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12.13 hrs.

ESTIMATES COMMITTEE

[English]

Statements showing action taken by Government on Recommendations

SHRIMATI CHANDRA TRIPATHI (Chandauli): I beg to lay on the Table statements (Hindi and English versions) showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of:—

- (i) Thirty-Fourth Report of Estimates Committee (Eighth Lok Sabha) on Action Taken by Government on the recommendations contained in Eighth Report (Eighth Lok Sabha) on the Ministry of Commerce— Tobacco Board.
- (ii) Thirty-Fifth Report of Estimates Committee (Eighth Lok Sabha) on Action Taken by Government on the recommendations contained in Seventeenth Report (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs)— Reclassification of Transactions relating to Defence Pensions.

12.14 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Closure and lockout in large number of Jute Mills in West Bengal

SHRI HARISH RAWAT (Almora): I call

the attention of the Minister of Textiles to the following matter of urgent public importance and I request that he may make a statement thereon:

“The situation arising out of closure and lock out in large number of jute mills in West Bengal and the measures taken by the Government to resolve the crisis facing the industry.”

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): Sir, The Motion seeks to draw attention to the situation arising out of closure and lock out in large number of jute mills in West Bengal and the measures taken by the Government to resolve the crisis facing the industry.

At present, 19 jute mills affecting about 74,400 workers are lying closed in West Bengal. This is besides the 3 permanently closed jute mills involving about 6,900 workers. The details of jute mills lying closed at present are given in the list which is given below.

The main reason put forward by jute mills for closure generally is labour trouble. However, liquidity problems arising out of adverse trading conditions due to imbalance between cost of production and sale price realisation are also reported to be contributory factors for such closure.

Of late, prices of jute goods have remained depressed due to seasonal slump in demand (reduced volume of purchases of jute bags through DGS&D for packing foodgrains), increasing competition from synthetic substitutes for cement and fertiliser packing, distress sales by weaker mills and suspension of shipment of jute goods from Calcutta Port due to lock-out declared by Bargeowners from 14th June, 1987 in response to work-to-rule agitation by Bargemen which started a month earlier. All these factors have led to increase in unsold stocks of jute goods with mills despite reduced volume of production in recent months.

The Central Government has been taking various steps from time to time to improve the working of jute industry. The important steps taken by the Government for improving the working of jute industry include:—

- (i) Creation of Jute Modernisation Fund of Rs. 150 crores with effect from 1st November, 1986 for modernisation of jute mills;
- (ii) Creation of a Special Development Fund of Rs. 100 crores for restructuring/re-opening/rehabilitation of jute industry as well as for development of jute agriculture;
- (iii) Enactment of a legislation i.e. Jute Packaging Material (Compulsory Use in Packing Commodities) Act, 1987 for mandatory usage of jute packaging material for certain sectors of the economy;
- (iv) Waiver of Customs Duty on import of certain specified items of jute machinery and accessories with a view to encourage modernisation programme of jute mills;
- (v) Providing cash compensatory support for export of jute goods;

- (vi) A buffer stock scheme of raw jute is also in operation so as to bring stability in raw jute prices;
- (vii) Vigorous efforts are being made to participate in international tenders for jute goods by offering competitive prices;
- (viii) Efforts are being made to find out alternative uses of jute in packing tea, applies, production of carpets, blankets etc.;

The Central Government is aware of the problems of jute industry and no effort will be spared to solve the present crisis. The Central Government feel concerned at the plight of jute mill workers who have been rendered unemployed due to closure of several jute mills. Under the Industrial Disputes Act, the State Government is the appropriate authority for matters dealing with industrial disputes. The Labour Minister, Government of West Bengal held a tripartite meeting on 18th June, 1987 but no agreement about the measures to deal with the present crisis could be arrived at in the said meeting. The Central Government expresses its keenness to extend necessary assistance to the State Government in this regard.

