, Washington, USA:—

Particulars	Amount (\$ million)
1. M/s. Tata Engineering and Locomotive Co. I.t.d., for their truck expansion programme	11.80
2. M/s. Hindustan Motors for their truck expansion and engine manufacturing programme	23.00
3. M/s. Hindustan Motors for their shovel manufacturing programme	2.95
Total	37.75

The terms and conditions of these credits are still to be finalised.