

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?

Shri Morarji Desai: I have received a letter from the Minister of Industries, Madras, and I have replied to it at great length, explaining to him how and why it cannot be done.

Shri Tyagi: What was the total amount of rebate given last year for the handloom products? And what is the volume of cuts effected this year?

Shri Kanungo: The rate has been cut down from 2½ annas to 1½ annas from 1st December. Exact figures about the rebate is not available just now.

British India Steam Navigation Company Ltd.

*1037. **Shrimati Benn Chakravartty:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the British India Steam Navigation Company Ltd. has bought up the share capital of its managing agency M/s. Mackinnon, Mackenzie and Company Private Ltd., Calcutta and has also decided to terminate the managing agency by September, 1958;

(b) whether the management and control is being transferred to Hongkong;

(c) whether it is a fact that Calcutta office will work with a skeleton staff; and

(d) how much staff will be affected?

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

(a) The British India Steam Navigation Company Ltd. has purchased the entire share capital of Messrs. Mackinnon, Mackenzie and Company Private Limited. Government understand that Mackinnon Mackenzie are likely to cease to act as managing agents of the British India Steam Navigation by September, 1958.

(b) As far as Government are aware, the intention of the British India Steam Navigation seems to be to unify both its control and management in

London where its Headquarters are situated.

(c) and (d). Termination of the managing agency may involve some reduction of staff in the Calcutta office of Mackinnon Mackenzie, but Government have no information as to the extent of the possible reduction of staff, if any, on this account.

Shrimati Renu Chakravartty: May I know whether it is a fact that the provisions in the new Company law, relating to managing agencies, is one of the reasons why the British India Steam Navigation Company desires to transfer its main activities from Calcutta to foreign countries, to London or Hongkong and, if so, what steps Government are taking to see that the employees at least are not thrown out of employment?

Shri Satish Chandra: The Companies Act does not very much affect the British India Steam Navigation Company, because it is a British firm registered in the United Kingdom. The managing agents, Messrs. Mackinnon, Mackenzie and Company is a private limited company, though it is registered in India. So, the more restrictive clauses of the Companies Act do not affect this company. So, that could not be the reason for these transactions.

Shri Prabhat Kar: May I know whether the company has informed Government that in view of the restrictions imposed on British shipping, they are now transferring their head-office to London? May I also know the restrictions that have been imposed?

Shri Satish Chandra: For that information the hon. Member may put a question to the Minister of Transport. As far as this transaction is concerned, the main company which owns the ships is a British firm. Its managing agency was also held by the British people. Then they thought of amalgamating the two and controlling them under one head-office in London.