

**COMMITTEE ON PUBLIC  
UNDERTAKINGS  
(1978-79)**

**(SIXTH LOK SABHA)**

**FORTY-SIXTH REPORT**

**Action Taken by Government on the recommendations contained in the Thirteenth Report of the Committee on Public Undertakings (Sixth Lok Sabha)**

**ON**

**JUTE CORPORATION OF INDIA LTD.—PROCUREMENT AND MARKETING OF JUTE BY JUTE CORPORATION OF INDIA**

**MINISTRY OF INDUSTRY  
(Department of Industrial Development)**

*Presented in Lok Sabha and Laid  
in Rajya Sabha on 26 April 1979*



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**Forty-sixth Report on Action Taken by Government on the recommendations contained in the Thirteenth Report of the Committee on Public Undertakings on Jute Corporation of India Ltd. - Procurement and Marketing of Jute by Jute Corporation of India.**

<u>Page</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
vii	3 of para 4	At Appendix	in para 2 of Chapter I
1	2 of para 1	Thirteenth	Thirteenth
3	last	before 'the Ministry's'	in
6	4th, 5th & 6th from below	May be deleted.	
7	6 from below	if	it
7	last line	stated	started
8	16	'Jute Corporation of India in regard to primary objective of'	'that even after functioning for six years, the JCI is at present'
11	3	'of any'	'if any'

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**(1978-79)**

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## INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Forty-Sixth Report on Action Taken by Government on the recommendations contained in the Thirteenth Report of the Committee on Public Undertakings (Sixth Lok Sabha) on Jute Corporation of India—Procurement and Marketing of Jute by JCI.

2. The Thirteenth Report of the Committee on Public Undertakings was presented on the 10th August, 1978. Replies to all the recommendations contained in the Report were received in March, 1979. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on 23rd April, 1979. The Report was finally adopted by the Committee on Public Undertakings on 24th April, 1979.

3. The delay in implementation of recommendations of the Committee is deplorable. The State Governments should be impressed upon the urgency and desirability of strengthening their cooperatives especially in the villages immediately so that they start functioning by the time the coming jute season starts. Government should also take steps to initiate dialogue with the Bangladesh Government for formulating a strategy to get remunerative price for jute from advanced countries in order to prevent undercutting in jute prices.

4. Analysis of action taken by Government on the recommendations contained in the 13th Report of Committee on Public Undertakings (6th Lok Sabha) is given at Appendix.

NEW DELHI;  
*April 25, 1979*  

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*Vaisakha 5, 1901 (Saka)*

JYOTIRMOY BOSU,  
*Chairman*  
*Committee on Public Undertakings*

## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by Government on the recommendations contained in the Thirteenth Report (Sixth Lok Sabha) on Jute Corporation of India—Procurement and Marketing of Jute by J.C.I. which was presented to Lok Sabha on the 10th August, 1978.

2. Action taken notes have been received from Government in respect of all the 12 recommendations contained in the Report. These have been categorised as follows:—

- (i) *Recommendations/Observations that have been accepted by Government*

Serial Nos. 1-2, 4—12. (11 recommendations)

- (ii) *Recommendations/observations which the Committee do not desire to pursue in view of Government's replies.*

Nil

- (iii) *Recommendations/observations in respect of which Government's replies have not been accepted by the Committee.*

Serial No. 3 (1 recommendation)

- (iv) *Recommendations/observations in respect of which final replies of Government are still awaited.*

Nil.

3. The Committee will now deal with the action taken by Government on some of their recommendations.

#### *Functioning of Jute Corporation of India*

##### **Recommendation (Serial No. 1)**

The Committee while regretting the poor performance of the Jute Corporation of India, had desired the Government to take immediate steps to ensure that the JCI's functioning should come up to the required standard as it was the only organisation which, if geared properly and adequately, could come forward to rescue the poor and much exploited jute growers.

In their reply, the Ministry, while accepting the recommendations of the Committee, merely stated that the schemes in this regard were being drawn up.



The Committee regret to note that even after a lapse of 7 months the Government have not come forward with a definite reply as to what precisely they have done to gear up the Jute Corporation of India so that the Corporation can effectively come to the rescue of the poor jute growers. The Committee require that the Government should take expeditious steps to draw up schemes for bringing improvements in the functioning of JCI so that the Corporation gives a better account of itself in the forthcoming jute season. The schemes being drawn up should be finalised immediately and implemented within three months under intimation to the Committee.