List of closed Jute Mills in West Bengal

(Position as on 4.8.1987)

S. No.	Name of the closed jute Mill.	Date of closure	Approximate No. of workers affected
1	2	3	4
1.	North Brook	27.1.82	3,500
2.	Empire	17.3.85	3,300
3.	Megna	15.4.85	6,200
4.	Shri Ambica	25.8.86	3,500

1	2	3 -	4
5.	Calcutta	3.10.86	1,200
6.	Barnagore	3.11.86	5,500
7.	Titaghur	17.11.86	4,500
8.	Nawarchandra	24.3.87	2,500
9.	Fort William	27.3.87	4,000
10.	Delta	2.5.87	5,100
11.	Agarpara	2.5.85	3,600
12.	Gourepore	2.5.87	4,500
13.	Prabartak	12.5.87	2,200
14.	Howrah	21.5.87	4,400
15.	Fort Gloster (New Mill)	26.5.87	3,500
16.	Shree Hanuman	7.6.87	3,800
17.	Budge Budge	7.6.87	3,400
18.	India Jute	20.6.87	4,500
19.	Reliance	29.7.87	5,500
			74,400

List of permanently closed jute mills which are not likely to re-open

1.	Prem Chand	6.4.77	3,100
2.	Naskarpara	17.4.81	2,300
3.	Shri Ram	6.8.81	1,500
			6,900

[Translation]

SHRI HARISH RAWAT (Almora): Mr. Speaker, Sir, the seriousness of the situation is very well reflected in the reply of the hon. Minister. He has stated in his reply that 19 mills are lying closed affecting about 75,000 workers. This is besides the three mills permanently closed involving about 7,000 workers. The hon. Minister

might be aware that whenever a discussion about the crisis in Jute industry had taken place in the House on earlier occasions, the Minister had spoken about measures to be taken in his reply. HE has also spoken about some measures and similar steps and there is no significant difference in his reply and the replies of the former Ministers. There has not been any change in the situation after the replies which were given

earlier. If there has been any change, it has been for the worse. The crisis has now become more serious. There is some shortcoming due to which jute industry has become sick. We should admit that we have not been able to strike at the root cause. Therefore, keeping in view the dissatisfaction over the prevalent situation and failure of the measures taken to face the serious situation, the people have been raising this demand time and again that jute industry should be nationalised. We would not go into the points which are in its favour and which are against it.

12.20 hrs.

[MR DEPUTY SPEAKER *in the Chair*]

I would like to submit to the hon. Minister that the Government should examine whether the measures taken by it are having some effect or not. If the steps taken by the Government are not proving to be fruitful and if no notable improvement is brought about in the situation under a time-bound programme, the Government should think about nationalisation of Jute industry.

Our many friends and M.Ps. from West Bengal, which include congress M.Ps. also, have met you time and again and put forward their suggestions to you. Many congress leaders from West Bengal are also among them. Many suggestions were also sent to your Ministry, but I am very much pained to say that no action has been taken on their suggestions and the Government has not paid any attention to those suggestions. This is my first charge

The hon. Minister has stated in his reply that labour unrest has been the main reason for the closure of the mills, but I am not ready to accept the labour unrest as the main reason for the closure of the mills. There are many other reasons for the closure of the mills on which attention should be paid by the hon. Minister. In our country Jute industry is the major industry in which almost one crore of persons are employed in the process of its production and export.

If we say that this crisis has been created due to labour unrest, then it would be a simplification of the situation. The hon. Minister has stated that in addition to the labour unrest, the other reason has been the purchase of lesser quantity of jute bags by the DGS&D. But he should also go into the reason as to why DGS&D went for lesser purchase of the jute bags. So far as I remember you have presented a Bill here in which it is provided that jute products must be purchased by all the industries compulsorily. Then why the Government's orders are not being implemented strictly and jute bags are not being purchased? The Government should think seriously as to why those industries that are required to protect the jute industries and products, do not come forward and why are they opting for synthetic bags? The FCI, CCI or Fertiliser Corporation of India who used to purchase jute bags are not purchasing them now. This is merely an excuse that their prices are high or the quality is not good. What we are to keep in mind is that in a vast country like India unemployment is the biggest problem. If the Government institutions also keep this thing in mind as to what is the quality of the bags and what are the prices, then our purpose is not going to be served. You should ascertain those industries which are not complying with your orders or are showing callous attitude in the matter of purchase of jute bags. Kindly make it clear as to what steps you are going to take against defaulting industries under the provisions of the Bill passed in the House?

