

be provided to areas in South Bihar and Chota Nagpur because they are affected by droughts every 3-4 years?

Shri Manubhai Shah: It is the declared policy of the Government to help and assist all such areas.

Dr. Ram Subhag Singh: It is mentioned in the statement that sugar machinery, cement, bicycles, glass bottle phials are going to be manufactured in the eastern UP. May I know whether people of that locality will be employed in superior posts?

Shri Manubhai Shah: Generally it happens that for particular specialised jobs it would not be possible to restrict recruitment anywhere to a particular State; it must come from the whole of India and, if necessary, foreign experts also have to be employed.

Shri T. N. Singh: As one belonging to that part of the State, I know whether Government will consider the advisability of specially making enquiries right now about the failure of these concerns to employ local people?

Shri Manubhai Shah: Firstly it will be an early presumption to say that these twenty-one factories which are likely to come up and which are still not under production have employed local people or not. But I can assure my hon. friend that if and when any factory goes into production we always try to see that local labour, as far as labour is concerned, is always employed. As far as supervisory staff is concerned, there also a very large majority comes from the local area. Only a few top posts are filled by people from other areas.

Dr. Ram Subhag Singh: That is wrong.

Shri Gajendra Prasad Sinha: About eighty per cent are from outside.

Mr. Speaker: Next question.

Nepa Paper Mills

*642. **Dr. Ram Subhag Singh:** Will the Minister of Commerce, and Industry be pleased to state:

(a) whether the Nepa Paper Mills had the problem of electric power shortage even before the headers of the boilers of the present power house got cracked;

(b) what steps Government have taken to meet the power demands of the Nepa Mills and other industries springing up in Neapanagar; and

(c) by what time the power requirements of the industries in Neapanagar will be fulfilled?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) The power supply was adequate for the quantum of production so far reached.

(b) and (c) Madhya Pradesh Electricity Board have undertaken to supply power to the Nepa Mills as to small towns in the vicinity. The question of power supply to a Caustic Soda/Chlorine Plant at Neapanagar has been under the consideration of the Electricity Board. The Board are considering how best to meet the additional power requirements of Nepa Mills as well as of other industries.

Dr. Ram Subhag Singh: May I know to what extent the production of the Neapanagar Paper Mill is suffering due to want of power supply?

Shri Satish Chandra: As I said, there is adequate power for the present requirements. The Nepa Mills have not yet reached their rated capacity. The production is gradually increasing, but for the present requirements there is sufficient power available.

Dr. Ram Subhag Singh: What are the factors because of which this factory has not yet reached its rated capacity production?

The Minister of Industry (Shri Manubhai Shah): As we made it clear last time also, some of the equipment for grinding bamboo and timber and

some of the steam raising equipment, that is, boilers and power supply, are lacking in the Nepa Mills. Now they are being provided for and we hope that practically the top capacity of 80 to 82 tons per day will be reached within the next six months.

Shri Heda: As per programme the mill has started manufacture of newsprint. Is it a fact that they have taken a decision to switch on to white printing with a view to use the full rated capacity?

Shri Manubhai Shah: No, it is a newsprint manufacturing factory, not of printing paper.

Shri T. B. Vittal Rao: May I know how the cost of production now compares with the imported ones?

Shri Manubhai Shah: Quite favourably.

Shri T. N. Singh: According to the information previously supplied by the management of this concern, the shortage of power was the great stumbling block. But from what the Minister now says it seems that it is lack of certain essential items of machinery which have prevented this concern from going into full production. What are the true facts?

Shri Manubhai Shah: Perhaps the hon. Member has caught only one part of the point. There are so many factors besides even these two, but these are two major factors. As far as power supply is concerned, the Madhya Pradesh Electricity Board have been contacted and they are trying to raise it to meet the full requirement of the factory.

Shri V. C. Shukla: Has the Madhya Pradesh Government requested for the supply of Chambal power, when it becomes available, to Nepanagar?

Shri Manubhai Shah: Not as far as we know, because Chambal power is to be used for some other purposes.

Cottage and Small Scale Industries

*842. **Shri Heda:** Will the Minister of Commerce and Industry be pleased to state:

(a) the number of applications received so far by the Delhi Directorate of Industries and Labour for the grant of loans under the State Aid to Cottage and Small Scale Industries Rules 1956;

(b) how many of them have been accepted, and

(c) whether Government is able to cope up with the growing demands of Cottage and Small Scale Industries in the State?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). During 1956-57, 621 applications were received of which 178 were accepted by the Delhi Administration. Further 474 applications have been received during the current financial year, but none has been accepted so far out of these.

(c) Yes, Sir. Adequate funds are being given to the Delhi Administration for loans to small industrialists.

Shri Heda: In view of the intensive industrialisation of the Delhi area, may I know why this arrangement of sanctioning loans is tacked on with the Punjab State and whether it has adversely affected the Delhi interests or otherwise?

Shri Manubhai Shah: These are not loans which are tacked on to the Punjab. If the hon. Member is referring to medium and large size loans, that is a different matter. These are under the State Aid to Cottage and Small Scale Industries, and they are directly administered by the Delhi Administration.

Shri Heda: The figures given by the hon. Minister show that in nearabout 22 per cent. of the applications, the loans were sanctioned, and then he stated that adequate funds have been provided. May I know the quantum of the fund and whether that will cope