

Mr. Deputy Speaker, Sir, I think you for the reinstatement of Harijan scheduled Castes and scheduled Tribes under Crash Programme, Reservation quota has been implemented in it. But I request the Government to issue instructions for the recruitment of scheduled castes and scheduled tribes under Crash programme against their reserved quota on North-Eastern Railway.

Mr. Deputy Speaker, Sir, through you I want to urge upon the hon. Minister to provide a stop for G. L. Guwabati express at Nayanagar in Samastipur division. A retiring room should also be got constructed at Rasera as there is no such room.

Sir, the food which is served is packed in tin-foils which is very unhygienic and its rates are also very high. Thus the quality of the food items being served is deteriorating and price of the tin-foil is also increasing. Even the contracts for packing the food in tin-foils have been given to the relatives of these officers which is making it worse and leading to more corruption. Therefore I request the hon. Minister to pay attention to all these things and streamline the entire system. With these words I conclude.

17.13 hrs.

HALF-AN-HOUR DISCUSSION

[English]

Representation against import policy cash crops and spices.

MR. DEPUTY SPEAKER : We will now take up Half an hour discussion. We will resume the discussion on Railways' Grants after finishing the half an hour discussion.

SHRI THAMPAN THOMAS (Mavelikara) : What is this Sir ? We were not told about this late sitting.

MR. DEPUTY SPEAKER : Well, we have discussed it in the House and the members have accepted to sit late. It was discussed at 5 o' clock.

SHRI THAMPAN THOMAS : Then we must be given dinner.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : It is good for people like Shri Thampan Thomas to fast once in a while.

MR. DEPUTY-SPEAKER : About dinner, you may ask Shri Namgyal.

THE DEPUTY MINISTER IN THE MINISTRY OF SURFACE TRANSPORT AND DEPUTY MINISTER IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI P. NAMGYAL) : I do not think that it will go that long. Moreover, many hon. members are attending the PM's dinner.

MR. DEPUTY SPEAKER : We can decide about dinner later.

Yes. Mr. Kurup.

PROF. P. J. KURIEN (Idukki) : Sir, I have a submission. We all have given a notice for this motion. This subject is of great importance to Kerala. We request you to convert it into a discussion under Rule 193, so that we too can participate in it.

MR. DEPUTY SPEAKER : I will pass it on to the hon. Speaker. It can be decided in the Business Advisory Committee and the subject may be discussed once again under Rule 193. At this stage, I cannot do anything else.

SHRI SURESH KURUP (Kottayam) : You should allow them to put questions Sir.

The new Import-Export Policy was announced during the last Session. From that time onwards, members from Kerala

[Shri Suresh Kurup]

have been repeatedly demanding for a discussion on this Import-Export Policy because the various provisions contained in this policy adversely affect the economy of Kerala.

Sir, I am thankful to the hon. Speaker for allowing an Half-an-Hour Discussion based on an unstarred question tabled by members from Kerala. Sir, the stand taken by the Government of India as well as the Minister is that nothing is changed in this Import-Export Policy except that some spices are included in the OGL. Earlier, they were canalized through STC, and now they are included in the OGL. On the face of it, this explanation may appear to be correct. But if you go through the Import-export policy, you can see that this is badly affecting the farmers of Kerala, and the economy of Kerala.

Take the spices first. Earlier, the Import of spices was canalized through STC. What is the reasons for de-canalizing this now ?

SHRI VAKKOM PURUSHOTHAMAN (Alleppey) : Since when ?

SHRI SURESH KURUP : For the last 3 or 4 years this was canalized through STC. (Interruptions) Earlier, it was in the OGL. What prompted Government to include this in the OGL ? The explanation given was this (Interruption) Don't spoil the case of Kerala.

SHRI VAKKOM PURUSHOTHAMAN : No; I will be with you. But you must tell the truth That is all.

