

**Mr. Speaker:** He says the accounts will be placed on the Table.

**Shri Tyagi:** Have the Government been kept in the dark with regard to the day to day transactions?

**Mr. Speaker:** One question at a time.

**The Minister of Finance (Shri T. T. Krishnamachari):** May I say a few words? Only the profit and loss account will disclose losses or profits as a whole. But naturally they must have ledger account for every particular transaction that they have. These accounts must disclose whether there have been individual losses or individual profits on a particular item. The report would certainly indicate broadly the nature of the transactions. If any details are then wanted, I am sure my colleague will be able to furnish details.

**Shri Bimal Ghose:** I should like to know whether the published reports will disclose or enable Members to know on what particular items losses have been incurred and on what profits have been made.

**Shri T. T. Krishnamachari:** Normally in any company which is a trading company, these details are not asked unless the company incurs a total loss, when you ask for details as to where the losses have been incurred I think that will be the normal procedure and I expect that will be followed even in this matter. If the State Trading Corporation incurs a loss, naturally the House would like to know where the losses have been incurred and what are the transactions which are bad transactions. If there is an overall profit, in the case of an ordinary company, the shareholders do not ask for details. But if the House wants details in regard to any particular transaction, naturally the information should be furnished because the information will be available as there must be a ledger account.

## Textile Mills

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**Shri Tania:**  
 \*14. **Shri Narayanankutty Menon:**  
**Shri Tangamani:**  
**Shri Jadhav:**

Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 889 on the 14th August, 1957 and state:

(a) the present position with regard to stocks of cloth lying uncleared with textile mills; and

(b) what steps Government propose to take to get these stocks disposed of?

**The Minister of Commerce (Shri Kanungo):** (a) The total stock with the textile industry at present is estimated at about 6.06 lakhs of bales made up of 3.91 lakhs of bales unsold and 2.15 lakhs of bales sold but not yet taken delivery of by the trade.

At the current rate of production this will mean that the industry carries just eight weeks' production. It is not abnormal for the industry to carry stocks of this magnitude.

(b) Individual cases of textile mills requiring finance for rehabilitation of plant and machinery etc., so as to bring down the cost of production and also improve the competitive selling capacity are considered for grant of financial assistance by way of loan from the National Industrial Development Corporation. Government are also watching the position of the Cotton Textile Industry very carefully.

**Shri Tania:** May I know whether Government are considering reducing the excise duties, specially on coarse and medium cloth, in view of the fact that a large part of the country is in famine and the buying capacity of the people is reduced?

**Shri Kanungo:** The latter assumptions may not be correct, but since the excise duties were imposed, the matter is always under examination.

**Shri Damani:** What was the stock of cloth last year in the corresponding period?

**Shri Kanungo:** Last year was an unusual year because there was considerable demand and goods moved out very quickly. Even then the stocks were nothing less than three weeks.

**Shri Tantia:** May I know whether considering the recent competition of Japan, Government is considering subsidising cloth export?

**Shri Kanungo:** It is not necessary.

**Shri Tangamani:** In reply to starred question No. 889 of 14th August, the hon. Minister was pleased to state that the then stock position was only one month's stock. Now, the Minister says that it is 8 weeks. It is also stated that the stock was 3.19 lakhs and now it is 6.46 lakhs. May I know whether steps will be taken to clear these stocks? Otherwise, because of the accumulation of stocks there is the danger of retrenchment. May I know what new steps Government propose to adopt to clear the stocks?

**Shri Kanungo:** A stock of two months' production is nothing unusual in the industry; there is nothing to be alarmed.

**Shri Tangamani:** In view of the fact that the stock during the corresponding periods of 1955 and 1954 was far less, is not the present stock unusually high?

**Shri Kanungo:** The production at that time was less and the demand was very much higher because it was the pent-up demand of the control days that was being satisfied.

**Shri Morarka:** May I know if Government is aware that one of the reasons for the slow movement of stocks is the uncertain expectation of the people about the reduction of excise duty and would the Government categorically state whether they are going

to reduce or not the excise duty in the near future?

**The Minister of Commerce and Industry (Shri Morarji Desai):** I should say that this very question also adds to the uncertainty. We have often said that it is not going to be reduced.

**Shri Damani:** May I know whether textile mills closed down on account of very heavy stocks with them?

**Shri Kanungo:** Only one mill has said that the reason for the closure is stock.

**Shri Narayanankutty Menon:** Last time when the hon. Minister answered a question about stocks he was pleased to state that the stocks accumulated at that time because of the approach of the Puja and Diwali and that the stocks would be sold out very soon. But, we find that in spite of Puja and Diwali the stocks have gone considerably high. Could we know what is the specific reason for the accumulation of stocks in spite of the answer given last time and whether it is a fact that at this particular time we are not encountering public apathy because of the increase in the cost of textile goods?

**Shri Kanungo:** The stock is not unusually high as I said in reply to the main question. We have not got the final figures about stock after Diwali. Even then, there has been certain speculation and uncertainty as disclosed by one of the questions. I hope when the business starts the stocks will move.

**Shri Jadhav:** Is it a fact that the mill industry is thinking of curtailing production?

**Shri Kanungo:** I do not think so.

**Shri Jadhav:** By closing the mills?

**Shri Kanungo:** No.

#### Traditional Handicrafts

\*15. **Shri Raghubath Singh:** Will the Minister of Commerce and Industry be pleased to state what assistance