

be made into the projects relating to these industries at the meeting of the Board of Directors held on the 9th October, 1955. Steps are being taken to secure suitable experts for carrying out these investigations.

Shri Gopal Rao: In view of the importance of the matter to the whole country are the Government prepared to take steps to hasten the work?

Shri T. T. Krishnamachari: Yes, Sir; Government is doing everything within its capacity. I may add that in regard to the Machine Tool Industry the Government itself proposes to set up a committee to enquire into the possibilities of developing this industry having in view the fact that we have certain information at our disposal consequent on the survey conducted by a committee appointed to consider this purpose some time ago.

Shri Valayudhan: May I know whether there is any proposal to start a new machine tool industry in India?

Shri T. T. Krishnamachari: Yes Sir; if it turns out from the report of a committee which we propose to constitute that we would need more machine tools, it may be that Government would start manufacture of machine tools themselves in the public sector and perhaps encourage the starting in the private sector of such machine tools as they can economically manufacture.

Export Promotion Council for Engineering Goods ;

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

(a) whether Government have set up an Export Promotion Council for Engineering goods;

(b) if so, its personnel;

(c) the body which was entrusted with this work so far; and

(d) the reasons for the setting up of this council?

The Minister of Commerce (Shri Karmarkar): (a) Government have assisted the trading and manufacturing interests to set up an Export Promotion Council for engineering goods.

(b) A statement is placed on the Table of the House. [See Appendix I, annexure No. 5].

(c) and (d). The object of setting up this Council was to guide and promote the exports trade in engineering goods. A statement showing the functions to be performed by this Council is laid on the Table

of the House [See Appendix I, annexure No. 5]. There was no particular body which was specifically entrusted with this work prior to the formation of this Council.

Shri Heda: What are the categories of engineering goods which are finding good markets or which have possibilities of finding good markets and which are those countries where we can find the markets?

Shri Karmarkar: Some of the engineering items which India offers for export are bicycles and bicycle parts and accessories, incandescent lamps, steel furniture, steel structurals, etc.

Shri Heda: One of the objects of setting up this Council is to study the individual markets. May I know how many countries have been studied and what are the results?

Shri Karmarkar: The Council has been set up only recently. Regarding the study of markets we did something about it in our Ministry, but the Export Council will look into the question as time passes.

Shri Heda: May I have an idea of the total exports for the last two or three years?

Shri Karmarkar: I may inform the hon. Member that India's annual export of engineering goods is valued at about Rs. 4 crores.

Shri M. L. Dwivedi: Which of the countries are buying our goods at present?

Shri Karmarkar: I should like to have notice.

Tea

*17. **Shri N. M. Lingam:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 2032 on the 21st September 1955 and state:

(a) the programme for increasing the tea production during the Second Five Year Plan; and

(b) the acreage proposed to be brought under cultivation?

The Minister of Commerce (Shri Karmarkar): (a) and (b). No specific programme for increasing the production of tea during the Second Five Year Plan has yet been drawn up. It is estimated that in the normal course 20,000 to 25,000 acres of new areas may be brought under cultivation during this period.

Shri N. M. Lingam: The tea production in India has in the past been negligible whereas other countries have been expand-

ing it rapidly. In view of this situation, what specific steps Government propose to take to give an incentive to expansion of this cultivation?

Shri Karmarkar: The steps to be taken are under our consideration at the moment. The scheme for expansion is settled by mutual consultation and we find that the latitude that was given for increasing cultivation of tea was not fully availed of. During the regulation period 1950-55, out of the permission for 13,500 acres granted by Government, only 836 acres were planted.

Shri N. M. Lingam: Are we to understand that Government have not bestowed serious thought over this matter? In the Second Five Year Plan we require a lot of foreign exchange and even if these schemes are commenced, the yield will only be in the Third Five Year Plan period. May I know whether Government will come to early decisions in the matter?

The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari): That is the idea.

Shri Badri Datt Pande: Do Government know that tea was a flourishing industry in Kamaon Hills? Would Government enquire into those methods and revive the system that was in force long ago?

Shri Karmarkar: I think I shall find that out and communicate it to the House.

Prefabricated Hospital Buildings

*18. **Shri Gidwani:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government entrusted the Reema Construction Company of U. K. with the construction of nine blocks of prefabricated hospital buildings;

(b) what was the amount of "over-head" paid to the Company;

(c) whether the Public Accounts Committee has observed that "the entire scheme was ill-conceived *ab initio* and that responsibility should be fixed"; and

(d) if so, what action has been taken on this recommendation?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Yes, Sir.

(b) Rs. 2.66 lakhs.

(c) Yes, Sir.

(d) The matter is under consideration in consultation with the Ministries of Health and Finance.

Shri Gidwani: Is it a fact that the contract was given to the company without any formal agreement? If so, why was a formal agreement not entered into?

Sardar Swaran Singh: A letter of intent had been issued and the agreement in its final form was drafted, but there were certain items which were not acceptable in it to the Government as also to the company, and that final agreement could never be finalised.

Shri Gidwani: Has the attention of the Government been drawn to a remark made by the Public Accounts Committee in their Fifteenth Report that the normal process of audit could not be applied during the execution of the work as copies of neither the letter of intent nor the estimate, etc., were furnished to Audit. May I enquire why was it not done?

Sardar Swaran Singh: The Report of the Public Accounts Committee was received early in October 1955, and in consultation with the Ministry of Finance it has been forwarded to the Minister of Health for their consideration and comments. Action on the report will be finalised shortly.

Shri Gidwani: Is it a fact that the amount paid to the firm was almost double as estimated by the Central Public Works Department or what the work would have cost has it been executed by traditional methods?

Sardar Swaran Singh: These are matters of detail which have been mentioned in the Report of the Public Accounts Committee, and as I have already submitted a new experiment was undertaken and the matter was examined at a fairly high level between the Minister of Finance and the Minister of Health. It is a matter about six years old. A certain loss did take place, but that should be regarded as a loss which sometimes does result in the case of new experiments.

Shri Kelappan: May I know whether the accounts of this company have been finally settled?

Sardar Swaran Singh: Not finally. There is some dispute over some items with the company.

Non-Edible Oil

*19. **Shri Jhulan Sinha:** Will the Minister of Commerce and Industry be pleased to state:

(a) the extent to which non-edible oil is now used in the manufacture of washing and toilet soaps in the country; and