

Shri Manubhai Shah: This particular question refers to B and C Class factories, and therefore concerns only the small industrialists.

Shrimati Parvathi Krishnan: May I know whether these deputationists also discussed the question of crisis that is facing the factories which manufacture veneers and splits for the match industry?

Shri Manubhai Shah: All these problems have been discussed, as I mentioned in the statement. Actually speaking, we are going into every aspect of B and C class factories, and as I have already assured the House several times, the Government is always promoting the small-scale manufactures with a view to promote small industries in every case.

Shri B. S. Murthy: May I know whether the Government have studied the memorandum given by these deputationists with reference to the nightly closures of the match factories, B and C class factories, and in that case, may I know whether any help will be given to the industry?

Shri Manubhai Shah: There are so many assumptions in that question. When the question of closure comes, we will deeply go into the matter and we will try to give them as much help as we can.

Shri Tangamani: In reply to starred question No. 938 on the 13th March, 1958, the hon. Minister said that in the power sector, 14 million gross matches are being manufactured as against 11.2 million in the cottage sector. May I know whether this does not show a higher percentage compared to the figures of the previous year, and, if so, what steps do the Government propose to take to reduce the production in the power sector?

Shri Manubhai Shah: I have already referred to this question before. It is our intention to see that the small-scale production—production in the B, C and D class factories—goes up.

It is true that in the last few months there was some decline in the production of B, C and D class match factories as compared to the production in the previous year, and that is precisely why all these new packings and new reliefs are being considered.

Paper Mills, Kesinga (Orissa)

*1035. **Shri P. K. Deo:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 241 on the 22nd May, 1957 and state:

(a) whether the construction of a paper mill at Kesinga in Orissa has been completed;

(b) if not, the difficulties in the way of construction; and

(c) the steps taken in the matter?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) and (c). The firm was facing difficulties in getting foreign credit for the purchase of machinery according to deferred payment terms approved by Government. It is, however, understood that negotiations in this behalf are about to be finalised.

Shri P. K. Deo: In reply to a similar question on the 22nd May, 1957, the hon. Minister replied that the time-limit has been extended till September, 1957. May I know what effective steps have been taken by the firm to start the plant and, if not, are the Government considering the cancellation of the licence?

Shri Manubhai Shah: The major handicap, as I have already mentioned in the answer, is the availability of deferred payment credit. Otherwise, the party, in several discussions that I had with them and also at the discussions with the officers of the Ministry, have showed that they have been taking special steps. If the delay in implementation was due to something over and above the deferred payment agreement, then, we will

not hesitate to cancel any licence given under the Industries (Development and Regulation) Act.

Shri Panigrahi: May I know how many paper mills were sanctioned for Orissa during the second Five Year Plan and whether the starting of the Chowdwar paper mill has also been sanctioned?

Shri Manubhai Shah: There has not been any type of allotment given State-wise in these projects. It is for the private industries to come forward and start the industries. The House will be glad to know that 22 new paper factories have already been licensed which will more than cover the second Five Year Plan target for the country which is at 4.5 lakhs of tons. We have licensed a capacity of 8-lakh tons.

Rebate on Handloom Products

*1036. **Shri Nanjappa:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 163 on the 14th February, 1958 and state:

(a) whether the Government of Madras have requested the Central Government to restore the cut in the rebate of handloom products;

(b) if so, the action taken thereon; and

(c) the steps taken by Government by way of propaganda for sale of handloom products in foreign countries since December, 1957?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir.

(b) The matter is under consideration.

(c) In addition to the steps taken earlier, new pamphlets and brochures have been sent for distribution in foreign countries since December 1957.

Shri Nanjappa: May I know whether the Madras Government has

requested this Government's support for setting up at State level, a Handloom Corporation?

Shri Kanungo: No, Sir. The Madras Government has not sent in any proposal like that.

Shri Ramanathan Chettiar: May I know whether the Central Government has received a resolution passed by the Madras State Co-operative Handloom Society, passed on the 31st January last, requesting the rebate to be increased to nine naye paise per yard?

Shri Kanungo: I am not aware of any resolution. It has not been communicated to me. I know that several of the co-operative societies have been asking for the continuance of the rebates.

Shrimati Parvathi Krishnan: May I know whether the Government have received a representation from the Madras Government regarding extension of the rebate to the weavers who are working under master-weavers?

Shri Kanungo: No, Sir. They have not sent any proposal like that.

The Minister of Commerce and Industry (Shri Morarji Desai): We have said that we would not give it to the private sector, that is, those who are not in the co-operative board.

Shri Tangamani: In addition to the representation made by the Government of Madras in November last, may I know whether they have made a representation after the last Assembly meeting there, about re-considering the question of restoring the old rate of rebate and also to ascertain whether the Central Government were prepared to extend and support a proposal to set up a handloom corporation at State level which would promote the sale of handloom products both in the internal and external markets?