

(b) if so, the results of the tests; and

(c) the final decision of the Experts Committee on the proposal?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) to (c). At the instance of the Government of Andhra Pradesh, the National Metallurgical Laboratory, Jamshedpur, undertook tests on raw materials locally available in Andhra Pradesh. The results indicate the technical feasibility of the production of pig iron from these local raw materials. The Technical Committee set up by the Government are now considering further information obtained from the Government of Andhra Pradesh regarding the suitability of various alternative sites and the economics of production.

Shri Rameshwar Tantia: May I know whether investigation has been made regarding the other aspects? What will be the size of this plant?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): The idea is to utilise the indigenous coal and ore available in that area and the test was in that regard. Apart from that we have already issued two licences to the private sector, one for the manufacture of pig iron of the capacity of 100,000 tons. Generally that will be the order of production in these plants.

Shri Rameshwar Tantia: Have they approached some other countries for collaboration?

Shri C. Subramaniam: With regard to these two licensees, I think they are seeking collaboration from East Germany.

Shri Venkatasubbiah: May I know whether this plant will be started as a joint enterprise of the Central Government and or the State Government or it will be a private sector plant?

Shri C. Subramaniam: As I have already stated, two licences have been issued. But there is another application from the Andhra Pradesh

Development Corporation which is an Andhra Pradesh undertaking. They have also made an application. That will be a part of the undertaking of this Corporation.

Shri Ranga: Is it the intention of the Government, if these enquiries prove fruitful, to take steps to establish this factory during the course of the Third Plan?

Shri C. Subramaniam: Yes, Sir. That is the intention.

Shri Sham Lal Saraf: How soon will it be possible for these licensees to set up their plants?

Shri C. Subramaniam: These licences were issued only during this year—one in August 1962 and the other in May 1962. They are seeking the collaboration of various other technical assistance. I am not in a position to give the exact date by which they will go into production.

Dr. K. L. Rao: May I know whether the navigability of the Godavary river to connect this part with the Madras-Calcutta line will be considered as an added advantage in locating the steel plant in this area?

Mr. Speaker: It is a suggestion.

Shrimati Lakshmikanthamma: In view of the fact that two licences have already been given for pig iron plant, has the Government given up the further consideration of the idea of having a steel plant in that State?

Shri C. Subramaniam: These are all pig iron plants. The question of steel plant is different and as I already indicated regionwise investigation is going on as to their establishment.

Textile Machine Industry

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*227. { Shri Daji:
Shri Indrajit Gupta:

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

(a) the total annual production of

Textile Machine Industry in the country;

(b) the installed capacity and the steps taken to expand it;

(c) how much of it is exported; and

(d) what steps are being taken to increase export?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Textile machinery together with its spares and accessories of the value of approximately Rs. 26 crores is now being produced in the country.

(b) The present annual licensed capacity is the order of Rs. 44 crores. Licences for the manufacture of textile machinery are liberally granted. Priority is also given for the import of capital goods.

(c) Machinery worth Rs. 15.11 lakhs, Rs. 35.61 lakhs and Rs. 13.72 lakhs was exported during the years 1960-61, 1961-62 and 1962-63 (upto August) respectively.

(d) Export of textile machinery has been decontrolled. A special export incentive scheme has also been introduced recently.

Shri Daji: In view of the large difference between the installed capacity, the licensed capacity, and the actual production, has the Government found out what are the specific difficulties of this industry to see that the full capacity is utilised immediately?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): Certain components have to be imported, but I agree there is a large installed capacity which is not being utilised. At present, only 33 per cent of the installed capacity is being utilised. Now, steps have been taken to see that by the end of this Plan period at least 77 to 80 per cent of this capacity is utilised.

Shri Daji: Looking to the very small amount of exports that we are

able to get from the industry and the possibilities which are very large, have we discussed with the industry concerned as to what actual help they want so that the export of these machines can be immediately stepped up?

Shri C. Subramaniam: Our own requirements are so large. It is only a national export we are allowing. I do not think we can afford to export this machinery in a large scale in which case we would have to be importing these machinery again from other sources.

Shri Indrajit Gupta: Following from the last answer given by the Minister, may I know how much foreign exchange we still have to spend for the import of machinery for modernisation and expansion purposes both in the cotton textile and the jute textile industries?

Shri C. Subramaniam: I do not have the figures for the jute machinery manufacture here, but with regard to cotton textile machinery, in 1960-61, the import was of the order of Rs. 23.33 crores; 1961-62, Rs. 26.64 crores; 1962-63, up to August, Rs. 11.34 crores.

Shri Ranga: How do we reconcile these two statements: that our own requirements are so big that we should not boost up exporting textile machinery and, at the same time, only 30 per cent of the installed capacity is being utilised today?

Shri C. Subramaniam: That is the real difficulty with the private sector. We are trying to push them to utilise the capacity to a greater extent.

Shri Mohammad Elias: May I know whether the Government is giving financial help to those factories which are producing textile machinery and whether any amount is given to the TEXMACO, which is the biggest textile machinery manufacturing company in the country and, if so, what would be their total production under the new expansion programme?

Shri C. Subramaniam: I do not have the figures with regard to it.

Shri Ranga: Whether it is private enterprise or public enterprise, when the installed capacity cannot be utilised for want of market demands in this country for the machines to be produced, how does my hon. friend propose to utilise this installed capacity, either for the production of textile machinery or for the production of some other machinery which can possibly be conveniently turned out from the same factories?

Shri C. Subramaniam: I am afraid the hon. Member has not understood the real position. Our needs are more, but in spite of that, the full installed capacity is not being utilised. So, we are goading them to utilise their entire capacity so that production will go up and our import of these machinery will be reduced.

Shri A. P. Jain: What proportion of the textile machinery is indigenous component and what proportion is imported, and what is being done to increase the indigenous component?

Shri C. Subramaniam: I do not have the exact percentage, but we are trying to have as much of indigenous production as possible. I am hoping, as I already indicated, that by the various methods we are taking at least 77 per cent of the capacity will be utilised towards the end of this Plan period.

Shri Tulshidas Jadhav: May I know whether it is a fact that some industrialists who had asked permission to import textile machinery are not given any permission to replace their machinery?

Shri C. Subramaniam: I have already stated that licences have been issued for the import of machinery to the extent foreign exchange is available, but our effort should be to increase the indigenous production as far as possible.

Export of Sackings

*228. **Shri Mohsin:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the large quantities of sacking manufactured by Indian Jute Mills are lying unsold and the stocks are rising year by year;

(b) whether it is a fact that foreign demand for sacking is decreasing from year to year; and

(c) what steps Government intend to take in this direction?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) A statement showing production, export and stocks of jute goods (hessian, sacking and others) is laid on the Table of the House. [See Appendix I, annexure No. 56].

(b) and (c). The foreign demand for sackings or other jute goods is not decreasing. The decline in export in 1960 and 1961 was largely due to shortage of jute and high prices of jute goods and competition from Pakistan in India's sacking markets. The exports of jute goods have increased in 1962.

Shri Mohsin: Which are the countries that import sackings from India and what is the foreign exchange earned on this item?

Shri Manubhai Shah: U.K., Europe, Near East, Far East, Africa, practically every country in the world is importing sackings of jute, hessian and other goods.

Shri Mohsin: The second part of my question has not been answered. I want to know the foreign exchange earned on this item.

Shri Manubhai Shah: We expect more than Rs. 155 crores this year, which is a record compared to what we earned in the past.

Shri Bhagwat Jha Azad: How is it that the high price of sacking which