

nearly 36.6 million tonnes. It is only during the first six months of the current financial year that a very slight fall in goods traffic has taken place as compared to the corresponding six months of the preceding year.

(b) Yes, Sir.

(c) Diversion of some traffic particularly in high-rated commodities from rail to road has been taking place in recent years in this country as in other countries, mostly due to certain inherent advantages of road transport and the rating structure of the Railways.

The question of evolving a suitable long-term national transportation policy and the best mechanism for achieving rail-road co-ordination is already under expert examination by a high-level committee on Transport Policy and Co-ordination, whose recommendations are awaited. Pending recommendations of the committee and the Government's decision thereon, Railways have been mainly laying stress on improvement in the quality of service, and the steps taken in this direction include introduction of "Quick Transit" service, running of express goods services, introduction of container service as an experimental measure, adjustment of freight rates, where necessary, provision of integrated rail-cum-road service through out-agencies, city booking agencies, street collection and delivery services etc.

Rebate on Freight Charges

*243. { Shri Subodh Hansda:
Shri S. C. Samanta:
Shri M. L. Dwivedi:
Shrimati Savitri Nigam:

Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the Railways allow rebate on freight charges in respect of certain goods or export;

(b) if so, whether this rebate is applicable to all exportable goods; and

(c) the monetary value of such freight concessions allowed since their introduction?

The Minister of State in the Ministry of Railways (Or. Ram Subbag Singh): (a) Yes, Sir.

(b) No, Sir. Rebate is applicable only to certain specified exportable goods.

(c) Monetary value of the concession allowed is available only from the year 1960-61 onwards. It is:

Year	Monetary value of concession allowed
	Rs.
1960-61	56,93,100
1961-62	66,97,500
1962-63	1,37,18,000
1963-64	90,69,900

Export of Iron Ore to Japan

*244. { Shri Vidya Charan Shukla:
Shri P. Venkatasubbalah:

Will the Minister of Commerce be pleased to state:

(a) whether an agreement was signed with Japan to supply two million tons of iron ore from Kiriburu Mines from 1964; and

(b) if so, its financial implications and the extent to which it has been executed?

The Minister of Commerce (Shri Manubhai Shah): (a) Yes, Sir.

(b) The prices and other terms of iron ore to be supplied to Japan are being negotiated according to the Agreement. Supplies were to start from April this year but are now expected to commence by September, 1965. The delay in the delivery schedule has been due to the fact that the installation of the mechanical loading facilities at the port could not be completed in time on account of soft ground conditions in the Port area. In

the interim period, a contract for supply of 3,50,000 tons of Kiriburu iron ore has been concluded with the Japanese Steel Mills, the deliveries against which are in progress.

Production of Cars

- *245. { Shri P. C. Borooah:
Shri Sidheshwar Prasad:
Shri M. L. Jadhav:
Shrimati Jyotsna Chanda:
Shri Dinan Bhattacharya:
Dr. Ranen Sen:
D. Saradish Roy:

Will the Minister of **Industry and Supply** be pleased to refer to the reply given to Starred Question No. 267 on the 18th September, 1964 and state:

(a) the steps since taken to reduce the prices of cars and increase their production in the country; and

(b) whether a decision has since been taken to revive the Small Car Project of Implementation under the Fourth Five Year Plan?

The Deputy Minister in the Ministry of Industry and Supply (Shri Bibudhendra Misra): (a) As stated in the reply to Starred Question No. 267 on 18-9-1964, the main possibility of achieving substantial economies in the production of cars is to maximise the scale of production. With this end in view, Government put the following alternative proposals before the three car manufacturers:

- (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 a competitive basis with reference mainly to requirements and arrangements for foreign exchange and assurance in regard to price reduction.

The response from the manufacturers to the above-mentioned alternatives has not been encouraging. Two of the manufacturers stated that even if their capacity was stepped up to 50,000 cars per annum, the reduction in price from the current level would not be more than about Rs. 750.

One of the reasons for the high prices of cars is the higher cost of locally-purchased ancillaries. This matter is under investigation with a view to taking remedial steps where necessary.

(b) Fresh alternatives for increasing the production of cars including the one regarding the revival of the small car project are being explored. Talks are being held with certain Indian parties as well as some foreign parties in regard to likely projects. As these talks are in early stages, it is difficult to spell out the details.

Tea Industry

- *246. { Shri P. R. Chakraverti:
Shri P. C. Borooah:
Maharajkumar Vijaya
Ananda:
Shri Ram Sewak:
Shri P. G. Sen:

Will the Minister of **Commerce** be pleased to refer to the reply given to Unstarred Question No. 413 on the 11th September, 1964 and state:

(a) whether the Tea Finance Committee, appointed by the Union Government, has recommended that the industry needs assistance in two forms—relief from taxes and development funds from external sources;

(b) how far these two-fold aid programmes have been worked out; and