

quantity of cloth produced by the mills. Also when all the commodity prices are in a spurt, it will be impracticable to remove any price controls on essential commodities like cotton, cloth, edible products etc. As a matter of fact the area of price and other controls on goods essential to the life of the community is being enlarged.

To bridge the gap between the demand and supply of cotton, imports have been arranged; and these are expected to be around 9.50 lakh bales during the current cotton years. The present increase in Cotton prices is attributable to the reported slight damage to the new crop, the delay in its movement in certain areas due to withholding of stocks, the anticipated increase in mill consumption this season, speculation in the market and rush buying by mills. With the accelerated movement of the crop from the middle of December and with the imports taking place usual, the prices are expected to stabilise and remain within the ceilings. Necessary stability to the prices can be brought about by the mills refraining from rushing in for supplies.

The Textile Commissioner has called a meeting at Bombay on 17th December to discuss with the representatives of the mills, the cotton traders and the cotton growers the steps to be taken to normalise the situation quickly.

IRON-ORE PRODUCTION PLANT

*641. SHRI BABUBHAI M. CHINAI: Will the Minister of STEEL AND MINES be pleased to state:-

(a) whether it is a fact that ESSO has offered to set up an iron-ore production plant; and

(b) If so, what are the details of the offer?

THE MINISTER OF STEEL AND MINES (SHRI N. SANJWA REDDY): (a) and (b) Yes, Sir, but ESSO's proposal refers to an iron-ore "reduction" plant i.e. a plant for reducing

iron ore to iron. The proposal is under consideration.

DEMURRAGE ON COAL WAGONS DRAWN EMPTY

*646. SHRI SURJIT SINGH ATWAL: Will the Minister of RAILWAYS be pleased to refer to the answer given to the Starred Question No. 262 in the Rajya Sabha on the 17th September, 1964 and state:

(a) the reasons for which demurrage on wagons drawn empty due to cancellation of orders by the purchasers is being demanded from the collieries when the wagons supplied in the month of July, 1964 were according to the programmes submitted by the Coal Controller and not by the collieries; and

(b) whether Government have received any representation for remission of demurrage thus charged?

THE DEPUTY MINISTER IN CHARGE, MINISTRY OF RAILWAYS (SHRI BHAM NATH): (a) When no timely advice of cancellation of Coal Controller's programmes for July 1964 was received from the collieries, demurrage on wagons supplied against that programme was levied.

(b) Yes, Sir.

PIG IRON PLANT AT HISSAR

*649. SHRI P. ABRAHAM: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Government of Punjab have approached the Government of India for setting up a pig iron plant at Hissar; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STEEL AND MINES (SHRI N. SANJWA REDDY): (a) and (b) Yes, Sir. A letter of intent has been issued in favour of the Government of Punjab for establishing a pig iron plant at Hissar with an annual capacity of 100,000 tonnes.