SHRI SURESH KURUP : What prompted the Government to include this in the OGL ? The explanation given by the Government is that there were some problems with the STC regarding the distribution of these spices which were imported. They were not able to rationally distribute these spices. So, the Government has opted for this soft option. So, they have de-canalized it; and they have allowed these spices to be imported through OGL.

Statistics show that bulk quantities of these spices were imported by STC to fill the gap between the demand and the supply. In 1983-84, 2710 metric tonnes of clove were imported by STC; and in the same year, 126 metric tonnes of cinnamon were imported. In the same year, 558 metric tonnes of nutmeg were imported. In 1984-85, 341 metric tonnes of cloves, 2156 metric tonnes of cinnamon and 326 metric tonnes of nutmeg-these bulk quantities were imported by STC during these years, to fill the gap between demand and supply. That means that these bulk quantities were imported. And now you have opened the floodgates of import by including this in OGL. Now everybody is going to import these things for flimsy reason that STC does not have any distribution network, that there were problems with distribution. This is the only explanation they are giving, at the cost of farmers of Kerala.

What are the prices of these spices now ? The price of nutmeg, without shell, before you announced this import policy, was Rs. 420 per Kg, now it has gone down to Rs. 140. The price of nutmeg with shell was Rs. 160 per Kg, now it has gone down to Rs. 95 per Kg. The Price of cloves was Rs. 300 per Kg; now it has gone down to Rs. 120 or Rs. 123. This is what has happened. Of course pepper is not included in this OGL list. But for the export of pepper, there is a duty of Rs. 5 per Kg, and there is a 3½% export cess; another 0.5% for ICAR is there. And at present pepper is bearing some 18 per cent altogether, export duty and cess. No other agricultural product is levied like that. And this was levied when pepper was getting Rs. 60 per Kg. Now the price is Rs. 30 and the Government is doing nothing.

I come to rubber, copra and coconut oil. Ninety-five per cent of the natural rubber is produced in Kerala and the majority of these producers are small farmers. It has been the consistent demand of the people of Kerala that the rubber import should be stopped. Now, the Government is saying, earlier they were importing through the STC, now also it is canalised through the STC. And do

you know, what the STC did four years back? They released to the market at the peak season of the rubber production Kerala in their buffer stocks. So, the prices have gone down.

Even the members of the Consultative Committee of the Ministry of commerce they visited my district which is the centre of rubber production in Kerala, to have an on the spot study. For three-four months this fluctuation in the price of rubber continued and at last the Government intervened and stopped this mischievous practice of the STC and now the price is fixed at Rs. 17 per Kg. And all through these years, all industrialists and the Government authorities were saying that the international price is much more lower than our market price. Now, what is the price of rubber in the international market? It has gone up to Rs. 21; now it is fluctuating between Rs. 19, Rs. 20 and Rs. 21. I would like to know whether the STC imported rubber at this price from the international market and the STC has supplied at Rs. 17 to the industrialists. Even at the cost of buying rubber from the international market at a price higher than the price which is prevalent in India, and supplied to the industrialists at a lower price, all this is at the cost of the farmers in Kerala.

SHRI VAKKOM PURUSHOTHAMAN : Can you give one instance?

SHRI SURESH KURUP : Let me complete. I want to know from the Minister whether the STC has bought rubber from the international market, at a price higher than the price of rubber that is prevalent in India. That is all I want to know. Has any quantity of rubber been purchased by the STC? And now for reducing the price of tyre, what are they doing now?

SHRI VAKKOM PURUSHOTHAMAN : Tyre lobby!

SHRI SURESH KURUP : Let me complete. You accuse me of any tyre lobby. I do not mind, but let me complete.

SHRI THAMPAN THOMAS (Mavelikara) : He is pleading the case very well.

SHRI SURESH KURUP : Now they have included tyre in the OGL and the recent step is they want to bring down the price of tyre in India. It is known that the tyre industry in this consisting of trans-national corporations and domestic collaborators is characterised by a high degree of collusive oligopoly. So, they are fixing the price of tyres according to their whims and fancies. The explanation given by the Government is that, in order to reduce the price of tyres they are importing tyres. Is there no other way to control the prices of tyres, for the Government of India? Is this the only way the Government can control the prices of tyres? A very fantastic explanation they are giving. At the moment it is not causing any trouble.

