

SHRI L. N. MISHRA : I cannot exactly say. We will have to wait for this report and it will reveal so many interesting points.

**ENTRUSTING EXPORT PROMOTION TO
LEADING BUSINESSMEN**

SHRIMATI YASHODA REDDY : *f SHRI
ARJUN ARORA : f

Will the Minister of COMMERCE AND
INDUSTRY b_e pleased to state:

(a) whether there is any proposal under Government's consideration to entrust leading businessmen in the country with the task of export promotion; and

(b) if so, the details thereof?

THE DEPUTY MINISTER OF COMMERCE AND INDUSTRY (SHRI SATTISH CHANDRA) : (a) Government are reviewing the institutional arrangements for export promotion with a view to making them more effective. At present businessmen are associated with the Central Export Promotion Advisory Council, Port Advisory Committees, various commodity Boards and export promotion councils. Chambers of Commerce and Export Promotion Institutions may be consulted before any changes are introduced in the existing pattern.

(b) Does not arise.

*75. [The questioner (Shrimati Yashoda Reddy) was absent. For answer, vide cols. 656-57 infra.]

CLOSED COTTON TEXTILE MILLS

*76. SHRI ARJUN ARORA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) the number of cotton textile mills which remained closed since 1958 and their State-wise distribution;

f The question was actually asked on the floor of the House by Shri Arjun Aron.

(b) the reasons for which the mills were incapable of reviving their operations; and

(c) the steps taken or proposed to-be taken for reallocating their equivalent capacity?

THE MINISTER OF INDUSTRY (SHRI MANUBHAI SHAH): (a) 11 mills, one each in Gujarat and Mysore,, two each in Madras, Orissa and Raja-sthan and three in Uttar Pradesh.

(b) The reasons why these mills were incapable of re-opening were either (i) the financial difficulties of the Management or (ii) the obsolete condition of the machinery of the mills which Were only fit to be scrapped, or (iii) legal proceedings instituted for the winding up of the mills.

(c) Of the 11 mills referred to in answer to part (a) it is possible that 5 may be revived. Of the 6 mills which will have to be eventually scrapped, the capacity of one has been already re-allotted. The question of re-allotting the rest is-under consideration.

SHRI ARJUN ARORA: May I know whether in re-allocating the capacity the regional strength of the industry will not be disturbed?

SHRI MANUBHAI SHAH: No, it will be done in the same State. Sc-automatically the regional strength remains.

SHRIMATI SAVITRY DEVI NIGAM: Just now the hon. Minister has mentioned that some of the mills have been closed because of financial difficulties. May I know the number of mills which have been closed because of financial difficulties? Secondly, may I know whether the hon. Minister Has enquired if the owners of these mills have not invested a large amount of capital in other industries in recent years?

SHRI MANUBHAI SHAH: That is not exactly the point. One of the reasons is financial but the ba*e

reason is that either the machinery is too old or the management has not been sufficiently efficient. That is why under section 15A, we have instituted enquiries about all these mills and we have found as a result of these examinations that six are to be scrapped and five could be revived.

SHRI BHUPESH GUPTA: The hon. Minister in his reply used at least three 'or's—machinery bad or mismanagement or some other thing. May I know if he is not aware that at least a good part of these mills had been closed as a result of mismanagement and in order to cover up certain things they were deliberately closed? If so, why the Government did not "take action under the Industries (Development and Regulation) Act in these cases?

SHRI MANUBHAI SHAH: Sir, actually some of them have been closed for more than ten years, and as the hon. Member and the House are aware, we are currently running 5 mills—under Government control and management. Wherever it was feasible we have taken over, reopened the mills and restarted their working.

SHRI JASWANT SINGH: I would like to know which are the two mills in Rajasthan which had closed down, and whether they have been scrapped or they have been proposed to be restarted, and, if the latter, who will start them, whether Government or the parties concerned.

SHRI MANUBHAI SHAH: Gopal Industries, Kotah, that is being restarted by the party itself through loan assistance given by the National Industrial Development Corporation—a loan of Rs. 16 lakhs. The other is the Bijoy Nagar Cotton Mills and it is going to be scrapped.

SHRI BHUPESH GUPTA: In view of the fact that the internal finances of many of these mills are sometimes deliberately mismanaged by the authorities, may I know, Sir, whether the Government held any proper en-

quiries into their finances and whether in the light of these enquiries they took their decision as to what should happen to these particular mills?

SHRI MANUBHAI SHAH: These are two questions apart. Wherever under the Company Law there is breach or mismanagement to public detriment—to public interest being jeopardised—suitable action is being taken. These are cases where the mills had to close due to non-profitable working. It was not merely for that one reason. There were several reasons which have been enquired into, and as a result of that enquiry so many have been revived and the others are being scrapped.

PANDIT S. S. N. TANKHA: With regard to the mills which have closed down because of financial difficulties, has the Government taken into consideration the idea of financing these mills?

SHRI MANUBHAI SHAH: Before public finances are lent out to these mills, after they are subjected to a technical examination—just I mentioned about Gopal Mills, Kotah—if we find that giving financial assistance will enable them to revive and work in an economic manner, financial assistance is rendered, but where the corpus is dead and the machinery is too old and obsolete, it is no use putting more public finances to waste.

SHRI ABHIMANYU RATH: What is the gist of the reasons for the Orissa Textile Mill's closure?

SHRI MANUBHAI SHAH: If everybody asks for names, it is interesting, but the Orissa Textile Mills, Bhagat-pur . . .

SHRI ABHIMANYU RATH: I wanted to know the gist of the reasons for its closure.

SHRI MANUBHAI SHAH: Mismanagement and all that are the . . .