

steps are taken to see that normalcy returns here?

Shri C. Subramaniam: As the House is aware, there was a strike and then a shut-out. After that the factory has reopened and all the sections are functioning now. No doubt it will take time to reach normalcy. But my own information is that there is no fresh trouble there, unless the hon. Member has some advance information about it... (*Interruptions*).

Mr. Speaker: There was a news item in the papers. I have received notice also, and so that information is with every hon. Member.

Shri B. K. Das: May I know whether an estimate has been made of the loss to production during this period of closure?

Shri C. Subramaniam: Yes, Sir. I answered that question—nearly one crore of rupees.

Shrimati Savitri Nigam: May I know as to how many trainees in HEL and other concerns have taken training in foreign countries for designing, etc. of these heavy castings and forgings, and since how long they are sitting idle?

Shri C. Subramaniam: I am sorry; I do not have information with regard to that. But with regard to the last part of the question, I do not think that anybody is sitting idle during the period of training.

Shri Ramachandra Ulaka: What is the value of the raw material and components that we import at present from abroad and by what time will we be self-sufficient?

Shri C. Subramaniam: With reference to the castings and forgings, as I have already stated, we are contemplating to set up a unit and when that unit goes into production, we will be able to meet the entire requirement.

Mr. Speaker: What is the value of raw materials that we import from abroad for this purpose?

Shri C. Subramaniam: I am sorry I have not got that information.

Shri P. Venkatasubbaiah: Has the hon. Minister's attention been drawn to a news that has appeared today that wall posters had been fixed on the wall stating that *Shiva thandavam* will be done, meaning that the entire production will be destroyed, if arrested leaders are not released, and what is the precaution that Government is going to take in order to ensure safety to this plant?

Shri C. Subramaniam: As far as *Shiva thandavam* is concerned, that was brought to my notice and I do not think we should get frightened simply because some poster appears somewhere.

S.T.C.'s Profit

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{ Dr. L. M. Singhvi:
Shri U. M. Trivedi:
*1275. { Shri Prakash Vir Shastri:
Shri S. N. Chaturvedi:
Shri P. C. Borooah:

Will the Minister of **International Trade** be pleased to state:

(a) the maximum amount of profit percentage the State Trading Corporation is allowed to earn on any particular commodity;

(b) whether there have been cases where S.T.C. has earned as much as 140 per cent profit; and

(c) the steps Government propose to take in the matter?

The Minister of International Trade (Shri Manubhai Shah): (a) to (c). Generally, the distribution margin on items handled by the State Trading Corporation and the Minerals and Metals Trading Corporation varies between $\frac{1}{2}$ % to 10% (limited to only 0.5% to 3% in case of exports) to cover distribution expenses and other incidental charges including profit, depending on different commodities. In some export commodities, the corporations have even to bear losses rather than charge any profits.

However, in case of scarce commodities and commodities in short supply, the main objective is to canalise imports and distribution in order to mop up the difference between the ruling price in the market and the landed cost which would otherwise be cornered and exploited by a few importers without any benefit whatsoever to the consumers. Even in such cases the prices fixed by the State Trading Corporation or the Minerals and Metals Trading Corporation are somewhat lower than the market prices of such scarce imported commodities.

With a view to illustrate the above policy, a statement dealing with a few commodities is laid on the Table of the House. [*Placed in Library. See No. LT-2831/64.*]

Mr. Speaker: This also is contained in the statement that has been laid on the Table?

Shri Manubhai Shah: Specific illustrations have been given.

Mr. Speaker: What the hon. Minister has read—is that also in that statement?

Shri Manubhai Shah: It is already laid on the Table.

Dr. L. M. Singhvi: Is a periodic review held of the profits charged by the State Trading Corporation on both items of export and import, particularly of the latter? If so, on what basis is it held? Is it only on the basis of these principles or on the basis of previous practices in this respect?

Shri Manubhai Shah: The basis is as I have stated, and as is laid down. This is a broad policy statement which has been repeated on the floor of the House several times by me. The overall profits are also indicated in the balance sheet. We always see to it that where essential commodities are concerned, the profits are kept absolutely to the minimum as indicated in the statement; where items concerning a few scarce commodities are

involved, the difference is mopped up.