Suppose there is a recession in the international market and all these companies decide to dump their products in our market. Then what will be the situation? These tyre producers in India, these oligopolistic tyre producers in India, will ultimately pass on this to the farmers in Kerala. That means it will affect the economy of Kerala. What explanation you are going to give for this?

Copra and coconut oil are also canalised through STC and Hindustan Vegetable Corporation.

They are allowed to import ten per cent of the value of the exports of copra and coconut oil. It is included in this Export policy... (Interruptions)

SHRI VAKKOM PURUSHOTHAMAN : Is there any change in the Export Policy in regard to copra and coconut oil?... (Interruptions)

SHRI THAMPAN THOMAS : It was not given effect to earlier. Because it was given effect now, it has affected the economy of Kerala. It is a fact... (Interruptions)

SHRI SURESH KURUP : It has been the demand of all the political parties in Kerala...*(Interruptions)*

SHRI THAMPAN THOMAS : Including Mr. Purushothaman went and met the Prime Minister and submitted a memorandum when he came to Tamil Nadu, that the Import & Export Policy should be revised. I do not know what is his stand now...*(Interruptions)*

SHRI VAKKOM PURUSHOTHAMAN : Our demand is that imports must be completely prohibited...
(Interruptions)

MR. DEPUTY-SPEAKER : The Minister will reply...*(Interruptions)*

SHRI SURESH KURUP : The demand of Kerala is that the import of copra and coconut oil in any form should be stopped. That is the demand of the Kerala people...*(Interruptions)*

SHRI VAKKOM PURUSHOTHAMAN : Yes, agreed.

SHRI SURESH KURUP : The entire economy of Kerala depends on the price of copra and coconut oil. The natural rubber, copra and coconut oil are included in the canalised list of imports. At the same time, there is a provision in the Import and Export Policy that licence for district imports of canalised items may be granted by the Licensing Authority concerned on the basis of no objection certificate issued by the Canalising agency. This facility will be available for items appearing in both Appendix V part 'a' & 'b'. This includes every item which is included in the canalised list. What is the reason for making such a provision? Why such a provision is kept here?

The official position of the Government of India is that copra and coconut oil are not imported to our country. Kerala Government submitted a memorandum in this regard. I quote :

"That in the newsletter monthly journal published by Asian and

Pacific Coconut Community, it says that India imported four thousand tonnes of copra in 1985, six thousand tonnes in 1986 and five thousand tonnes in 1987.

India is also reported to have imported three thousand tonnes coconut oil in 1985, eleven thousand tonnes oil 1986 and nine thousand tonnes in 1987....."
(Interruptions)

SHRI PIYUS TIRAKY (Allpudura) : All these things should be stopped immediately...*(Interruptions)*

SHRI SURESH KURUP : So, proper explanation should be given by the Minister *(Interruptions)* Sir, I would like to know whether anybody is given licence for direct import of copra and coconut oil. Coir and coir products are included in the list of restricted items for import. Of all these items, nothing remains in Kerala—rubber, peppers, coconut oil, copra and certain spices like cloves, cinnamon, nutmeg, mace. The entire economy of Kerala is depending on these cash crops. One way or the other you are allowing import of these items. That is why, the people of Kerala, Government of Kerala, the Legislative Assembly of Kerala have unanimously demanded that this import and export policy should be revised. Today Kerala is facing this crisis, tomorrow the whole country is going to face this crisis because they are liberalising these schemes due to the pressure of IMF and World Bank. Please do not penalise the farmers of Kerala. That is what I want to request the hon. Minister.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : I am very thankful to the hon. Member, Mr. Suresh Kurup, for raising this issue in the half-an-hour discussion so that we can get an opportunity to clarify the position once again on the floor of the House.