You have just stated that synthetic bags are replacing the jute bags. The main reason for this is that this is being encouraged by the Government. You should, after consulting the Finance Ministry, make such arrangements that heavy duty is imposed on the import of the synthetic granules so that the jute industry is able to compete with it. If you do not increase the import duty then it will be available in the country on cheaper rates and all your efforts to promote jute products will go waste. If you keep on encouraging these private people, the jute industry is not going to be bene-

[Shri Harish Rawat]

fited. Therefore, I would urge that the prices of the synthetic bags should be increased. Simultaneously, synthetic industry should be asked to find out foreign markets for its products. Instead of competing with the jute industry in the country they should strive for foreign markets. The concessions you are giving them should be utilised in finding out foreign markets.

[English]

SHRI CHANDRA PRATAP NARAIN SINGH (Padrauna): To help the West Bengal Government.

SHRI HARISH RAWAT: Not to help the West Bengal Government but to help the country as a whole.

[Translation]

Secondly, the hon. Minister has stated that the jute industry is going to be modernised. But the industry is not coming forward to take full benefit of the concessions and loans etc. you have announced for its modernisation. What is the reason for it? Why is it so that Rs 250 crore package offered at the initiative of the hon. Prime Minister to revive jute industry in West Bengal is not being utilised by the jute industry?

I was surprised to read in the newspapers that even those mills which are under the control of the West Bengal Government, are not coming forward to take advantage of the loan facility meant for modernisation. Private mills are not grabbing this offer but at the same time the Government owned mills too are shying away from taking this advantage. Therefore, I request the Government to look into the matter and find out as to why they are not utilising the facilities offered by the Government?

Unless the mills are modernised, they are not going to give you such quality pro-

ducts which may stand in the international market and compete with others. I would like to draw the attention of the hon. Minister to the fact that we have been earning more than Rs. 300 crores worth of foreign exchanges from jute and jute products but now we are losing that market gradually. We can retain that market only when quality of our products is good and the rates are lower and this can be achieved only when the mills are modernised. Therefore, I would like to ask as to why the mill-owners are not coming forward to avail of the loan facilities offered to them for modernisation of the mills? Are you taking some steps to ensure that they come forward to take loans etc. and that if they do not avail of these facilities, what steps can be or are being taken against them?

Mr. Deputy Speaker, Sir, with your permission I want to ask the last question. One of my colleagues has told me that the one of the reasons for high prices of the jute products of the mills situated in West Bengal is that the West Bengal Government has imposed heavy levy on the raw jute and jute goods. They have imposed levy on the raw material as well as on the products which has resulted in hike in prices. Is it a fact, and if so, whether the West Bengal Government is going to be persuaded that the levy imposed on raw material as well as on the products should be removed?

[English]

MR. DEPUTY SPEAKER: Shri Indrajit Gupta.

SHRI INDRAJIT GUPTA (Basirhat): Sir, as was expected, the reply given by the hon. Minister repeats the mixture that we have been treated to practically every year when this matter is raised because the question of closures and lockouts in the jute industry is nothing new. It is a recurring phenomenon, a chronic phenomenon in this industry and the same excuses, either it has depressed market, or the prices of raw jute have gone very high or there is scarcity of raw jute or there is labour

trouble or something like that, or competition from synthetics, it is the same old story that we have been told year after year.

DR. DATTA SAMANT (Bombay South Central): The Millowners are like this,

SHRI INDRAJIT GUPTA: No, no.

SHRI MURLI DEORA (Bombay South): Thank God Shri Datta Samant is not going to Calcutta.

SHRI INDRAJIT GUPTA: This time. It is not necessary. The Millowners are doing what he does here.

SHRI MURLI DEORA: I am glad that you agree that he does that.

