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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Friday, 19th December, 1952.

*The House met at a Quarter to Eleven
of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Short Notice Questions and Answers

FALL IN PRICES OF RAW JUTE

I. Shri B. K. Das: (a) Will the Minister of Commerce and Industry be pleased to state whether the attention of Government has been drawn to the sharp fall in prices of raw jute in the country?

(b) What are the causes of such fall?

(c) How do the present prices compare with the prices prevailing during these months last year?

(d) What is the gap between the cost of production and the present average price of raw jute in the rural areas?

(e) Is it a fact that mills are purchasing jute from Pakistan in preference to Indian jute and a sort of slump in the market is apprehended?

(f) What steps Government propose to take to ensure an economic price to the jute growers?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): May I, Sir, make a statement in reply to all these questions, (a) to (f)?

Mr. Deputy-Speaker: Yes.

Shri T. T. Krishnamachari: The price of raw jute has always been subject to considerable fluctuations both from year to year as well as from month to month. The trade deadlock between India and Pakistan after the devalua-

tion of the Indian Rupee and the spurt in world demand and price for jute goods which followed the outbreak of hostilities in Korea, resulted in a considerable increase in the price of raw jute which went up from Rs. 35 per maund which was the controlled price till February 1951, to Rs. 106 per maund in the middle of June 1951. International demand for jute goods slackened thereafter and by the middle of June 1952 the price of Assam Bottoms had come down to Rs. 28 per maund. Prices had fallen to Rs. 25/8 per maund in the middle of August 1952 and after recovering to Rs. 28/8 per maund in the middle of September, there has again been a downward trend. Prices in the last thirty days have fluctuated between Rs. 22/8/- and Rs. 25/- per maund for Assam Bottoms and comparable quality.

It is said in some quarters that this depression in prices is due to free imports from Pakistan. Statistics do not bear out this story. While the deliveries to mills from July to November in 1951 in India was fourteen lakhs of bales, imports from Pakistan for this period was 11 lakhs bales; this year Indian jute was for the same period 17 lakhs bales while Pakistan jute was about half of what was imported last year. The position is somewhat bad in Bihar where prices during the second fortnight in November had slumped to Rs. 13/8/- in Saharsa, Rs. 15/8/- in Darbhanga though appreciably it was higher in Purnea. This variation is partly due to quality, as Purnea quality is superior and partly to freight and transport charges which from the outlying areas are said to be as much as Rs. 7/- per maund to Calcutta. According to officers of Bihar Government, 60 per cent. out of an approximate total of 10 lakhs of bales produced in Bihar have been purchased.

Prices for raw jute react quickly to variations in the prices of jute manufactures. During the last one month there has been hectic activity in the

Calcutta Fatka market which has depressed the prices of jute manufactures by about 15 per cent. to 17½ per cent. This brought down the prices of raw jute also from Rs. 28/- to Rs. 22/8/-.

Government have been watching this position with concern. I had discussed this matter during the end of last month with Mr. Moncur, the Chairman of the Indian Jute Mills Association, when he was in Delhi. The Secretary of the Commerce and Industry Ministry was in Calcutta on the 6th December and had talks with the Jute Mills Association and other concerned persons. Subsequently, a joint Secretary of the Ministry was sent to Patna and he proceeded from there to Calcutta to investigate the position. The Food and Agriculture Ministry had sent a Deputy Secretary to look into this matter. When I was recently in Calcutta, I had talks with the Chief Minister, West Bengal, on this matter. As a result of these discussions, it has been decided that as a first step, the Fatka market in Jute should immediately be closed. The Government of West Bengal have issued necessary orders to this effect yesterday.

Government are asking the I.J.M.A. to send a representative to make a survey of the availabilities of jute in the outlying areas, particularly in Bihar, so that direct contact might be established with mills and the growers.

The Railway administration is looking into the question of movement of raw jute from the outlying areas. The ancillary problem whether there is a case for readjustment of freights to assist the growers in the relatively remote areas will also be considered.

Government have suggested to the I.J.M.A. that they must increase their purchases of Indian raw jute in spite of the fact that they are now supposed to hold about nine weeks' stocks and it is hoped that this suggestion will be acted upon.

The long term question of a survey of the areas where jute is grown so that jute growing in remoter areas and whether growth of jute of inferior quality like Mesta and Bimli are to be discouraged will have to be considered by Government. The various Ministries in Government now propose to examine this aspect of the matter.

As a result of the steps taken above, it is hoped that the price position of jute will materially improve, but Government are keeping a careful watch on the situation and will not hesitate to take other steps that may become necessary.