Soon after the exim policy was announced, there was hue and cry in some parts

of the south especially in Kerala concerning the fate of the growers. Our Congress President there, Mr. Antony, the former Chief Minister of Kerala, Shri Karunakaran, and the Minister of State, Shri Jacob and almost all the Members first drew attention and held serious meetings because they are the first victim of this misunderstanding. Thereafter, the State Government and all the political parties also represented to us.

While trying to explain the position, I also express sympathy and concern for the farmers in Kerala who supposedly, as per the allegation of the hon. Member from the opposite who raised the discussion today, have been badly affected. While we announce the exim policy in any sector in any thing, we take care of basically four things. Firstly, in digenous availability and indigenous angle of the country in ratio to the consumers' demand ; secondly the interest of the growers, manufacturers, farmers as the case may be, case to case ; thirdly, whether enough import substitution we could evolve by giving relaxation to any sector and finally to give overall boost to the economy and overall export of the country. These are the four basic criteria or guidelines on which we operate our exim policy from time to time, amend, change and review from time to time.

Firstly, I would like to say that I do not know why there is still a serious misunderstanding in Kerala. I understand—I have not gone through it because I do not know Malayalam ; gathered from press friends—that possibly Kerala Government came out with a document published by them in which they have raised certain issues saying that the Government did this thing wrong, that thing wrong. First of all, I would like to say that it is not good on the part of any lawfully established government in any part of the country, to distort, to wrongly explain and to misinterpret another government's specific policies and interpretations which are printed in the book, to the people. If the book says, I am to give Rs. 10, let us tell the people that the book says Rs. 10 and let us not say Rs. 9.

Why the distortion has taken place, I will explain. There was, in this sector, a restrictive policy before 1977. Selected importers used to enjoy the quota of import. Whether it was good or bad I do not know. After 1977 when the OGL policy came into being, the floodgate in this sector was opened. (*Interruptions*). I am not questioning any Government. I am trying to give the reasons. If somebody does good, what is wrong in following it ? We have to run the economy. In 1978, the original policy was announced with regard to this sector, which continued up to 1986. Will the hon. Member remind me of a single case where there was a drop of tear in the name of farmers or growers, from 1978 to 1986 for canalisation ? Was there a single representation, a single protest in the House ? No. I say it with responsibility. At that time it was all open, OGL. Now the question comes why we canalised it..... (*Interruptions*).

SHRI BASUDEB ACHARIA (Bankura) : You were not in the House at that time.

SHRI P.R. DAS MUNSI : I may not have been in the House but you have not raised this issue. You can see the record.

SHRI BASUDEB ACHARIA : We raised it several times.

SHRI THAMPAN THOMAS : At that time the impact was not there on the farmers. The impact has come now only.

SHRI P.R. DAS MUNSI : Sir, the complaint is that the policy has hurt the growers. I say it with responsibility on behalf of the Government that we will not take any steps that remotely hurt the growers. But in the name of growers if the traders start shedding their tears and and if the traders' interest is focussed at the interest of the growers, that is dangerous for the Indian economy.

Mr. Kurup has rightly pointed out about the price. Even though he belongs to Kerala, his record is not up to date. He has quoted the terminal price, he has not quoted what the farmers are getting. Till

[Shri P.R. Munsi]

yesterday, the terminal price of clove was Rs. 125 per kg, which is very low. If Rs. 125 is the terminal price in the market, the farm price must be less than this. So, he is quoting the traders' price, he is not quoting the farmers' price. He should have done his home work properly. Farmers are getting much less than that...

(Interruptions)

SHRI NARAYAN CHOUBEY : How much are they getting ?