SHRI INDRAJIT GUPTA: No, no. You need not to blame him always for that. There the millowners are doing it. You need not bother. There is no incentive for him to go there. Now, Sir, the Minister has been pleased to tell us that as far as the employers are concerned, they are putting forward always the main reason, the reason being that of labour trouble. I dismiss this contention with the contempt it deserves because everybody knows that the Government of India's own study into this matter has shown that labour trouble or industrial relation is a factor accounting for only two per cent of all closures and lock-outs. They are due to other factors and not due to the labour factor. This is your own finding.

(Interruptions)

DR. DATTA SAMANT: Please tell this to the hon. Minister.

SHRI INDRAJIT GUPTA: My Labour Minister is not here. What can I do? I think, these Ministries don't have any coordination with each other. Please read the Ministry's report.... (Interruptions) Anyway, now I come to some of the other factors which Mr. Mirdha has mentioned in his note though he does not explain why those should justify this kind of massive closure of 22 mills—three mills were already

completely closed—and 75000 workers being out of employment. You also know it very well. I hope you know that the jute mill labours employed in West Bengal come from a number of States. In fact, the people belonging to West Bengal are in a minority. In that labour force, the majority are coming from outside—from Bihar, from U.P., from Orissa. People who have no other means of employment except to come to Bengal and somehow they get a job in the jute mills and all of them are being affected now. 75000 people are out of work. Of course, he has expressed concern. He has expressed concern last year or the Minister has expressed concern two years ago or three years ago...

(Interruptions)

PROF. MADHU DANDAVATE (Rajapur): This is an Annual Plan!

SHRI INDRAJIT GUPTA: This is an Annual Plan of expressing concern.

SHRI MURLI DEORA: We can have supplementaries.. (Interruptions)

SHRI INDRAJIT GUPTA: During that period, I want to ask him whether it is a fact or not that the Government has gone out of its way - the Central Government, I am referring to—to provide new incentives, new facilities and new concessions to these jute-millowners. Is it a fact or not that on the 18th December last year, there has been a 100 per cent exemption of customs duties on a number of machines, new machinery and accessories which are to be imported from abroad? These machines are being made here also. In West Bengal, they have been made by a Company called the Lagal Jute Machinery Company and Texmaco, belonging to Birlas, making these machineries. But customs duty on imported machinery has been completely withdrawn by the Government in order to encourage these people to bring in foreign imported machineries. This is your Import and Export Policy. You should state it clearly. In the meantime, Texmaco, not getting

[Shri Indrajit Gupta]

orders for its machines, are retrenching 400 men from their Company and Lagal Jute Machinery Company is also saying: "We are not getting any orders for these machines". So, the Government of India prefers, in the name of import liberalisation, that expensive imported foreign machineries should be brought and installed here; and the fall out from that which is going to add to the volume of unemployment in this country apparently, is not their concern. I have the original notification—Ministry of Finance, Department of Revenue and perhaps he does not know about it—where these 10 items of machinery of jute mills and five items of accessories have been exempted totally from all customs duties.

After that, the Birlas, the House of Birlas, which is a big force in the jute-mill world have stated that they are not prepared to rationalise i.e. they are not prepared to install up-to-date machinery because he has talked about the Modernisation Fund that they have created. I would like to know from him, how many mills, how many jute mill Companies have availed themselves of this Jute Modernisation Fund and how much they have taken from it; whether it is a fact or not that the House of Birlas, I mean Shri J.R. Birla, Managing Director of Birla Jute and Industries Ltd., has stated that they are not going to modernise or rationalise unless they are given a firm commitment from the Central Government that reduction of workers i.e. retrenchment of labour, will be allowed. It is here in the *Economic Times*, in black and white. It has been quoted from the Speech, which he has made in the Company's Annual General Meeting, that they are not going to go in for modernisation unless they are given a guarantee first of all by both the Central and the State Governments that the labour force will be rationalised, which means retrenchment. On the other hand, there are two mills which have declared that they are going in for the installation of what are called "high tech looms". I do not know if the jute industry is a fit ground to