#### DPCs AND OTHER INFRASTRUCTURE OF JCI

##### Recommendation (Serial Nos. 2—3)

In regard to the number of DPCs of JCI the Committee had recommended that a realistic assessment about total requirement of each jute growing state should be made by the J.C.I. in consultation with the State Governments concerned and steps should be taken to set up adequate number of DPCs in all the jute growing areas in those States.

The Committee had also expected the Government to make a note of the fact that the performance of Government owned Corporation like J.C.I. could be improved provided they were allowed to have adequate infrastructure with sufficient man-power. It was also essential that the activities of the J.C.I. were increased commensurate with the objectives laid down by the Government on all occasions.

The Ministry have stated in their reply that the Government had already started dialogue with the State Governments to strengthen their cooperative structure to free the growers from the clutches of private traders/money-lenders. The Corporation was also being asked to look into the location of existing DPCs with a view to bringing them nearer to the primary markets and increasing direct purchase from the growers.

The Committee are deeply distressed to note the slow pace of the implementation of their recommendation. Even after more than six months the Government have only started a dialogue with the State Governments. The Committee require that the Government should impress upon the State Governments the urgency and desirability of strengthening of their cooperatives especially in the villages immediately so that they start functioning by the time the coming jute season starts. The Committee should be informed

within 3 months about this and also the action taken by JCI in regard to location of their Departmental Purchase Centres nearer to the primary markets.

The Committee are surprised that the reply of the Government is silent in regard to allowing the J.C.I. to have adequate infrastructure as also increase in their activities. The Committee hope that Government will permit JCI to function in a manner which will be in the interests of jute growers as also the country and not surrender to the greedy Jute barons.

## BLOCK LEVEL COOPERATIVE MARKETING SOCIETIES

### Recommendation (Serial Nos. 4—5)

The Committee had noted that a scheme regarding the setting up of village level cooperative societies had been introduced by the J.C.I. and as a part of the scheme it was proposed to link up these societies with the DPCs or the baling centres of the Marketing Co-operatives. The Committee had recommended that along with the linking up of village level cooperative societies with DPCs, establishment of small marketing units in cooperative sector at the level of each block should be actively pursued with the State Government concerned in order to ensure speedy implementation of the scheme.

The Ministry in their reply have stated that the Government of India have started dialogue with the State Governments and other agencies concerned including the NCDC, so that a common strategy for covering the entire jute growing areas in all the jute growing States could be evolved and implemented through a time bound programme.

The Committee expected that by now the Government should have after consulting the State Governments and other agencies like NCDC come to certain definite conclusions. The Committee desire that at least now the Government should take urgent steps to finalise the strategy of establishing small marketing cooperative units at block levels for covering the entire jute growing areas in all the States. It should be ensured that the decisions taken are implemented as early as possible and in any case before the ensuing jute season starts. The steps taken should be clearly indicated the Ministry's Administrative Report.

## PURCHASE OF JUTE FROM THAILAND

### Recommendation (Serial No. 7)

The Committee had noted that in 1976 J.C.I. imported 7750 tonnes of jute from Thailand valued at a little over Rs. 86 lakhs. The jute was of lowest grade available in Thailand and some of the mills for whom jute was imported refused to accept the same on some pretext or the other. The Committee had also noted that the J.C.I. had not held advance consultations with the jute mills concerned regarding their requirements on quality etc. The Committee had expressed their suspicion that the representatives of the jute mills had played a dual role and colluded with the Thai exporters with the result that the jute imported was found to be of inferior quality. In the process J.C.I. suffered a loss of Rs. 14.35 lakhs.

The Committee had recommended that that matter should be thoroughly probed and the persons responsible, including IJMA representatives should be adequately dealt with. As a preliminary step, the mills concerned should be black listed for future dealings.

♦ The Ministry have stated in their reply that the Government had requested the present Chairman and the Managing Director of the J.C.I. to look into the lapses, if any, on the part of the officers of J.C.I. in the purchase of jute from Thailand which was rejected by the mills. The J.C.I. was also stated to be taking steps to recover atleast part of the amount from the mills concerned.

