

large quantities of standardised varieties. But, for specific purposes or specific designs, various steps are being taken by the Handloom Board and we hope that in the near future export requirements in sizable quantities will be met.

Shri B. S. Murthy: May I know whether it is under the contemplation of the Ministry to send a team of handloom workers to America to study the different patterns they would like to have?

Shri Kanungo: We are getting the consumers down here.

Shri Supakar: What is the volume of demand and what is the supply at present?

Shri Kanungo: For export purpose or the total?

Shri Supakar: For export of handloom products to U.S.A.

Shri Kanungo: The export figures show a satisfactory increase. For example, in 1955, the total export was 55 million and odd yards. In 1956, it was 59 million and odd yards.

Shri Thimmaiah: May I know the other countries where there is great demand for these products? May I also know whether any emporium had been set up in foreign countries?

Shri Kanungo: Yes. We have opened several sales centres—Singapore and Western Asia. We have got a trade centre in New York and another in Geneva. As a matter of fact, the bulk of the export goes to Africa and countries of Europe.

Tungabhadra Shutter Manufacturing Factory

*7. **Shri T. B. Vittal Rao:** Will the Minister of Commerce and Industry be pleased to state:

(a) at what stage is the proposal to take over the Shutter Manufacturing Factory at Tungabhadra Dam site; and

(b) when is it likely to be finalised?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). After a full examination of the matter,

Government have come to the conclusion that there is for the present no need to pursue the proposal. The State Government concerned are looking into the aspects of utilisation of this Factory.

Shri T. B. Vittal Rao: One of the reasons for mooted the idea of taking over this factory was that the supply of pig iron and steel to this factory was not adequate. So, it was perhaps thought that it could be taken over by the Centre and provided with adequate supplies. May I know whether the supplies are now adequate?

Shri Manubhai Shah: That was not the precise reason. At one stage, it was apprehended that when the project was over, perhaps there would be no work left for the factory. But experience has shown that there is enough work now and the Tungabhadra Project is utilising this factory to the fullest. There is no short supply of pig iron or steel. To the extent that every factory in this country is provided for, this factory is also looked after and provided for.

Shri T. Subramanyam: Is it a fact that the difficulty arose about the quantum of compensation to be paid for taking over this concern?

Shri Manubhai Shah: That was not also the main reason, perhaps. But, there was a difference of opinion regarding the compensation. But, that could have been finally settled by a talk across the table. Actually, I went to Hyderabad the other day to discuss certain matters with the Andhra Government. But really why we have not thought of pursuing the matter is because both the Andhra and Mysore Governments think that they can fully utilise this workshop at least for some time to come.

Shri Thirumal Rao: Is it the plan of the Central Government to own this factory as a shutter manufacturing concern to supply other river valley projects after the needs here are met?

Shri Manubhai Shah: No, Sir. That is not the intention at all.

Shri Thirumal Rao: There is no long term plan for this factory. I want to know whether they would close it down.

Shri Manubhai Shah: As I have said, that question does not arise for the present and as and when it arose, we would reconsider it.

Shri Dasappa: May I know the total out-turn of these factories at present?

Shri Manubhai Shah: Rs. 25 lakhs in terms of manufactured goods and Rs. 18-19 lakhs in terms of servicing and maintenance, per year.

Paper Production

*8. **Shri C. E. Narasimhan:** Will the Minister of Commerce and Industry be pleased to state:

(a) the steps taken and proposed to be taken by Government for the indigenous production of paper through small scale industries;

(b) whether the machinery required will also be indigenously manufactured or imported;

(c) the steps taken in this regard; and

(d) the number of large and small scale plants started since the commencement of the Second Five Year Plan?

The Minister of Commerce (Shri Kanungo): (a) to (d). A statement is laid on the Table of the House. [See Appendix 1, annexure No. 2].

Shri C. E. Narasimhan: With reference to para. (d) of the statement, may I know why no paper mill has gone into production so far, though licences were granted for 13 large and nine small paper mills?

Shri Kanungo: Licences have been recently issued. It usually takes about 18 months for a licensed factory to go into production.

Shri C. E. Narasimhan: May I know whether the Government has any production programme for paper and if so, what are the prospects of its implementation?

The Minister of Industry (Shri Manubhai Shah): The estimated demand at the end of the Second Plan period is about six lakhs of tons of which 2.1 lakhs of tons are being produced at present. We have licensed capacity of about 2.26 lakhs of tons. The balance is about 60,000 tons which we hope to cover in the next two years.

Shri Punnose: I am sorry I have not read the statement. There were certain proposals to start paper production in Malabar. What has happened to them?

Shri Manubhai Shah: They are still under consideration.

Shri Hem Barua: May I know if the Government is prepared to examine the prospects of locating paper industry in industrially under-developed countries like the State of Assam?

Mr. Speaker: Assam is not a separate country.

Shri Manubhai Shah: As a matter of fact, one licence was issued for a factory in Assam and we have already instituted a panel for paper and pulp industry which is going into this question very thoroughly.

Shri Amjad Ali: Is it in the private sector?

Shri Manubhai Shah: Yes, in the private sector.

Pandit D. N. Tiwary: May I know the difference in cost of production between small scale and large scale plants?

Shri Manubhai Shah: According to information available to us, there is not much difference. As a matter of fact, for certain varieties small scale industry is more profitable and for certain other varieties large scale production is more profitable.

Import Restrictions

*9. **Shri Sadhan Gupta:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the restriction on imports recently imposed by Government is being taken advantage of by