experiment with high technology. Some sort of medium technology or lower technology would, I think, be preferable in such an antiquated type of old industry. Anyway, high tech looms, according to two mills, are to be brought in two mills where the looms are going to do the work which is now done by power looms. Obviously, it is going to lead, again, to massive unemployment and retrenchment. I want to know whether the government has got any technology policy, under what conditions, under what parameters, certain technologies are to be imported and applied in our industries as they exist in our country. We are not bothered about the USA, West Germany, Japan and all that, which are always paraded before us. We do not live in those countries. We live in a country called India. Our industries, our workers and our production have got concrete characteristics which have to be taken into account before you decide what type of technology is to be allowed, to be applied here. Is there such a policy. I do not know. They have only given a fund of so many crores, Rs. 100 crores of Rs. 150 crores, and said, "You use it to bring whatever machinery you want". Is it totally unregulated? Has the Government no power of regulation or direction?

The best part of it is that, according to some economic experts, the closure of these mills has actually saved the industry from a crisis of glut; if the mills had not been closed, they would have had the crisis of glut. And it is partly admitted in the Minister's statement also—there would have been an imbalance of demand and supply. Why? Because the Government of India has, since the month of May, been refusing to purchase any B-twill; they have stopped their purchases of B-twill from the month of May. The biggest item which is sold by the jute mills in the domestic market is the B-twill packing bag, and the biggest purchaser of it is the Government of India, the Director-General of Supplies and Disposals, but since the month of May, this purchase has been completely stopped. That is number one.

Number two is this I admit that there has been difficulty in export because of the

strike by bargemen - it is a very recent phenomenon - as a result of which the goods are not moving. That is, after all, a temporary factor. As far as Hessian is concerned, which is considered to be the king of exports, the price of Hessian is now remunerative - at Rs. 57 per 100 yards. No jute mill-owner can complain that the price of Hessian is not remunerative. In fact, all Hessian orders upto October have been booked; Hessian is sold out till October. And there is shortage of Hessian both in Bangladesh and in India. There is nothing to prevent these mills from manufacturing more Hessian which is the main quality product for exports. So, I am afraid, if the closure is allowed to continue, they will again lead to a situation in which the demand for sacking will outstrip the supply, because Government is not buying. And if the demand outstrips the supply, the prices of sacking will also rise in the market and they will quote considerably higher prices. The whole business of lock-out and closure is a means, a method, by which they can manoeuvre the market in such a way that they regulate their production either upwards or downwards so that they can get the maximum benefit at any given time. This game, they have been playing for many years; it is nothing new. Apart from this, the raw jute prices are, at the moment, very much down. The raw jute prices are just approximating to the minimum support price which was announced for 1987-88, that is, in Calcutta. If you go to the upcountry markets, the price at which jute is selling is considerably lower than the minimum price which you have stipulated. That also is a big benefit for the mill-owners. Therefore, what I am trying to say, Sir, I don't wish to labour this point very much more, is the fact that this whole thing is a contrived closure. It has nothing to do with labour trouble. From the dates given in the Minister's own statement the majority of these mills have closed down from March to July 1987. The dates are given. Within these three or four months, the majority of the mills have closed down together. And the reason is that they want to adjust all their production to the demand or to the market in such a way that this will

bring them the maximum profit. Who has paid for this? These 75000 workers who have lost their job, who are totally unemployed today and for whom there is no kind of relief, no kind of benefit. That is why, it is always get over by the Minister by saying, "this is a question of labour relation. If it is a West Bengal Government's look out. We have nothing to do with that."

So, Sir, the fact of the matter is that no steps are actually being taken by the Government to resolve this crisis, as they describe it. The legislation which was enacted in the last session in this House, is Jute Packaging Material (Compulsory use) Act 1987. At that time, taking part in the discussion, I had said this Bill which was brought forward primarily under the pressure of the jute mill-owners. There is no doubt about it. And now at least, it has provided them with a cushion against the threat of synthetic material.

As far as cement is concerned, fertilizer is concerned and all other commodities are concerned, already because of this Act there is a big shift in proportion of packaging material in favour of jute. There is no doubt about it. The jute industry's share in cement packaging was 52% and in synthetic industries 48%. And now, after the Act was passed and implemented, the jute industry's share has risen to 70% and the synthetic industry's share has come down to 30% only. So, they cannot go on complaining about the competition from synthetic being a decisive factor.

