

(d) whether Government have received any request for the purpose and if so from whom?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) and (b). Yes, Sir. The high phosphorus content of the ore makes the pig iron produced from it suitable for some forms of iron castings.

(c) and (d). The Punjab Government have indicated interest in setting up the pig iron plant in the State Sector. Details of the scheme have still to be received from the State Government.

श्री प्र० ना० विद्यालंकार: इस का तमाम फैसला कब तक हो जायगा ?

How long will it take for a final decision?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): As soon as the detailed proposals come from the State Government. There won't be delay in considering it here.

Shri Shivaji Rao S. Deshmukh: As the hon. Minister's reply is in the affirmative, do I take it that the estimated amount of iron ore in the Punjab exceeds 3 million tons?

Shri C. Subramaniam: Yes, Sir. That is the estimate made.

Shri Sham Lal Saraf: May I know whether the proposed pig iron plant will be in a position to satisfy the demand of that area of the country?

Shri C. Subramaniam: I think the need of that area is much more than 100,000 tons.

Production of Motor Trucks

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- *101. { Shrimati Savitri Nigam:
Shri M. L. Dwivedi:
Shri Surendra Pal Singh:
Shri S. C. Samanta:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether it is a fact that India has received an offer of a big loan

from the U.S.A. for increasing the production of motor trucks in this country;

(b) if so, what is the quantum of this loan; and

(c) what are the main terms and conditions on which this loan will be advanced?

The Deputy Minister of Steel and Heavy Industries (Shri P. C. Sethi):

(a) to (c). A statement is laid on the Table of the Sabha.

Statement

(a) to (c). The following automobile manufacturers in the country have recently secured direct loans from the U.S. Agency for International Development for the amounts shown against each for the import and installation of machinery and related equipment for the manufacture of components for their vehicles and increasing their plant capacities and production:—

Name of manufacturer	Amount of loan	Loan Agreement Signed on	Remarks
1. M/s. Premier Automobiles Ltd., Bombay.	\$3.0 million	28.6.62	(They had obtained a direct loan of \$7.2 million in 1961 also).
2. M/s. Tata Engg. & Locomotive Co. Ltd., Bombay.	\$13.7 million	25-9-62	
3. M/s. Hindustan Motors Ltd., Calcutta.	\$15.8 million	8-11-62	

While in the earlier case, the loan is repayable in 27 semi-annual instalments it is repayable in 17 semi-annual instalment in the later cases. A credit fee of $\frac{3}{4}$ of 1% and a special charge of 5%, per annum, are payable on the unrepaid balance of the loans. These payments are to be made in India in rupees to the Government of India, who will make the repayment to the Agency for International Development, in accordance with separate Special Loan Repayment Procedure Agreements concluded between the Government of India and Agency for International Development.

Shri Surendra Pal Singh: May I know whether this loan has been fully utilised by the three firms mentioned in the statement and what is the expected increment in the indigenous contents of the vehicles manufactured by these firms?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): A general target of 90 per cent of indigenous production has been laid down.

Shri Surendra Pal Singh: May I know whether this loan will be utilised only for the purpose of increasing the production capacity for military type of vehicles or for all types of vehicles?

Shri C. Subramaniam: This is for commercial type of vehicles it may be used for military purposes also.

Shri M. L. Dwivedi: The statement says that a total loan of \$ 32.5 million has been sanctioned by the U.S. Agency for International Development. May I know whether this is the entire amount of the loan advanced, and if so, the terms of repayment by the Government of India to USA in accordance with the Special Loan Repayment Procedure Agreements?

Shri C. Subramaniam: It has to be repaid in 60 or 61 instalments beginning ten years after the first payment.

Shri M. L. Dwivedi: May I know whether this is the full loan or whether anything more than this has been given?

Shri C. Subramaniam: This is the present loan. Further loans may be necessary later on.

Mr. Speaker: Shri Harish Chandra Mathur.

Shri M. L. Dwivedi: How much?

Mr. Speaker: I have called Shri Harish Chandra Mathur.

Shri Harish Chandra Mathur: May I know whether this loan was secured after the schemes were sanctioned by the Government of India and

whether they have 'okayed' this expansion, and whether they are going ahead with it?

Shri C. Subramaniam: Yes.

Forward Trading in Silver

*102 Shri D. C. Sharma:

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

(a) the impact of ban on forward trading in silver in the country; and

(b) how far the price of silver has come down as a result thereof?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) & (b). In the present emergency situation when prices of Commodities have to be carefully watched, Government did not consider it useful to have forward trading in such items where no substantial indigenous production or primary producers are vitally concerned and therefore, the forward trading in silver was banned. The ban is having a healthy effect in as much these precious metals like silver, bullion and gold are interlinked to some extent and gold control order had been promulgated in the wider interest of the economy.

Shri D. C. Sharma: May I know the specific good results that have flowed from this ban on the forward trading in silver?

Shri Manubhai Shah: The specific result is that the rise which one metal would tend to make on another metal has been prevented, because now there is no organised market for forward trading in silver.

Shri D. C. Sharma: In what way is this ban going to affect the rise in the prices of other commodities?

Shri Manubhai Shah: As I have explained, there is no silver exchanged now, and, therefore, the sympathetic rise that one metal will have on another will be prohibited.