**The Committee desire that the probe undertaken by the C.M.D., J.C.I. should be completed expeditiously and the Committee informed about the results thereof and action taken in the matter within 3 months. The Committee should also be informed as to what action has been taken against the jute mills concerned and a mention should be made about it in the Annual Report of the Corporation.**

## JOINT INDO-BANGLADESH MARKETING STRUCTURE

### Recommendation (Serial No. 12)

The Committee had observed that since we had close cooperation in the matter of trade and commerce with Bangladesh, it was very necessary that the Government of India made a move to initiate a joint marketing structure for jute export on the lines of OPEC. The Committee had therefore, suggested that a dialogue should be started early with Bangladesh Government in this regard.

♦ The Ministry in their reply only shared the views expressed by the Committee in this regard.

The Committee expected that by now the Government would have made some headway in starting a dialogue with Bangladesh Government to have a joint marketing structure but the Government have not spelt the action taken on their recommendation. The Committee desire that early steps should be taken in this direction to get remunerative prices from the advanced countries and prevent undercutting on the lines it has been done by the oil producing countries.

## **CHAPTER II**

### **RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation (Serial No. 1)**

For giving statutory remunerative price to the jute growers, the elimination of middlemen, who mostly act on behalf of the Jute Mill owners, has to be done as early as possible. It has been stressed on the Jute Corporation of India from its very inception that it should build up an efficient machinery for procurement of jute direct from the growers. The Committee, however is thoroughly disappointed to note that as against 15 Departmental Purchase Centres in 1972-73, the Corporation has been able to set up only 100 such centres by 1977-78, and even these centres are all located in the secondary markets. Both in the matter of numbers and location, these DPCs are woefully inadequate to provide facilities to the actual growers for selling their stocks of jute and mesta to the Jute Corporation of India. This poor performance by the JCI is regrettable and Government must take immediate steps to ensure that the JCI's functioning comes up to the required standard because it is the only organisation which, if geared up properly and adequately manned, could come forward to rescue the poor and much exploited jute growers.

(Paragraph 1.28)

#### **Reply of Government**

The Committee's recommendation to improve the functioning of Jute Corporation of India so that it could come to the rescue of the exploited jute growers is accepted. Schemes are being drawn up accordingly.

[Department of Industrial Development, O.M. No. 20/16/78-Jute  
(iv), dated 9th March, 1979.]

### **STATEMENT SHOWING ACTION TAKEN ON THE RECOMMEN- DATIONS/CONCLUSIONS CONTAINED IN THE THIRTEENTH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS**

#### **Recommendation (Serial Nos. 2 & 3)**

All the jute growing States, in their Memoranda submitted to the Committee, have represented that the existing Departmental Pur-

chase Centres in their respective States are totally inadequate. The State Government of Bihar has particularly complained that although it is the second largest jute growing State in the country, yet it has only 13 purchasing centres (as in 1976-77) for as big a jute growing area in the State as 156.7 thousand hectares. Even these centres are not located in the jute growing areas. The State Government of Assam has also stated that the existing purchasing centres (19), are not adequate to provide the required coverage even in the main markets, not to speak of village hats as it has a jute growing area of 116.6 thousand hectares. Five DPCs in Andhra Pradesh, with a jute growing area of 110.1 thousand hectares, could procure only 0.02 per cent and 2.002 per cent of the total production of jute and mesta in the State during 1975-76 and 1976-77 respectively. There are only four DPCs each in Orissa and Tripura, where the jute growing area is spread over 84.1 thousand and 15.4 thousand hectares respectively. It has also been stated that there is not even a single Departmental Purchase Centre in the whole of South Tripura District. Although the number of Departmental Purchase Centres is the highest in West Bengal (43 DPCs in 1976-77) the State Government has stated that all the purchase centres are located in the secondary markets. Their numbers too is quite inadequate to cover the vast jute growing area of 472.4 thousand hectares in the State. It has been stated that the failure of the JCI to cover the small and marginal farmers who operate only in the primary markets at the village level has caused serious resentment among the growers.

The Committee strongly recommend that a realistic assessment about the total requirement of each jute growing State in regard to the DPCs should be made by the Jute Corporation of India, in consultation with the State Governments concerned and steps should be taken to set up adequate number of DPCs in all the jute growing States, to cover entire jute growing areas in those States. The location of the DPCs should also be so arranged that the distance required to be covered by the farmers to reach the centres to dispose of their produce does not exceed four to five kilometers.

