

Price of Jute

*830. **Shri Hem Barua:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that there has been a steep increase in the price of jute which is causing perturbation in jute markets, particularly in the Calcutta markets;

(b) whether it is also a fact that the commodity will be in much shorter supply this year; and

(c) if so, what steps Government propose to take or have already taken to meet the situation?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) to (c). A steep rise in the price of jute was noticeable in December 1959 due largely to undesirable speculative activity based on some apprehensions regarding possible shortage of supplies this year. Government soon took steps to assure all concerned that there was no justification for such apprehensions and that supplies during the current year would be adequate to fully cover the industry's requirements. Government also allowed import of 2 lakh bales of jute cuttings from Pakistan. Since then, the prices have been coming down.

Shri Hem Barua: May I know whether it is a fact that mark-up of thirty per cent is added to the cost of jute by the United Kingdom and if so, whether our Government have taken it up with the U.K. Government so as to reduce this mark-up? Formerly, it was 40 per cent and as a result of the Union Government's representations and discussions with the representatives of the UK, it was reduced by ten per cent.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): This matter is still under discussion and our Commercial Representative in our U.K. Embassy has taken up this matter with the U.K. Government and it is still under discussion.

Shri Hem Barua: May I know whether it is a fact that a new market for our carpet is growing in U.K., U.S.A. and Canada and if so what steps have the Government taken to meet the growing demand in those areas by having the required looms and that sort of things?

The Minister of Industry (Shri Manubhai Shah): About jute carpets, we have surveyed the markets recently and have licensed three new broad looms in a Kanpur mill to see what categories we can manufacture to cater to these growing markets.

Shri Aurobindo Ghosal: May I know if, in spite of the decrease in the price of jute, the jute mills have had huge profits last year and the percentage of profit earned on the finished produce is much more than the percentage of increase in the price of raw jute?

Shri Manubhai Shah: That assumption would not be sustained by an actual examination of the balance sheets. The fluctuations in the price of jute are so erratic that any such comparison would be rather incorrect.

Shri P. G. Sen: Is it a fact that the prices of raw jute have gone down by 30-40 per cent and that at present the price is Rs. 20-25 less than the cost of production? May I know if it is a fact that the Jute Mills Association is not purchasing jute and the cultivators are not getting their dues?

Shri Manubhai Shah: As far as the purchase of jute is concerned, the IJMA—Indian Jute Mills Association—and their units have more than 3-4 months stock, which is the usual market stock. We have asked them to purchase one month's stock more, in order to balance the situation.

Shrimati Renu Chakravartty: In view of the fact the President of the IJMA has in his report stated that this year's trade in jute has hit record targets, may I know whether there is a proposal to unseal the looms which

have been sealed for sometime so that production can go up?

Shri Lal Bahadur Shastri: I have myself in fact advised the IJMA in the export promotion council meeting to unseal the looms which are sealed. The hon. Member might be aware that 12.5 per cent were sealed and they have now reduced it to 10 per cent. It is difficult to say whether they will further release the looms. But the Government has already taken up this matter with IJMA and they are, I presume, considering over this.

Shrimati Renu Chakravarty: There is a record rise in the sale of jute goods. Is it stable and if so, what are the reasons for the substantial rise and will this be maintained in the coming year?

Shri Lal Bahadur Shastri: It is difficult to say whether it would be a permanent feature. In the matter of exports, we cannot say anything in a guaranteed way. The competition in the world market is almost daily increasing and we will have to put in our best efforts to maintain the present exports.

Shri Tridib Kumar Chaudhuri: What has become of the proposals that were set afoot last year for the purchase of jute by Government purchasing organisations and co-operative societies? Is that scheme also in active operation now so that the prices may be maintained?

Shri Lal Bahadur Shastri: The prices had gone down considerably last year and therefore, the STC also entered the field. This year the prices are on the whole reasonable and the grower has not suffered so far. We have advised and requested the State Governments of Bihar, Bengal, Assam, etc. to organise co-operative societies and especially organise apex co-operative societies in order to help the growers.

Shri Hem Barua: May I know whether it is a fact that peak orders are reported from China in the London market of jute ranging even to ten

times the average consumption of jute in that country during recent years and if so, what steps are Government taking to meet a substantial portion of this demand?

Shri Manubhai Shah: I think this question came up before the House and we informed the House that the purchases last year were phenomenally more than the previous year and the current demand may also be on the increase.

Shri P. G. Sen: I understand that the mills were asked to stock their jute requirements for 4-5 months. May I know what is the position of their stock now?

Shri Manubhai Shah: That is a constant feature. What I have urged before the House was that as a general policy the IJMA, in consultation with the Government, has been holding stocks for 4-5 months. In order to further help the grower we have asked them to stock for a month more.

Medium and Small Fertilizer Factories

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*834. { **Shri Rami Reddy:**
Shri Damani:
Shri S. A. Mehdi:
Shri P. G. Deb:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether any State Government has come forward for the establishment of medium and small fertilizer factories;

(b) if so, the names thereof;

(c) whether any applications from the Private Sector have been received for the establishment of such factories;

(d) if so, how many and from whom; and

(e) the action taken thereon?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) No, Sir.