MR. DEPUTY- SPEAKER: Wind up, Sir

PROF. MADHU DANDAVATE: They have wound up the factory already.

SHRI INDRAJIT GUPTA: I am just appealing to you whether every year we have to try and bring forward this issue of large scale closure and unemployment. This is the only reply we get.

The last thing I want to say is this. I know they are going to do nothing except providing more concessions and benefits to these mill-owners. And if they are going to spend this moeny of Rs. 150 crores for modernisation and another Rs.100 crores for restructuring and rehabilitation of the jute industries, they should involve the countries where they have got clear cut policy. Have they got a policy regarding technology? Technology is not the same for all industries. It cannot be. There is High-tech. Medium-tech, Low-tech. There are industries in which introduction of new technology will créate havoc. The outcome will be the addition to the army of unemployed people in this country. So, when you give them this money do you bother to find out what type of machinery and plant they propose to buy at the cost of even our own machinery buliding plants? Jute machinery is being manufactured here in this country. Nobody ever complained against it. So, why are you ditching this machine building plants in our own country and also ditching workers who are facing this mass scale retrenchment? You are only trying to pamper these jute mill-owners. Why don't they take over. Of course we have argued many times. They don't take over small factories. Mr. Vengala Rao is sitting here. He is very much against taking over and nationalising these industries.

PROF. MADHU DANDAVATE: He is for over-taking.

SHRI INDRAJIT GUPTA: These industries are being ruined step by step because the mill-owners are taking money out of it to invest in other plants making cement, chemicals, paper in other places, in other parts of the country. Everybody knows it. Now this industry can only be saved if that group of six mills which they have got in their hands, the National Jute Manufacturers Corporation, which is a public sector unit—a small island in this whole ocean of private jute mills—that should be properly

run. That should be efficiently run. We have offered our cooperation. Workers have offered their cooperation. Let the public sector mills be run efficiently so that the contrast with the private mills can be shown and gradually this Jute Manufacturer Corporation group can be expanded. You need not take over all the jute mills at one go. You can take them over gradually so that public sector expands within the jute industry. If you take the cooperation of the workers you can run your mills very efficiently. Therefore, I would like to know apart from this modernisation fund and giving other concessions of duties and customs whether you have got any other concrete plan in your mind by which his recurring phenomenon of closure can be averted and avoided? It is something which is unique for this industry.

SHRIMATI GEETA MUKHERJEE (Panskura): Sir, excepting one sentence of verbal concern for the workers this statement is an open apologia for the jute barons: of West Bengal who are attaching our workers and reducing our peasantry to paupers and thus ruining our economy. I am sorry to say in third para.—as has already been mentioned by my colleague, Shri Indrajit Gupta - the main reason put forward by jute mills for closure is generally labour trouble. So you are here to represent the jute mill-owners. You have not said even one word about the workers' views. Shri Indrajit Gupta has also said that only 2 per cent of the manday's lost all over India are due to labour trouble but let me inform the House that in jute 99.8 per cent of the man days lost are due to lock out. So this is the difficulty which is facing us. Who are responsible? You do not have anything to say about them.

Sir, these lock-outs are planned and every year they do it at a particular time when the raw-jute comes to the market. My colleague has already referred to this fact but I would like to say that this year the main raw jute is yet to come to the market. Only the North Bengal jute has started coming in the market. South Bengal jute

has not come in the market. Despite that recently Calcutta delivery of raw jute was sold at about Rs. 70 less than the declared support price. This is a serious situation which is facing raw jute peasantry. I do not know what your JCI will be doing this time. I cannot go into that for the moment but I will say it is going to be a very big problem for the peasantry.