(Paragraph 1.29—1.30)

### **Reply of Government**

The Committee have recommended that the number of DPCs should be increased so that no farmer has to travel four to five kms. to reach a DPC. Government feel that, as it is, the existing DPCs are adding considerably to the overheads of the Jute Corporation of India. To increase if further, would make the Corporation's procurement activities uneconomic. It is, therefore, proposed to achieve the objective of reaching the growers through the village level service cooperatives. The latter engage in a variety of functions and their cost of operations would, therefore, be lower than a DPC. The Government have already stated a dialogue with the State Governments

to strengthen their cooperative structures to free the growers from the clutches of private traders/money-lenders. The Corporation is also being asked to look into the location of existing DPCs with a view to bring them nearer to the primary markets and increase direct purchases from the growers.

[Department of Industrial Development, O.M. No. 20/16/78-Jute (iv), dated 9th March, 1979].

### **Recommendations (Serial Nos. 4 & 5)**

The Committee note that the picture in respect of co-operatives is equally gloomy in as much as the number of jute cooperatives in the country has increased from 19 in 1972-73 to only 166 (including 63 loose-jute centres) in 1977-78. Further as stated by the Ministry, the existing cooperatives are not yet strong enough to give adequate support to Jute Corporation of India in regard to the primary objective of purchasing jute direct from the growers. There is, therefore, no wonder Jute Corporation of India in regard to the primary objective of purchasing only about 10 per cent of the total production of Jute in the country and out of this meagre procurement, only 1/3rd is through the cooperatives.

The Committee are mindful of the fact that there is a very powerful Private Sector lobby which has enjoyed the power to decide things which at times were against the intensions of the JCI and the Government. This needs to be curbed at once.

The Committee strongly feel that if the jute growers have to be effectively weaned away from the middlemen, special attention has to be paid to the development of the institution of growers' cooperatives expeditiously. The Committee, therefore, recommend that the question of organising and strengthening the cooperatives should be taken up with the concerned State Governments on an urgent basis and common strategy for covering the entire jute growing areas in all the jute growing States for the setting up of DPCs and Co-operatives should be worked out by the Central Government and implemented through time-bound programmes. The Co-operatives and the DPCs of the JCI should function as supplementary to each other and there should be no duplication of effort in this regard. The JCI should render all possible assistance to energise and assist the Co-operatives so that ultimately they are able to take over the entire operations in the areas where there are no DPCs of the Jute Corporation itself.

The Committee note that a scheme regarding the setting up of village level co-operative societies has recently been introduced by

the JCI and, as a part of that scheme, it is proposed to link up these societies with the Departmental Purchase Centres or the baling centres of the Marketing Co-operatives. The Committee agree with the view expressed by the Management that while it may be difficult to set up full fledged marketing units at the Block level due to non-availability of infra-structural facilities like storage godowns baling presses etc. establishment of small marketing units in the cooperative sector at the level of each block should not present any problem. The Committee therefore recommend that this matter should also be actively pursued with the State Governments concerned in order to ensure speedy implementation of the scheme.

(Paragraph 1.32 to 1.35)

### **Reply of Government**

The views expressed by the Committee about the need for development of the institution of the growers' cooperatives in the area of marketing of jute are agreed to. The Corporation cannot function effectively without the active support and involvement of these co-operatives. The Government of India have already started dialogues with State Governments and the other agencies concerned including the NCDC, so that a common strategy for covering the entire jute growing areas in all the jute growing States could be evolved and implemented through time-bound programme.

Department of Industrial Development, O.M. No. 20/16/78-Jute  
(iv), dated 9th March, 1979.

### **Recommendation (Serial No. 6)**

The Committee also note that due to insignificant purchases by JCI in the past, the need for building up larger storage capacity had not so far been felt by the Corporation. With the enlarged operations of the Jute Corporation of India, however, the need for building of buffer stock is bound to arise, which in turn would give rise to demand for bigger godowns in large numbers. The Committee therefore, suggest that adequate steps should be taken right now to assess the total requirement of godown space in the subsequent years and to plan the construction of such godowns in a phased manner. For this purpose, agencies like the Agricultural Refinance and Development Corporation should render all possible assistance to the Jute Corporation of India. It should be coordinated project consisting of Food Corporation of India, Fertilizer Corporation of India, Ware housing Corporation and NAFED and respective State Governments.

