

**Small Car Project**

- \*1434. **Shri Hari Vishnu Kamath:**  
**Shri Daljit Singh**  
**Shri D. C. Sharma:**  
**Shri Onkar Lal Berwa:**  
**Shri Omkar Singh:**  
**Shri Ramachandra Ulaka:**  
**Shri Dhuleshwar Meena:**  
**Shri Hukam Chand**  
**Kachhavalaya:**  
**Shri Bade:**  
**Shri P. C. Borooah:**  
**Shri R. Barua:**

Will the Minister of **Industry** be pleased to refer to the reply given to Starred Question No. 483 on the 11th March, 1966 and state

(a) whether the consideration of the matter regarding the manufacture of small car has been concluded; and

(b) if so, the result thereof?

**The Minister of Industry (Shri D. Sanjivayya):** (a) Not Yet, Sir.

(b) Does not arise.

**Prices of Terylene and Silk Fabrics**

\*1435. **Shri P. C. Borooah:** Will the Minister of **Commerce** be pleased to state:

(a) whether it is a fact that the prices of terylene, silk and rayon fabrics have considerably increased during the past two months;

(b) if so, to what extent their average prices have increased since January, 1966;

(c) the main reasons for this rise in prices; and

(d) the steps taken to bring them down and stabilise those prices?

**The Deputy Minister in the Ministry of Commerce (Shri Shafi Qureshi):**

(a) and (b). Yes, Sir. A marginal increase ranging between 5 and 10 per cent in the prices of man-made fabrics and mulberry silk fabrics has been noticed during the past two months. There has been no such in-

crease in the case of Tasar fabrics.

(c) The increase in price of terylene has been due to inadequate supply of terylene filament yarn in the country consequent on the ban imposed by Government on its import under the export promotion scheme. No data on prices of terylene yarn or fibre is maintained as such a short supply commodity with little production in the country widely fluctuates in its prices.

The rise in the price of mulberry raw silk is due to failure of rains in Mysore State resulting in a decline in the inflow of cocoons to Government Silk filatures and to private reeling establishments. Imports of silk from Japan have also to be made at enhanced prices. The rise in prices of rayon fabrics has been due to the rise in the prices of the raw materials such as wood plup which have to be imported against exports of artsilk fabrics. Due to foreign exchange difficulty it has not been possible for Government to continue the system of grant of actual users' licences for import of wood plup. The rayon manufacturers have been putting up the prices of rayon fabrics to recoup the loss incurred on the exports of artsilk fabrics, etc.

(d) A few more industrial units for the manufacture of polyester fibre will be set up shortly which will increase the availability of terylene filament yarn in the country. Increased provision is being made for the scheme of Mysore State for sinking of irrigation facilities for mulberry plantation during the Fourth Plan period. To assist the rayon industry to meet its requirements of wood plup, Government have recently permitted import of rayon grade plup under the National Defence Remittance Scheme.

**Salem Steel Plant**

- \*1436. **Shri P. Venkatasubbalah:**  
**Shri Kindar Lal:**  
**Shri Vishwa Nath Pandey:**  
**Shri D. C. Sharma:**