

community projects in India was not satisfactory"; and

(b) whether there is any basis for such a statement?

The Deputy Minister of Irrigation and Power (Shri Hathl): (a) No.

(b) Does not arise.

Shri A. N. Vidyalkar: Is it not a fact that on May 24 it was reported in the press that the U.S. Ambassador said that he was not satisfied with the progress of Community Projects in India?

Shri Hathl: No Sir, that is not a fact. He was not properly reported in the press. On the contrary what he said was that he had been here for a very short time and was not well-informed. The question of forming his own judgment one way or the other did not arise.

Shri Raghuramiah: Apart from the opinion of the U.S. Ambassador, may I know whether this Government has been assessing the progress of the Community Projects and they are satisfied with it.

Shri Hathl: We have been constantly watching their progress. They are going on very well.

PENCIL INDUSTRY

*204. **Shri A. N. Vidyalkar:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that India is now absolutely self-sufficient in respect of pencils;

(b) whether it is a fact that recent Government have liberalised the import of pencils;

(c) whether Government have received any protest from the pencil industry against Government's import policy, which is considered detrimental to the indigenous industry; and

(d) whether Government propose to revise their policy?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) I

am unable to answer the question in the affirmative.

(b) The import policy on pencils was liberalised to some extent after the import duty had been doubled.

(c) Some representations have been received by the Government.

(d) The import policy for all items is reviewed every 6 months.

Shri A. N. Vidyalkar: May I know if it is a fact that the productive capacity of the industry showed a considerable expansion during the last few years but the actual output of the industry has been far below that capacity?

Shri T. T. Krishnamachari: Well, Sir, I think that is a fact but it does not necessarily mean that the capacity and the output of the industry is adequate.

Shri A. N. Vidyalkar: Was not the liberalisation of import policy of Government of India responsible for this low production?

Shri T. T. Krishnamachari: No. The policy of liberalisation has been coupled with special increase in import duty.

Shri Matthen: How does the quality of the Indian pencil compare with the foreign imported pencils.

Shri T. T. Krishnamachari: I suppose the hon. Member uses pencils and he must have an experience of the quality.

Seth Govind Das: By what time is it expected that India would be self-sufficient as far as pencil making is concerned and also as far as the quality is concerned.

Shri T. T. Krishnamachari: My capacity to project into the future is extremely limited.

Kumari Annie Mascarene: May I know, Sir, from which countries pencils are imported into India?

Shri T. T. Krishnamachari: I would like to have notice.

Shri Damodara Menon: Has the Government considered the capacity of Indian pencil industry to produce

quality pencils before liberalising import.

Shri T. T. Krishnamachari: The capacity might be there, the production is not there. Pencils which are valued less than Rs. 16/- per gross are not allowed and there is a duty of 66 per cent. now as against 31½ per cent. The question of quality pencils is rather a matter for the consumer to determine if he shows a preference to have quality pencils in certain categories.

Kumari Annie Mascarene: On a point of order, Sir. The answer to my question is that the Minister requires notice to answer from which country the pencils are being imported. I think that the Minister knows but he is evading.

Mr. Deputy-Speaker: Directly or indirectly hon. Member should not cast aspersions on the integrity of an hon. Minister. If he wants notice he wants notice.

Shri Dabhi: May I know whether any Government assistance is being given to the indigenous pencil industry?

Shri T. T. Krishnamachari: Sir, pencil is a protected industry which has been enjoying protection and the assistance that we gave is largely by restricting import of cheaper pencils and imposing a very high rate of duty on the import of quality pencils.

Shri Mohiuddin: May I know what steps Government are taking to improve the quality of the pencils?

Shri T. T. Krishnamachari: I am afraid I am unable to answer the question off-hand. I require notice.

HYDRO-QUININE FACTORIES

*205. **Shri M. R. Krishna:** (a) Will the Minister of Commerce and Industry be pleased to state the number of factories producing hydro-quinine which have been closed down?

(b) What is the protection granted to this industry?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) It is presumed that the hon. Member is

referring to factories producing hydroquinone. One of the two factories producing hydroquinone was temporarily closed from February to August, 1952, and from December, 1952, to March 1953. Both the factories are now working.

(b) Protective duties of 27.3 per cent. preferential and 37.8 per cent. standard are levied on imports of hydroquinone.

Shri M. R. Krishna: May I know, Sir, whether it is a fact that these factories had to suffer heavy financial loss due to the over-estimation of domestic demands by the Tariff Commission?

Shri T. T. Krishnamachari: I require notice.

Dr. M. M Das: May I know, Sir, for what purposes this hydroquinone is used?

Shri T. T. Krishnamachari: Hydroquinone is used for producing photographic material.

WRITTEN ANSWERS TO QUESTIONS

RESERVATION OF *Dhoties* AND *Sarees* FOR HANDLOOM INDUSTRY

*195. **Shri Gidwani:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of Government has been drawn to the observations made in his speech by the Chief Minister of Madras, while declaring open the colony of handloom weavers at Tiruchengode in the Salem District to the effect that the cess on mill cloth would not be of substantial help to handloom weavers and that reservation of bordered *dhoties* and coloured *sarees* was the only way to help the industry; and

(b) whether Government intend to reserve *dhoties* and *sarees* for handloom production as suggested by the Chief Minister of Madras?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes.