

**Shri Raghunath Singh:** This firm is dealing with shipping also. It is called APJ Lines. So, I should be allowed to ask a question.

**Mr. Speaker:** The Question Hour is over.

#### SHORT NOTICE QUESTIONS

##### Closure of Jute Mills

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- S. No. 31. **Shri S. M. Banerjee:**  
**Shri Indrajit Gupta:**  
**Dr. Ranen Sen:**  
**Shri Daji:**  
**Shri B. K. Das:**  
**Shri S. C. Samanta:**  
**Shri Subodh Hansda:**  
**Shri Shree Narayan Das:**  
**Shri Yallamanda Reddy:**  
**Shri Dinen Bhatta-  
 charya:**  
**Shri Imbichibava:**  
**Shri Pottakkatt:**  
**Shri Nambiar:**  
**Shri A. V. Raghavan:**  
**Shri Madhu Limaye:**

Will the Minister of Commerce be pleased to state:

(a) Whether the Indian Jute Mills Association has proposed block closure of all its member mills for at least one week in May, 1966;

(b) if so, the grounds for the proposal;

(c) whether Government have given its approval to the same;

(d) the total loss in production and number of workers involved in the proposed closure; and

(e) whether there has been any unforeseeable scarcity of raw jute?

**The Minister of Commerce (Shri Manubhai Shah):** (a) to (e): The Indian Jute Mills Association propose to have a block closure of all the jute mills for a week in view of the acute shortage of jute fibre. As a result of the block closure, the industry expects that the consumption of raw jute which is in short supply will be reduced by 1.5 lakh bales. The industry has been concerned that due

to extreme shortage of raw jute, the prices of raw jute have shot up to a very high level that is Rs. 174.15 per quintal (Rs. 65 per maund), whereas the prices of jute goods have not risen proportionately. This is resulting in losses to the industry.

Due to severe failure of monsoon last year, the 1965-66 jute and mesta-crops suffered sharp decline in production and is now estimated at not more than 58.59 lakh bales, which shows a fall in raw jute production by 17.18 lakh bales as compared to 76 lakh bales of raw jute production in 1964-65. The industry started the July 1965-June 1966 season with a carry over of 20.25 lakh bales as compared to 28.36 lakh bales at the end of June 1964. Due to rising demand of jute goods abroad and at home, the production of jute goods was maintained at a very high level with a view to satisfy the internal demand for jute goods and the opportunities of increased foreign exchange earnings from exports. The exports touched a record level of Rs. 184 crores in 1965 as compared to Rs. 161 crores in the previous year. Consequently, the consumption of raw jute which stood at 77 lakh bales in 1962-63 rose to 88.80 lakh bales in 1964-65.

With a view to meet the gap between demand and supply, Government had to permit since the middle of June 1965, import of as much as 18 lakh bales of jute and mesta cuttings from abroad costing about Rs. 25 crores to Rs. 30 crores of foreign exchange. Out of this the industry is likely to get about 14.15 lakh bales mostly mesta from Thailand by the end of June 1966.

In view of the continued tightness of the raw jute supply position last year and continuously increasing consumption of raw jute and the continuing dry spell in the Eastern States of India and the limited prospects of getting larger quantities of raw jute from abroad, the jute industry feels

that the proposed block closure will be more effective and less troublesome to labour than a reduction or curtailment in daily production.

At the present rate of consumption the stock of raw jute with the mills at the end of June 1966, is expected to be only of the order of 11 lakh bales which is equal to a little over seven weeks requirements as against the minimum requirement at the end of the season of 21 lakh bales equivalent to 3 months consumption. Even with the reduced stock of 7 weeks requirements there is a serious problem of imbalance in gradewise and quantity-wise availability of raw jute for different types of constructions. Earlier this year it was hoped that a part of the new crop would arrive early by the beginning of July and help in tiding over the difficulties. Unfortunately this has not materialised because due to continuing dry spell in all the four Eastern States, the possibility of an early crop is not visible. Also due to lack of rains, there is likelihood of the crop being less than 90 lakh bales which was expected earlier. Thus raw jute prices have soared up, as stated earlier, to very high levels that is Rs. 17.15 per quintal (Rs. 65 per maund) seriously pricing out the jute goods for exports as well as for home consumption.

It is understood that jute mill workers and Government of West Bengal also prefer block closure to a cut in production. It may be recalled that under similar conditions of failure of rains and consequent fall in production of raw jute in 1961, the industry had to observe a block closure of a total of two weeks in June and July 1961.

Having due regard to all these considerations, the Indian Jute Mills Association has proposed that all its Member-Mills should close for a period of one week.

The closure will affect all the 2,25,000 workers now employed in the mills. The workers will, however, be

paid lay-off compensation for the period of closure at the rate of 50 per cent of the basic wages, 50 per cent of the dearness allowance and 50 per cent of the increased wage on the basis of the Wage Boards recommendations under the Industrial Disputes Act.

The proposal of the Indian Jute Mills Association for block closure is under consideration.

**Shri S. M. Banerjee:** Having heard him patiently, it appears that 2,25,000 workers are going to be idle and they will be paid only the lay-off pay and allowances. The last sentence of the reply is that this is under consideration. I would like to know whether the Minister has considered this point that practically this has become a regular feature of the Jute Mills' Association to have block closure either in the name of shortage or in the name of anything else; if so, whether any concrete steps have been taken by Government to see that such closures do not take place.

**Shri Manubhai Shah:** The hon. Member's assumption is wrong. It is not based on some assumptions. Raw jute is just not there. Therefore it is an extraordinary feature that we imported Rs. 30 crores worth of raw jute. The world also has no raw jute supply. If the failure of monsoon continues, certainly we cannot blame the Jute Mills' Association for that. The only alternatives are either a short-term block closure or a continued reduction and lay-off for a long period of time to conserve the raw jute which is there.

**Shri S. M. Banerjee:** I would like to know whether it is a fact that the delegation of IJMA headed by the Jute Commissioner and representatives of Macneill and Barry Limited and Jardine Henderson went to Thailand in the month of October 1965 to purchase jute there and purchased huge quantity of jute from them paying a much higher price than was offered

to them by some other countries and concerns. I would like to know whether this is known as the Thailand jute purchase scandal; if so, whether any inquiry has been made into this and the result of that inquiry.

**Shri Manubhai Shah:** The matter is totally unconnected with this but I can answer the hon. Member. Thai jute was the only jute available and we purchased 14 lakh bales to keep employment going and to earn the foreign exchange. It was purchased at international prices. There is no scandal whatsoever in it.

**Shri S. M. Banerjee:** I can give you the details.

**Mr. Speaker:** He may send them on to me.

**Shri Daji:** The statement itself says that 11 lakh bales will be left with them as balance and that 14 to 15 lakh bales will be available by June 1966 because of imports of raw jute permitted by Government. This totals to 25 lakhs bales. Even the maximum production last year required only 80 lakh bales. If the production is even 60 lakh bales or slightly less than that, say, 55 lakhs bales, which is the lowest production ever expected, the mills can be continued for the whole year on the basis of this raw jute production as the maximum production of last year. The statement, therefore, itself, negatives any suggestion that there would be absolute shortage of raw jute available. Why then should the mills be permitted to apply block closure?

**Shri Manubhai Shah:** There is a slight inaccuracy in the hon. Member's assumption. These 14 lakhs bales, which are to come by June 1966, do not mean that they are all yet to come; they have already some. 11 lakh bales have come and another 3 lakh bales will come. The total import during the whole year ending June 1966 will be 14 lakh bales, that is 11 lakh plus 3 lakh bales, which is

jute the minimal. We cannot live from day to day like that. Then, our production is expanding and our exports are expanding; therefore, the only way is either a long-drawn retrenchment and reduction in production or a block closure.

**Shri B. K. Das:** There has been an increase in raw jute prices. Have we been able to supply the demand of Indian jute goods in the foreign market at a competitive price so far?

**Shri Manubhai Shah:** What we find is that substitutes are coming in and while today for a temporary period even these fantastic prices are being tolerated, the wool packs made from plastics from Japan have already been accepted by the Australian market. As the House has always been showing anxiety that we cannot work on a short-term basis, we must have a stabilised price in the international market.

**Shri S. C. Samanta:** The statement says that the Indian Jute Mills Association has come forward with a proposal for the block closure for a week. May I know whether this Jute Mills Association was aware of the shortage of production in the country even in July-August last year and, if so, whether they came forward with any other proposal to Government, that is, of having a small daily cut in the production?

**Shri Manubhai Shah:** Last year also, they had proposed the block closure and we told them to wait for rains. Fortunately, in the month of May last year, there was some early rain and so they withdrew their proposal. This year, even now, when we are practically in the middle of May, all these four areas are experiencing a dry spell. There was no possibility of expecting any early crop. These are the two different sets of circumstances.

**Shri Subodh Hansda:** May I know whether the Government have gone into the fact that the support price is

given by the Government is much below the price that has gone up now which has been in the hands of the middle-men and whether that also is responsible for the decrease in production of jute in the country.

**Shri Manubhai Shah:** My colleague, the Food and Agriculture Minister, is paying special attention to increase the production of jute and we expect 19 lakh bales in the coming season. I do not know what the rain gods are going to decide. But we have to depend on various factors and then take action.

**Shri Shree Narayan Das:** May I know whether there is any possibility of having jute from Pakistan because, now feelings between India and Pakistan are quite agreeable.

**Shri Manubhai Shah:** We are considering that aspect also. But the problem is there also that just as our crop is short, to an extent the crop in Pakistan is also short. Last year, we wanted to purchase but we could not get it. So, we got it from Thailand. We will explore any market in the world and get it.

**Shri Nambiar:** In view of the fact that this block closure is for a week only not due to the fault of the workers, may I know, whether the Government are considering to guarantee full wages and allowances to the workers and further that this will not lead to any retrenchment later on?

**Shri Manubhai Shah:** I would like to separate the two parts. One is a force majeure or an act of God in which all the parties have to suffer. As regards the second part, this was considered by myself going to Calcutta twice in the last ten days. We had a full-fledged meeting with the West Bengal Government and they, in turn, had a meeting with the local top-representatives of the Mills. They considered all the aspects. We have not made up our own mind. As I said, it is still under consideration. It is better to have a closure in a well-

organised way of conserving our raw material rather than carry the distress over a period of three or four or five months.

**श्री मधु लिम्बे :** अभी मन्त्री महोदय ने कहा कि पाकिस्तान की जूट की फसल पर भी इस साल बुरा असर पड़ा था तो मैं जानना चाहता हूँ कि पाकिस्तान की अपेक्षा हमारे यहाँ जूट कारखाने भी कम हैं और पक्के जूट की पैदावार भी कम है तो क्या ताशकन्द करार के बाद मन्त्री महोदय ने कोई प्रयास किया था कि कच्चे जूट की जो हमारी आवश्यकता है उसका एक हिस्सा पाकिस्तान से प्राप्त करें ?

**श्री मनुभाई शाह :** मैंने ऐसा पहले नहीं कहा जैसा कि माननीय सदस्य ने बतलाया कि कोई पाकिस्तान की जूट की वजह से हमारा खुद का प्रोडक्शन गिरा है। वहाँ पर भी रा जूट की कमी थी। इस साल जब ताशकन्द का पीकट हो गया है तो हम सारी कोशिश करते हैं लेकिन जब तक नारमल रिलेशन न हों हम परचेज नहीं कर सकते हैं फिर भी पाकिस्तान की जूट हम तीसरे बाजारों से लेने की कोशिश कर रहे हैं। बाहर से जहाँ से भी मिलेगी उसे हम लेने की कोशिश करेंगे।

**श्री मधु लिम्बे :** 18 लाख बेल्स कुल आपने आयात की है जिसमें से प्रकैले थाईलैण्ड से आपने 14-15 लाख ली हैं तो मैं जानना चाहता हूँ कि पाकिस्तान से कितनी ली हैं और कितने की मांग की थी ?

**श्री मनुभाई शाह :** फिलहाल वहाँ से कुछ नहीं मिल सकती जब तक कि ट्रेड का नौरमलाइजेशन न हो जाये।

**Shrimati Renu Chakravartty:** The statement says that the Jute Mills Association and the Government of West Bengal are both favouring block closure. May I know if the Minister is aware that just recently there has been a conference of the workers of the Bengal Chatkal Mazdoor Union, the big Union other than the I.N.U.C.,

and that they have made certain proposals and, in view of that, may I know when block closure is still under the consideration of the Government whether the Government will call all the major unions to discuss the matter and to have their opinion on it?

**Shri Manubhai Shah:** I made it quite clear when I was in Calcutta. The Labour Minister of West Bengal, Mr. Bijay Singh Nahar, had consultations with all the labour representatives because that is a local question. As far as the Central Government is concerned, I have got a written letter from the West Bengal Government that they would recommend this proposal.

**श्री रघुनाथ सिंह :** जब सरकार पाकिस्तान के स्थान पर थाईलैण्ड से जूट खरीदने जा रही है तो मैं यह जानना चाहता हूँ कि पाकिस्तान की जूट में, थाईलैण्ड की जूट में और हिन्दुस्तान की जूट में और उनसे बने हुए सामानों की कीमत में क्या अन्तर है ?

**श्री मनुभाई शाह:** फिलहाल चूँकि हमारी ट्रेड पाकिस्तान से अभी चालू नहीं हुई है इस लिए उससे कीमतों का मुकाबला तो करना बेकार है लेकिन हिन्दुस्तान की जूट संसार भर की जूट से अधिक महंगी है ।

**Mr. Speaker:** Next Short Notice Question.

**Shri Mohammad Elias:** May I ask a question?

**Mr. Speaker:** I am sorry now.

**Shri Mohammad Elias:** It is our problem. I was myself present in that conference. I may be allowed to put a question.

**Mr. Speaker:** I am sorry now. I have passed on to the next Question.

### Return of goods seized by Pakistan

**S.N.Q. 32. Shri Maheswar Naik:** Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that India has recently communicated to Pakistan to return as per Tashkent declaration, the goods worth about Rs. 100 crores seized by them;

(b) whether it is also a fact that no inclination of return is at all available from the side of Rawalpindi; and

(c) if so, the effective steps taken by India so that the property seized is duly and to the full realized?

**The Minister of Commerce (Shri Manubhai Shah):** (a) Yes, Sir. The Government of Pakistan have recently been invited to send their officials to Delhi for discussions for speedy return of properties and assets in their totality in terms of Article VIII of the Tashkent declaration.

(b) and (c). Though there has been no response to this from Pakistan efforts continue to be made by us for restoration of properties and assets to the rightful owners.

**Shri Maheswar Naik:** Is it not a fact that during Indo-Pakistan conflict a sizeable Pakistani property was held by India which has been returned before the Tashkent Declaration actually came in? May I know why India unilaterally returned back the properties held by India to Pakistan?

**Shri Manubhai Shah:** That stage has not yet come. As far as the properties are concerned, the basic question of exchange of properties is still not settled.

**Shri Daji:** The question was entirely different.

**Shri Maheswar Naik:** May I know whether, in the absence of payments by Pakistan, the Government is wanting to take up the matter to some international court of justice, etc.?