Shri B. K. Das: May I know, Sir, whether Government has any idea of controlling the import of jute from Pakistan? Are they stopping it or controlling it?

Shri T. T. Krishnamachari: Sir, I have already mentioned that the amount of jute that has come in so far is roughly half the quantity of what came in last year. The position really is that in regard to better quality hessian, continental mills who obtain their supplies from Pakistan will get an advantage over India if we do not import some of the high quality jute from Pakistan. It is that position mainly that makes the Government of India allow the import of jute. But if it turns out that import of jute from Pakistan, which is very highly priced, interferes with the off-take of Indian jute, surely Government will consider what steps are necessary for that purpose. But the present indications are that no such steps will be necessary.

Shri B. K. Das: Is it a fact, Sir, that during the last 3 months raw jute prices have gone down by 30 to 40 per cent., while hessian prices have gone up by more than 4 per cent. and sacking prices have fallen only by 7 per cent.? Has it been worked out?

Shri T. T. Krishnamachari: I am afraid, Sir, that the figures in my possession will not bear out the statement made by the hon. Member. Sir, I think there has been a movement which is not disproportionate in regard to the prices of hessian and jute. In fact, it is true that sacking prices have got depressed more than even the prices of raw jute, because there has been very great diminution in the off-take of sacking and the stocks of sackings with the mills have augmented considerably during the last two months.

Shri B. K. Das: Now that considerable help has been given to the jute mills by giving a sufficient amount for their foreign propaganda, will it be possible for the Government to fix any price for raw jute in this country?

Shri T. T. Krishnamachari: This question has been considered and is still under consideration. We are afraid that if we fix a price for raw jute today, it will have to bear some relation to the price of manufactured goods and our fears are that if a reasonable or a rational price is fixed for raw jute it may further depress the market. Often times, in a matter where jute is sold by the grower the Government price is more the ceiling than the floor, and unless Government

comes forward to buy the jute, fixing of prices at the moment may adversely affect the interests of the jute grower.

Shri Barman: It has been appearing in the columns of newspapers from time to time that large scale smuggling or unauthorised import of Pakistan jute is going on in the Khulna and 24-Parganas border. In view of that, has Government taken any steps to stop such illegal smuggling of jute which is depressing price here?

Shri T. T. Krishnamachari: The information that Government have in their possession does not bear out the statement of the hon. Member.

Shrimati Renu Chakravartty: The hon. Minister has stated that the Fatka market is going to be closed. In view of that, how far it is calculated that the price will go up? What will be the price of jute now, and how will it compare with the economic price? I am asking this question because we know that the price that is being given to the cultivators is far below what they have to spend.

Shri T. T. Krishnamachari: The second part of the question deals with the question of the economic price, and the economic price is a matter of comparison between it and the price of other articles. At the present moment, if the price of rice is taken as the basis, then the economic price for the standard quality jute produced in India, called the "bottoms", might be somewhere in the region of Rs. 23-24 in Calcutta. But it is a matter on which I cannot say anything with authority. So far as my expectations in regard to an improvement of the position by reason of the closing down of the Fatka market are concerned, we do expect that conditions will materially improve. If the prices of manufactured goods reach the position that was obtaining before this hectic activity, say, in the case of hessian in 1948-49, then automatically the price for raw jute may rise to Rs. 27, and that will be, I should think, under present conditions an economic price.

Shri L. N. Mishra: From the statement of the hon. Minister it appears that Bihar jute growers have to pay exorbitant transport charges. May I know therefore whether there is any proposal to end this transport problem of the Bihar growers?

Shri T. T. Krishnamachari: I have already explained in my statement that we do realise that Bihar jute growers in outlying areas have to pay something like Rs. 7 a maund for transport to Calcutta. It is a physical problem. We have to consider two issues: either to discourage outlying areas from growing jute, or to find out if we can give some other facilities. The problem is being examined.

Shri L. N. Mishra: Do Government propose to set up some jute mills in Bihar as suggested by the Government of Bihar?

Shri T. T. Krishnamachari: We are dealing with an extremely narrow problem. At the moment, we are trying to help the people that have grown jute. The long range problem of setting up mills in various parts of India is a different thing altogether. I am afraid I cannot say anything at this moment on this particular subject.

Shri B. S. Murthy: May I know whether Government are contemplating the fixation of floor prices for raw jute so that the growers will get a modicum of economic price.

Shri T. T. Krishnamachari: I have already answered the question. I have said that we find that at the present moment the fixation of a price will not benefit the people on whose behalf we want to fix the price.

