

mobile ancillary industry to the Government of India. The report, together with Government's decision thereon, will be laid on the Table of the House, shortly.

Export of Iron Ore

**3266. SHRI MADHU DANDAVATE:
SHRI VASANT SATHE:**

Will the Minister of COMMERCE be pleased to state:

(a) whether iron ore is exported to countries like Japan for an average price of Rs. 55 00 per ton including cost of loading into ships;

(b) the steps taken/proposed to ensure higher/economic prices for iron ore from powerful steel parties; and

(c) in view of the urgent need for earning more foreign exchange by boosting up exports, what measures have been taken to strengthen our economic intelligence in export matters?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) No Sir, India is getting reasonable prices consistent with international competition and export facilities which can be offered to foreign buyers.

(b) The infra structure at loading ports is being improved to facilitate loading of large size vessels. Efforts are continuing to further improve upon the existing prices.

(c) Apart from the intelligence gathered from India's Trade Representation abroad the Minerals and Metals Trading Corporation has arrangements for collection of economic intelligence through its Regional Offices, its selling agents and business associates abroad.

Issue of Directives by R.B.I. Re: further Credit Squeeze

3267. SHRI PILOO MODY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently issued fresh directives to all banking institutions in the country regarding further credit squeeze;

(b) if so, an outline of the directives issued in this regard;

(c) whether the co-operative banks in the country have also been brought within the ambit of the credit squeeze; and

(d) whether as a result agricultural production is likely to suffer and if so, the reasons for bringing the co-operative banks within the ambit of its credit squeeze?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) to (d). In the context of the large increase in money supply and the pressure on prices, the Reserve Bank of India's current busy season credit policy seeks to tighten the credit control measures. The measures taken include, *inter alia*, the following:—

(i) A ceiling for scheduled commercial banks' credit expansion in sectors other than food procurement, during the period end-September, 1973 to end-April 1974 at about 10 per cent of the outstanding level of advances at the end of September 1973;

(ii) Raising of the statutory liquidity ratio from 30 per cent to 32 per cent;

(iii) Fixing the borrowings of banks from Reserve Bank within a ceiling limit of 1.5 per cent, 2 per cent and 1 per cent of a bank's total demand and time liabilities on