

yarn available at reasonable prices, decision has been taken to grant special rebate for 30 days during 1980-81;

(b) if so, the details of the rebate scheme, and if no decision has yet been taken, when the decision is likely to be taken; and

(c) details of any other measures contemplated to make yarn available at reasonable prices to avert the crisis?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI Z. R. ANSARI): (a) Yes, Sir.

(b) Under the scheme for special rebate in 1980-81, a rebate of 20 per cent to be shared equally between Central and State Governments is allowed on the sale of handloom cloth to Cooperatives and the Handloom Development Corporations. The rebate is available for 30 days and the State Governments are free to operate the scheme with periods broken up into portions of not less than 7 days each. The special rebate is allowed on the retail sales of handloom cloth only.

(c) In order to ensure availability of yarn for the handloom industry arrangements have been made with the Indian Cotton Mills Federation to make available 23,000 bales of yarn every month in hank form at ex-mill prices to State Handloom Corporations and Apex Societies for further distribution to weavers and their associations. The quantity proposed for Kerala under the existing arrangements is 2075 bales per month.

The State Governments have also been requested to arrange for public distribution of yarn by pooling hank yarn available from State Cooperative Spinning Mills, State Textile Corporation Mills and the surplus from the National Textile Corporation Mills.

In order to increase the production of yarn, assistance is given to Handloom Weavers Cooperative Spinning

Mills by way of share capital contribution to the extent of 45 per cent of the total project cost of the spinning mills.

Restriction in issue of Licences for setting up of Vanaspati Industries

2952. SHRI CHANDRABHAN ATHARE PATIL: Will the Minister of CIVIL SUPPLIES be pleased to state:

(a) whether Government, as a matter of policy, have decided not to issue further licences for setting up Vanaspati industries in surplus areas particularly in Maharashtra, to meet the shortages in the country even though there is surplus raw material available in the State concerned;

(b) if so, the reasons therefor; and

(c) whether Government are contemplating to revise this policy with a view to utilise the surplus raw material and also to increase production to meet shortage?

THE MINISTER OF CIVIL SUPPLIES (SHRI V. C. SHUKLA): (a) to (c). The Government have as a policy, not been licensing in recent years, additional capacity for manufacture of vanaspati in areas where sufficient capacity already exists. There is no overall shortage of vanaspati in the country. The demand-supply situation is kept under constant watch by Government and appropriate steps are taken from time to time to increase the production of vanaspati as and when necessary.

Increase in Demand for Controlled Cloth

2953. SHRI INDRAJIT GUPTA: Will the Minister of COMMERCE be pleased to state:

(a) whether the demand for controlled cloth is going up due to increased prices of the varieties;

(b) whether actual production of controlled cloth has been lagging far behind the target quotas; and