Dr. Lanka Sundaram: The hon. Minister made a reference to Mesta and Bimli jute. May I know whether Government are aware that as a result of the precipitate collapse of the price of this particular quality of jute, hundreds of thousands of families, mostly in the Vishakapatnam and Srikakulam districts are facing ruin and if so, whether Government propose to take any steps to stabilise the price of this particular variety?

Shri T. T. Krishnamachari: I may take the information from the hon. Member in regard to hundreds of thousands of families facing distress, but I might at once tell the House that people do not regard either Mesta or Bimli as jute. It is only used as an adulterant and in fact it is because of this problem of Mesta and Bimli that we have to allow superior quality jute to be imported from Pakistan, so that these varieties can be mixed with the superior quality jute. So, one of the things that we are considering is whether we should not discourage the production of what are called jute adulterants, e.g. Mesta and Bimli.

Shri S. C. Samaanta: The hon. Minister said that import of jute from Pakistan is not the cause of falling prices, because only half the target of imports has been allowed. May I know whether our target of production in India has increased and if so, whether Government have taken into further consideration the target which they settled beforehand and have they come to a conclusion about the floor price of raw jute?

Shri T. T. Krishnamachari: Sir, there are a number of issues involved. I do not know if I would be able to answer satisfactorily all the points of my hon. friend. The present season's production including Mesta and Bimli is expected to be in the region of 44 lakhs of bales, and on the basis of last year's consumption, i.e. for the twelve months ending the 30th June 1952, the mills consumed 61 lakh bales. It, therefore, shows that even allowing for a carry-over of stocks with mills of about 9 lakh bales, there is a deficit, and the deficit has to be filled up or the mills should gradually curtail their working hours. The hon. Member can draw his own conclusions.

Mr. Deputy-Speaker: Next question. We have spent sixteen minutes over this one question.

ATTACK ON MANICKGANJ BY PAKISTANI Forces

II. Shri Barman: (a) Will the Prime Minister be pleased to state whether it is a fact that Pakistani Forces attacked Manickganj, a border village of Jalpaiguri district of West Bengal on 7th December, 1952?

(b) Did the forces use firearms, and if so, what are the casualties and damages done to any Indian nationals or properties?

(c) What are the ostensible causes of such aggression?

(d) What are the conditions of Indian nationals living in the Indian enclaves in Pakistan near about that place of incident?

(e) How many times has Jalpaiguri border been transgressed by Pakistan Forces up till now, and what are the damages committed by such transgressions up till now?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) and (b). On the 7th December 1952, about 25 Pakistani nationals trespassed into Indian territory and forcibly reaped paddy in Burirjote, Kotwali

P.S., Jalpaiguri District. On the arrival of a West Bengal patrol party, they retreated to Pakistan territory. Simultaneously, firing from Pakistani territory started and about 30 rounds were fired. The West Bengal patrol did not return the fire. There was no casualty or damage to property on our side.

(c) to (e). Information has been called for and when received will be laid on the Table of the House.

Shri Barman: What is the interval of time between the entry of Pakistan forces and the arrival of our forces on the scene?

Shri Anil K. Chanda: As I said before, we have not got detailed information, but I should think that since there was a patrol party in the neighbourhood our Police must have arrived on the scene before long.

Shri Barman: What are the nearest military or police outposts on either side of the border?

Shri Anil K. Chanda: I have not got this information with me here, but as I said, the detailed information will be placed on the Table of the House when it is received from the West Bengal Government.

Shri Barman: In view of the fact that an India-Pakistan Conference is going to be held on the 20th inst., may I ask the hon. Minister to consider the desirability of having some police outposts in the enclaves in view of the difficulties experienced there?

The Prime Minister (Shri Jawaharlal Nehru): As I stated the other day, the position of these enclaves both in the Indian territory and in Pakistan territory is extraordinarily difficult. They are completely surrounding by the other territory. It is difficult enough to send supplies, etc., to keep the police party there. I suppose a police party occasionally goes. But even that police party is surrounded by foreign territory while coming and going. The only real solution is, as a result of cordial adjustment, to put an end to the enclaves. In any event, the Conference to which the hon. Member referred, is one of officials to deal with the passport situation. These other matters are dealt with normally by East Bengal and West Bengal officials in conference locally.

OFFICE OF THE CHIEF LABOUR COMMISSIONER DELHI

III. Shri N. P. Sinha: (a) Will the Minister of Labour be pleased to state whether the attention of Government