(Paragraph 1.36)



### **Reply of Government**

The Committee have rightly emphasised the need for building up larger storage capacity for handling of raw jute procurement. The NCDC is drawing up plans in consultation with the State Cooperative Organisations for construction of such godowns. An assessment of the total requirement is being made, and the JCI will step in provided the cooperatives are not able to mobilise adequate resources.

[Department of Industrial Development, O.M. No. 20/16/78-Jute (iv), dated 9th March, 1979.]

### **Recommendation (Serial No. 7)**

The Committee note that in 1976 Jute Corporation of India imported 7750 tonnes of jute from Thailand valued at a little over Rs. 80 lakhs. The jute was of lowest grade available in Thailand, and some of the mills for whom jute was imported, refused to accept the same on some pretext or the other.

The Committee further note that the Jute Corporation of India did not hold any advance consultations with the jute mills to know their requirements in regard to quality of jute to be imported for them, though a representative of IJMA visited Bangkok to inspect the jute to be purchased for import. Strangely enough this representative did not purchase the imported jute for the units on whose behalf he had gone to Bangkok. As a result, it had to be sold to other mills at a lower price. The Committee have reasons to suspect that this representative of the Jute Mills had played a dual role, in that he colluded with the Thai Exporters and as a result the jute that was imported by JCI was found to be of inferior quality. In the process, money was lost by Government, and a part of the same must have found its way into the pockets of Private Sector jute barrons.

As regards the quantum of loss on the sale of rejected jute imported from Thailand, the Committee find that imported jute worth Rs. 52.88 lakhs was not accepted by mills and JCI suffered a loss of Rs. 14.35 lakhs due to the forced disposal of such stocks at prices lower than the landed cost. In this way, the private jute industrialists were successful in fleecing the government after successfully colluding with the Thai Exporters. It was a both way game for the jute mill owners. The Committee seriously deprecate this and recommend that the matter should be thoroughly probed and the persons responsible including IJMA representatives should be adequately dealt with. As a preliminary step, the mills concerned should be black-listed for any future dealings.

(Pragraphs 2.16 to 2.18)

### **Reply of Government**

The Government have requested the present Chairman and Managing Director of the Jute Corporation of India to look into the lapses, of any, on the part of the officers of JCI in the purchase of jute from Thailand which was rejected by the mills. The Corporation is also taking steps to recover atleast a part of the amount from the mills concerned.

[Department of Industrial Development, O.M. No. 20/16/78-Jute (iv), dated 9th March, 1979]

### **Recommendation (Serial No. 8)**

The Committee also note that out of 90,000 bales of jute imported by the JCI from Bangladesh in 1973, as many as 6,000 bales had to be kept in stock by the JCI for two years as the same were not acceptable to the mills. In the process, a sum of Rs. 26 lakhs had remained blocked. The Committee would require the Government to realise the money together with interest immediately.

(Paragraph 2.19)

### **Reply of Government**

The Corporation has reported that it has disposed of the quantities imported from Bangladesh but it has resulted in a loss of Rs. 8.27 lakhs, which includes interest also. The Corporation should not have imported the raw jute without obtaining irrevocable orders and guarantees of payment from the mills. A lesson has been learnt and the Corporation has discontinued the practice of entering into sales purchase obligations on behalf of the mills on credit basis. JCI has been asked to explore the possibility of recovery of losses.

[Department of Industrial Development, O.M. No. 20/16/78-Jute (iv), dated 9th March, 1979]

### **Recommendation (Serial No. 9 & 10)**

The Committee note that the export of the raw jute is made by the Corporation only on specific authorisation of the Government. The Corporation takes decision on export of raw jute after taking into account availability within the country, price trends, mills' requirements of raw jute and other related factors like bilateral trade commitments etc. Except in the year 1973-74, which had a bumper crop, no large scale exports have been allowed in recent years. Generally, exports have been allowed from time to time keeping in view mainly commitments under bilateral trade agreements.

As regards the export of jute goods, the Committee find that the JCI has taken up export of jute goods in a limited way from February, 1977. Its role in this field has been confined to export of mostly

carpet backing cloth and Hessian to certain selected countries. The Committee also find that the JCI has yet to build up its marketing structure in this field and it cannot but work in close association with the market exporters who are well organised in the field. In view of the paramount necessity of increasing exports, the Committee recommend that the JCI should be encouraged to build up its own organisation for exports so that it can play an effective role in arresting the downward trend in export of jute goods.