Dr. L. M. Singhvi: Certain items such as cloves, camphor and betelnuts are chargeable to a very high rate of profit by the STC. It is mentioned in addition that there are certain canalised imported scarce commodities on which also the Corporation charges very high rates of profit. What are these canalised items?

Shri Manubhai Shah: I would request the hon. Member to go through the statement....

Dr. L. M. Singhvi: I have gone through it very carefully.

Shri Manubhai Shah: He will find that on fertilisers it is $\frac{1}{2}$ per cent, copper 2 per cent, zinc 2 per cent. This will indicate that his assumptions are not based on facts.

श्री क.श्रीराम गुप्त : माननीय मंत्री महोदय ने बतलाया कि जिन चीजों के मार्केट में दाम ज्यादा हैं और जिनके परते में फर्क है उनको पूरा करने के लिए दाम बढ़ाए जाते हैं और मुनाफा बढ़ाया जाता है। क्या इनका यह फल नहीं होगा कि मार्केट में और भी ज्यादा दाम उस कमांडिटी के बढ़ेंगे? यदि हाँ, तो इनको रोकने के लिए सरकार क्या उपाय कर रही है?

श्री मनुभाई शाह : यह शिकायत माननीय सदस्य की खाली उन चीजों के बारे में है जो बाहर से मंगायी जाती हैं, जनरल प्राइम स्ट्रक्चर के बारे में नहीं है।

श्री क.श्रीराम गुप्त : उन्हीं के बारे में मैंने निवेदन किया है।

श्री मनुभाई शाह : मैं आपको बीटिल नट्स के बारे में बताऊँ। देश में ४०००० टन पैदा होती हैं और इनको दुकानदार १६५ रुपया फी २० किलोग्राम पर बेचते हैं। पांच हजार टन बाहर से मंगायी जाती हैं, उनको स्टेट ट्रेडिंग कारपोरेशन

११२ रुप प्रति २० किलोग्राम पर रिलीज करता है। इससे आप देख सकते हैं कि जो प्राइस लाकल कर्मांडी को है उससे तो यह कीमत कम है।

Shri Ranga: Are we to understand that the State Trading Corporation is allowed to have virtually the same price policy as that followed by ordinary merchants and, therefore, if there is any overcharging of price bordering on profiteering, it is found justifiable? Is betelnut not considered to be an essential commodity used by the ordinary masses and therefore even 140 or 100 per cent profit on it is considered to be justifiable?

Shri Manubhai Shah: All these statements made by the hon. Member are far from accurate. Firstly, it is incorrect to say that any profiteering is resorted to by the STC. I gave an example that consumers are being charged . . .

Shri Ranga: You won't say you are profiteering.

Shri Manubhai Shah: . . . Rs. 195 per 20 kgs. are charged by the traders who are distributing indigenous betelnut when production is about 40,000 tons. The STC releases them at Rs. 112 per 20 kg. from imported stock. Therefore, it will be seen that the consumers are, if anything, benefited by canalisation. I do not think it is the wish of the hon. House that the middlemen should profit and the consumers should not get any benefit.

Shri Ranga: On a point of clarification. Would not cheaper imports reduce the local price also? Why is he preventing it?

Mr. Speaker: He says that would be taken by the distributors.

Shri Ranga: How can it be? Why is it that cheaper imports are prevented by protective duties? Cheaper imports will force local prices down. On the other hand, what is happening is that he is charging so much

more for these imports so much so that local prices never come down.

Dr. L. M. Singhvi: These figures do not carry conviction.

Shri Ranga: They are going about in an arbitrary way—a law unto themselves.

Shri P. N. Kayal: On a point of order. Is it proper for the Minister to go on chewing while answering questions?

Shri Manubhai Shah: No.

Mr. Speaker: People were talking of betelnuts. He was demonstrating also.

Shri Bade: Fertilisers are supposed to be imported by the STC and distributed on the principle of no loss, no profit, but the Public Accounts Committee have passed strictures that they are taking a profit of 50 or 80 per cent. What has the Minister to say regarding fertilisers?