In the last para you have tried to say that this is a West Bengal Government concern. They had a tripartite meeting and it failed. The obvious implication is that let West Bengal Government stew in their own juice. You have not said why this tripartite meeting had failed. Who is responsible? May I know whether it is a fact that West Bengal Government tried to declare lock-out illegal in some factories of jute and those fellows rushed to the High Court and obtained stay order? Is it also not a fact that West Bengal Government when Mr. K Ghosh was the Labour Minister in the last cabinet in his budget speech made a fervent appeal to the Central Government for enacting a fool-proof law which will declare lock-outs illegal? May I know what have you done for that? Are these lock-outs ever justified? What is the real thing behind these lockouts? There are many other factors as well but the principal factor is that the jute mills, as my honourable colleague has pointed out, try to drive out the workers, increase the workload, get as much concession as they can from you and then deprive the country as well as the workers and peasantry of the region.

Now what is their real demand? One-third of the labour strength of this industry has to be hounded out. They said this clearly. What are they trying? In this measure, they want to pressurise the workers by these lockouts. Even wage payments are being deferred. If they protest against the wage payment, then, immediately there is a lockout. Whether this has been the practice or not? In this drive for getting one-third out, they want the workers to agree; they want the West Bengal Government to agree. And with your help, they have taken it for granted as an apology for

them. This is the situation. That's why they try to get the small-nationalised sector to which Shri Indrajit Gupta has already referred, NJMC to get affiliated into IJMA. I would like to know whether you are going to prevent this effort on their part to get even the NJMC admitted into the IJMA. The West Bengal Government naturally cannot agree to one-third reduction of work force in Jute. Now what have the jute manufacturers done? You are probably quite aware of the fact that there was a tripartite agreement which expired sometime in April. Normally, the tripartite agreement, is not terminated until another tripartite agreement comes into force. I would like to know whether it is a fact that your pampered jute barons terminated the tripartite agreement unilaterally without hearing from the West Bengal Government or the workers. They did not care. Why did they terminate the tripartite agreement?

You see, I have no time. Otherwise I would have given you figures. 75,000 workers are being kept out. They have given more production. This is a fact. Then, they are depriving the exchequer from much greater production which could have been there. Their really cancelling the tripartite agreement is an indication of their way of thinking. I would like to know whether you are aware about the cancellation of the tripartite agreement.

I agree that there are other constraints as well. But this is also a fact that many of those are being played on and on and on ad nauseam to hide other things. You will not catch hold other basic things which I and my hon'ble colleague also referred to.

Now about your Jute Modernisation Fund of Rs. 150 crores. Is it a fact or not that these very barons used more than Rs. 150 crore soft loan granted at the time of Shri Pranab Mukherjee and they got it down the drain? What are the effects of the earlier Rs. 150 crore soft loan: More closures. I would like to know whether it is a fact that the Central Government came to an agreement with the jute industry that

[Shrimati Geeta Mukherjee]

since they have eaten up Rs. 63 crores of provident fund and Rs. 16 crores of ESI workers' share, you will make a deduction of some 6 per cent, so far as I remember correctly, from the money that is due from the Government, owing to the purchase of their products by the Government and deposit this money straightaway in the P.F. I would like to know, how far this scheme has been implemented. Of all the purchases from the Jute mill owners, in how many cases Government has directly taken 6 per cent of their due and deposited it in their P.F., I would like to know? With practically supporting this declared attitude of pushing out 1/3rd of the workes, supporting this declared attitude in terminating this Tripartite Agreement, supporting this attitude of indulging in these machinations, you are putting both the jute workers and the peasantry in great trouble. How do you think that these measures are going to improve the situation? So, may I know whether instead of passing the buck on the West Bengal Government, he would come out with a foolproof Act to declare lockouts illegal, particularly in the Jute industry to help our Government to tackle this situation.

Lastly, I would like to know as to how long will you remain blind to the absolutely perfect demand for nationalisation of this jute industry, without which this industry cannot be saved?

Sir, a few days back, Shri Krishna Kumar went to Calcutta and instead of staying in Raj Bhavan he stayed in a double room suite in Grand Hotel, I believe, for a sweet secluded tete-a-tete May I know what inspired him to do that?

PROF. MADHU DANDAVATE: Why are you keeping a watch on the Minister?

DR. CHINTA MOHAN (Tirupati) Sir, this jute industry is mostly located in West Bengal.