The Committee are disappointed to see that although JCI has done certain quantity of export of jut and jute goods, yet they have been unable to give any indication about widespread malpractices that are prevalent in the jute and jute goods export area. The JCI in future should be directed not to lose sight of this fact.

(Paragraph No. 2.30, 2.31 & 2.22)

### **Reply of Government**

The Corporation, in pursuit of its main objective of ensuring minimum prices and reasonable return to Jute growers by gradual elimination of middlemen as well as maintaining stability of prices, has so far confined its activities almost wholly to the procurement of jute from within the country in association with the cooperatives. As, however its activities in this field were restricted to price support purchase operations till recently which was relaxed in 1978-79 to permit limited commercial purchases, the Corporation has not been able to attain a dominant role in the raw jute market. The Corporation is now aiming at enlarging its share of procurement of jute in the internal market, with larger involvement of the cooperatives, particularly those at the village level, so that it can wield an effective control on the market.

Government feel that the JCI should first occupy a dominant role in the raw jute market to the benefit of the growers of jute and save them from the cultches of the middlemen completely. Addition of any functions which would divert JCI's efforts from its primary duty of procuring jute from the primary growers will not be desirable at this stage. The malpractices indulged in by the middlemen in purchase of raw jute can be done away with when Jute Corporation of India, with the help of cooperatives, attain a dominant position in purchase of raw jute and once this position is attained, it could take up marketing and export of jute goods as well to eliminate middlemen and to do away with the malpractices in the export of jute goods.

[Department of Industrial Development, O.M. No. 20/16/78-Jute  
(iv), dated 9th March, 1979]

### **Recommendation (Serial No. 11)**

As regards diversification in jute manufactures, the Committee are in no two minds to recommend that jute sticks and jute as a fibre should be progressively used more and more for production of more valuable goods like carpets, tapestry, furnishings, foot-wear, textile and garments, rayon cord, paper board, roofing material etc. The Committee regret to note that virtually there has been no attempt on the part of the Government or the JCI or the mills in this direction. The Committee suspect that the export of traditional items bring a rich harvest of ill-gotten money and that is perhaps one of the reasons which have dissuaded manufacturers from diversification. Government must therefore, take the initiative to ensure that proper beginning is made in the field of diversification.

Paragraph 2.33.

### **Reply of Government**

The Jute Manufactures Development Council has been set up to encourage research in developing new uses and products of jute, and to promote the export of jute goods. The two research institutions which are being funded are the Indian Jute Industries Research Association and the Jute Technology Research Laboratory. The Jute Manufactures Development Council is also increasing its market development activities in which emphasis will be given on the development and export of non-traditional items. Indian Jute Industries Research Association has already developed some new products, as well as improved some traditional products, for example, jute decorative fabrics, fire resistant jute fabrics, light weight cotton bagging, new type of wool-packs, double-layer hessian bags etc.

[Department of Industrial Development, O.M. No. 20/16/78-Jute (iv), dated 9th March, 1979]

### **Recommendation (Serial No. 12)**

Bangladesh is the only country which produces quality jute comparable with that of ours. In fact there are broad pockets in Bangladesh where perhaps the best quality of jute is produced. Since we have close cooperation in the matter of trade and commerce with Bangladesh, it is very necessary that the Government of India makes a move to initiate the joint marketing structure, to avoid under-quoting and competition between the two poverty stricken countries, on the lines of OPEC. Unless this is done, the sale of jute will continue to remain in the buyers' market. The Committee, therefore, suggest that a dialogue should be started early with

Bangladesh with the objective of achieving remunerative prices from the advanced countries and prevent undercutting on the lines it has been done by the oil producing countries.

Paragraph 2.34

### **Reply of Government**

The Government share the views expressed by the Committee.

[Department of Industrial Development, O.M. No. 20/16/78-Jute,  
dated 9th March, 1979].

### CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES.

**NIL**

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE.

#### **Recommendation (Serial No. 3)**

The Committee are quite clear in their mind, and they would expect the Government to make a note of this, that the performance of Government owned Corporations like the Jute Corporation of India could be improved provided they are allowed to have adequate infrastructure with sufficient man-power. It is, therefore, very essential that the activities of the Jute Corporation of India are increased commensurate with the objective laid down by the Government on all occasions.

(Paragraph 1.31)

NEW DELHI;  
April 25, 1979  
Vaisakha 5, 1901 (Saka)

JYOTIRMOY BOSU  
Chairman,  
Committee on Public Undertakings