Shri Manubhai Shah: I may take this opportunity of explaining what Shri Ranga mentioned. It is entirely inaccurate to believe that the STC, through its small imports, can control the price. Betelnut cannot be rationed and given given to all the 45 crores of people in India at the rate of one ounce. It is not subject to price control, and when the STC did not canalise it, the importers charged the same price for the imported stuff. Therefore, the House will appreciate that all the profits were cornered by the middle men. Canalisation has helped us to purchase goods in the international market of better quality at a lower price, and give the benefit of this to the community; it takes away the intermediary's profit and it is also sold at lower profits.

Shri Ranga: Abolish all import duties.

Shri Bade: My question has not been answered.

Shri Manubhai Shah: Shri Bade's question is already covered by this. (Interruptions).

Mr. Speaker: Let Mr. Ranga's question be first finished. That has not yet been finished. Can I go to the next or not?

Shri Ranga: Into whose eyes do they want to throw dust?

Mr. Speaker: May I now go to the next Member?

Shri Ranga: Yes, Sir.

Shri Bade: I wanted to know whether they are making any profits on fertilisers or not.

Shri Manubhai Shah: The over-all distribution charge on fertilisers by the STC is half a per cent, which includes handling, warehousing and godowning. Can anybody do the business in less than half a per cent?

Dr. Sarojini Mahishi: May I know the maximum percentage of profit that the STC has charged for any scarcity commodity during 1963-64?

Shri Manubhai Shah: That is given in the statement. The maximum is on betel nuts, that is to mop up profits, and it is about 33 per cent of the landed cost.

Mr. Speaker: He need not repeat.

Shri Firodia: Does the Minister feel that this method can be followed by consumer co-operative branches when they import goods?

Shri Manubhai Shah: They have not been doing that. We have given them licences, and to the extent they are coming forward, we are trying to help them.

श्री म० सा० द्विवेदी: माननीय मंत्री महोदय ने बतलाया कि बीटिल नट का ११२ रुपए फो २० किलोग्राम स्टेट ट्रेडिंग कारपोरेशन चार्ज करता है और इसमें ३३ पर सेंट का मारजिन है। जो लोकल प्रोड्यूस है उसको दुकानदार १६५ रुपए के हिसाब से बेच कर फायदा उठाते हैं। लेकिन स्टेट ट्रेडिंग कारपोरेशन ३३ पर सेंट का लाभ उठाता है। मैं

जानना चाहता हूँ कि इसको कम करने के लिए और लोकली प्रोड्यूस आर्टिकल की कोमत कम करने के लिए सरकार क्या कर रही है।

श्री मनुभाई शाह: लोकल प्रोड्यूस पर कोई कंट्रोल नहीं है।

श्री म० सा० द्विवेदी: ३३ पर सेंट तो आप लेते हैं।

श्री मनुभाई शाह: ८४ लेंडेड कास्ट है और २८ रुपया का डिस्ट्रीब्यूशन चार्ज पड़ता है। यह १६५ के मुकाबले में तो कम है। फिर जो मुनाफा आता है वह सरकार के पास यानी प्रजा के पास आता है। क्या यह मुनाफा प्राइवेट आदमी को दे दिया जाए और सरकार इसको न ले।

श्री हुकम चन्द कछवाय: मैं जानना चाहता हूँ कि स्टेट ट्रेडिंग कारपोरेशन की पालिसी कारपोरेशन खुद तै करता है या सरकार तै करती है?

श्री मनुभाई शाह: सरकार तै करती है।

Shri Kapur Singh: Can the Minister indicate the items in respect of which the STC has suffered sizable losses during the last year?

Shri Manubhai Shah: Lemon grass, groundnut oil—that also is given in the statement—tobacco, potassium dichromate.

Lemon Grass Oil

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 { Shri Daji:

Will the Minister of **International Trade** be pleased to state:

(a) whether it is a fact that 800 tons of Lemon Grass Oil has accumulated in the State Trading Corporation godowns in Kerala; and

(b) if so, the steps taken to promote export of Lemon Grass Oil?