AN HON. MEMBER. What about Andhra Pradesh?

DR. CHINTA MOHAN: Not much in Andhra Pradesh and Gujarat. Out of 70 jute industries 56 are in West Bengal. Due to lack of coordination between the Ministry of Textile and the Ministry of Commerce and also the Ministry of Labour to some extent, the problem of jute industry and that of labour is continuing in our country with the result that 70,000 families are helpless. The policy of the Government to reduce imports and increase export has completely failed. Recently, the Government of India had taken a measure to stop the imports. Today we have a lot of trade deficit. We are encouraging the high density polythene bags in our country but now the fight is between the manufacturers of synthetic bag and jute bag manufacturers. The jute industry is not a very modern industry with the result it is not able to face the competition in the market. In addition the high moisture absorbing and dust adhering qualities also add to its disapproval. So, the jute industry is slowly slacking down.

The Minister in his Statement said, "Central Government is taking all possible measures to control the problem of jute industry and no effort will be spared to solve the present problem." Had the Minister come out with a frank statement that they are encouraging the import of high density polythene bags into the country, I should have gladly accepted it. The jute industry is suffering as a result of these imports only.

13.00 hrs.

The Minister has also stated that in November a fund of Rs. 150 crores has been created for the purpose of modernising the jute industry. I would like to know as to how much money has been spent for this modernisation.

The Minister has also stated that Rs. 100 crores are earmarked for research and development efforts I would like to know how much money is really spent for research and development.

You have also enacted the Jute Packaging Material Act for mandatory usage of jute packaging material for certain sectors. Important public sector undertakings such as the Cement Corporation of India, Fertilizers Corporation of India, etc. are under the control of the Ministry of Industry. Even though this legislation has been enacted, the Cement Corporation and the Fertilizers Corporation are floating tenders to get the high density polythene bags. How can there be such double standards? On the one hand, you say that you want to control the import of synthetic bags into the country. And on the other, public sector undertakings under your control float tenders to get these synthetic bags. Due to lack of coordination between the Ministry of Textiles and the Ministry of Industry, this problem is continuing.

Now I come to exports. Recently Russia has given an order for about 22,000 tonnes of jute bags. Instead of channelising it through the State Trading Corporation, the order has been given to a private person. Where did this private exporter place his orders to procure the jute packing material? Did he place his orders with any of the sick mills? Did he try to solve the problems of the Ministry of Textiles even to some extent?

Now, coming to the international market, Bangla Desh is able to export jute at the rate of Rs. 225 per 100 metres. Unfortunately, we are not able to compete in the inter-national market because our price is Rs. 253. We are failing in the international market, particularly in the USA, because of this high price. You are giving certain cash compensatory support to increase exports of jute. I want to know how much cash compensation is given to the exporters of jute.

There is also a temporary problem of payment of gratuity, salary etc. to the workers in the jute industry. I request that the Minister should sit with the Minister of Labour, Government of West Bengal to solve this problem. Both the Ministers

should sit together and find out a solution. Rather than giving a false picture and saying that you are trying to solve the problem of jute industrial workers, you may please give specific answers to the queries raised.

13.04 hrs.

The Lok Sabha adjourned for Lunch till Fourteen of the Clock.

The Lok Sabha re-assembled after lunch at three minutes past Fourteen of the Clock.

[MR DEPUTY SPEAKER *in the Chair*]

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE
—Contd.

[*English*]

Closure and lock-out in large number of Jute mills in West Bengal—Contd.

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): Mr. Deputy-Speaker, Sir, I am thankful to the hon. Members who, had taken part in this discussion because it has brought out some of the basic and important issues concerning jute which is a very important industry in our country.

The jute industry is one of the oldest industries, and occupies a significant position in the national economy—particularly in the eastern and north-eastern regions of the country. This was traditionally an export-oriented industry, but the predominance that we had in the export-world is considerably diminished now, and I will presently go into the causes as to why it has happened.

It has been mentioned by hon. Members that whenever the subject is discussed, the response from the Government is on the same lines. Maybe it is so because the