

### 3. Powerloom Sector—200 million yards.

The balance of 150 million yards will be allocated later.

SHRI M. VALIULLA: May I know ultimately what is considered to be the proper standard of clothing for Indians, now that we are going up from 16 yards to 18 yards?

SHRI N. KANUNGO: Well, it is suggested that it ought to be 22 yards.

SHRI KISHEN CHAND: May I know whether, in view of the present demand, the Government is thinking of revising the *per capita* consumption of cloth in this country?

SHRI N. KANUNGO: I did not catch the question.

SHRI KISHEN CHAND: May I know whether the Government has come to the conclusion that this *per capita* consumption of 22 yards should be revised and raised to 25 yards?

SHRI N. KANUNGO: No, not yet.

SHRI MAHESWAR NAIK: May I know whether the recent imposition of the excise duty on cloth has in any way affected the consumption of cloth?

SHRI N. KANUNGO: No, Sir.

SHRI H. C. DASAPPA: May I know if the power loom sector will be permitted to manufacture cloth for export?

SHRI N. KANUNGO: There is nothing to prevent them now.

SHRIMATI SAVITRY DEVI NIGAM: May I know if the Government has received any representation from the Khadi Board asking the Government to allot that amount which has been allotted to power looms and handlooms?

SHRI N. KANUNGO: No, Sir.

### INTEREST-FREE LOANS ADVANCED TO THE STEEL PLANTS IN THE PRIVATE SECTOR

\*220. SHRI PERATH NARAYANAN NAIR (ON BEHALF OF SHRI N. C. SEKHAH): Will the Minister for HEAVY INDUSTRIES be pleased to state:

(a) the total amount of interest-free loans advanced to the steel plants in the private sector upto the 30th September, 1956; and

(b) the amount of such loans earmarked for advance during the current financial year?

THE MINISTER FOR HEAVY INDUSTRIES (SHRI MANUBHAI SHAH): (a) and (b). Government agreed in 1954 to advance a total amount of Rs. 20.18 crores to the Tata Iron and Steel Co. Ltd., and the Indian Iron and Steel Co. Ltd., for their expansion programmes. The loans are interest-free during the period of construction. Rs. 5.2 crores are earmarked for advances during the current financial year. The Companies have drawn Rs. 15.16 crores up to 30th September 1956.

SHRI KISHEN CHAND: In view of the fact that the World Bank is giving loan to the Tata Iron and Steel Company and to the other concerns also, is the Government of India thinking of revising the terms to be offered to these concerns regarding the loans?

SHRI MANUBHAI SHAH: Not at all, Sir.

SHRI KISHEN CHAND: Why is it that the Government of India is now advancing them loans free of interest in spite of the fact that the Government of India has guaranteed the advancing of loans to these concerns by the World Bank?

SHRI MANUBHAI SHAH: The World Bank loans are to cover the foreign exchange component only,

and the Indian component of the expansion scheme is also very large, and that is why the Government of India have given loans free of interest during the period of construction. As soon as the factories go into production, the loans will bear interest.

**SHRI M. VALIULLA:** May I know what is the quantity that will be increased on account of the loans, and what will be the cost of production in Tatas as also in other concerns?

**SHRI MANUBHAI SHAH:** The cost of production can be worked out at the appropriate time because it depends on so many factors. As far as expansion is concerned it is going according to schedule and both the Companies are expected to complete their expansion before the end of 1958.

**SHRI M. VALIULLA:** I wanted to know what is the increase in production.

**SHRI MANUBHAI SHAH:** From 7½ lakh tons to 1.5 million tons saleable finished steel in the case of Tatas. In the case of Indian Iron and Steel from 3 lakh tons to 8 lakh tons, that is, more than two and a half times.

**SHRI M. VALIULLA:** As it is, we have got the project reports of some of the concerns meant for production of iron and steel, but the Tatas are claiming that they could produce at a lesser cost.

**SHRI MANUBHAI SHAH:** There is no such claim. It cannot be considered to be right.

#### INSTITUTIONS RECOGNISED FOR FORWARD TRADING IN COTTON

\*221. **SHRI H. C. DASAPPA (ON BEHALF OF SHRI M. GOVINDA REDDY):** Will the Minister for COMMERCE AND CONSUMER INDUSTRIES be pleased to state:

(a) the number of institutions which have been granted recognition for forward trading in cotton and cotton-seeds; and

(b) the particulars of those institutions and the dates when such recognition was accorded to them?

**THE MINISTER FOR TRADE (SHRI D. P. KARMARKAR):** (a) Four.

(b) I place on the Table of the Sabha a statement giving the information.

#### STATEMENT

| Name of the Association.                                    | Commodities in respect of which recognised | Date of recognition  |
|---|--|----------------------|
| The East India Cotton Association Ltd., Bombay.             | Cotton                                     | 30th July, 1954*     |
| The Ahmedabad Seeds Merchants' Association Ltd., Ahmedabad. | Cottonseed                                 | 26th May, 1956       |
| The Bombay Oilseeds Exchange, Ltd., Bombay.                 | Cottonseed                                 | 28th May, 1956       |
| The Central India Cotton Association, Ltd., Indore.         | Cotton & Cottonseed                        | 14th September 1956. |

\*The recognition granted to the East India Cotton Association Ltd., Bombay, under the Bombay Forward Contracts Control Act 1947 was continued by virtue of section 29 of the Forward Contracts (Regulation) Act 1952, when a notification dated the 30th July, 1954 was issued applying Section 15 of the latter Act to cotton. Permanent recognition to this Association was granted on 14-6-55 under the F. C. (R) Act. 1952.

**SHRI H. C. DASAPPA:** May I know when these three Associations the Ahmedabad Seeds Merchants' Association, the Bombay Oilseeds Exchange and the Central India Cotton Association made their first application for this concession?

**SHRI D. P. KARMARKAR:** I find that on the 3rd August 1954 the Forward Markets Commission issued a Press Note inviting applications in this regard, and the total number of applications received was 30. The Forward Markets Commission considered the matter, and on the 12th May, 1955 the Government of India issued a resolution accepting