SHRI P.R. DAS MUNSI : I am coming to that. There has been no debate on this point. If growers suffer, do not think that the Prime Minister, the Cabinet and the whole Government will keep quiet. We are for their interests and rights. There is no denying this fact. But we have to pursue our policy and review our policy. In the name of protecting the growers, we cannot sell ourselves in the hands of the traders.....(Interruptions). Now I am coming to his point. Mr. Kurup was asking what is the position. I am giving you the position. I am giving you the figures from 1984 to 1986, in January and December. In 1984 January, the price of clove per quintal was Rs. 19,215 and in December it was brought down to Rs. 16,000 per quintal. From Rs. 19,000 to Rs. 16,000. In 1985 it began from Rs. 15,000 and was brought down to Rs. 14,000 in 1986 it was Rs. 16,000 and was brought down to Rs. 14,000. In 1987 it was Rs. 18,500 and went up to Rs. 25,000 per quintal in December. In 1988 it was Rs. 20,500 in January and in February it went up to more than that. It was almost a loot in the country. How ? You cannot say that the canalisation policy failed. No. That is not the point. When we made the canalisation policy, the policy was absolutely sound. A section of traders went to the court, obtained a stay order not to operate the whole policy and thus held us to ransom for four months and allowed the market price to shoot up like anything. You can just imagine. From Rs. 15,000 it went up to Rs. 25,000, from Rs. 12,000 it went up to Rs. 14,000. This is for cloves! Do you think the common people consume cloves everyday ? These are required for herbal medicines.

18.00 hrs.

These are required by 'biryani' makers. These are required by the sophisticated house, shop-keepers and others. This is not a mass consumption item. The consumers were at the mercy of these people. Tomorrow if you go and ask them, they will say it costs Rs. 500 per kg. or Rs. 600 per kg. Thereafter we found that the farmers, the growers, did not get this price for their produce. It is the traders who get this terminal price. It is the traders who are getting the price and because of the canalisation they have got this stay order and therefore cloves were sold in huge quantity by smugglers. I can give you the figure. You will be surprised to know that our country produces about 450 tonnes of cloves and the consumption was about 300 to 400 tonnes. But the consumption was shown as 3000 tonnes. I find the figure in one year particularly that instead of import requirement of clove of required quantity, the total consumption showed as per the import record, was a little less than 3000 tonnes, meaning thereby that additional requirement was met by smuggling and this quantity was brought into the market. This was the mechanism adopted by them. What could the Government do for that ? The Government therefore considered that this item was not a mass consumption item and the duty was high. It is wrong to say that anybody can go and bring cloves from outside. No, it is not so. The traders always want that limited people should bring cloves to the market. In O.G.L. the duty is so high per kg., exorbitantly high, that no one is going to import cloves at any reasonable rate and flood the market. It is the big traders who have accepted it.

Now, coming to growers, I would submit that the interest of the growers should be safeguarded. Unfortunately, neither the Kerala Government, nor the Agriculture Ministry had ever considered what can be the study on the price mechanism and the cost of production of cloves. It is very difficult to get the actual cost of production. Why ? Because there is a selective type of production of wheat and paddy in Kerala. The hon. Member will appreciate that it is a mixed type of production in Kerala.

They grow aro canut, they grow a little of cardamom and they grow something more of some other item and something like that. There is no selective pattern of growing this particular item except in Kanyakumari district of Tamil Nadu where they have very huge area to grow this item. Therefore, this is one of the problems to get actual data in regard to cost of production. However, the area which the Agriculture Ministry thought of was about 16000 hectares or around that figure. But the tonnage of production of this item in the whole country is very meagre.

SHRI THAMPAN THOMAS : The hon. Minister may appreciate that the number of people who owns the land for this purpose is much more because each one will be having one acre or a little more than that.

SHRI P. R. DAS MUNSI : There is no denying the fact. Therefore, this statement is not correct that the policy has changed to hit the people there.

PROF. P. J. KURIEN (Idukki) : Even though it is more than 16000 hectares, it may be correct, the point is that the number of farmers affected are much more. Each farmer will be having two or three acres. That affects the large number of people. That way you have to look into this matter.

SHRI P. R. DAS MUNSI : Now, the question is that we have to consider as a responsible Government, in the light of this policy one basic thing whether really the growers have been hit and growers are not getting the remunerative price. If they have really been deprived of the cost of production, the Government has the moral responsibility to protect the growers, come what may. There is no denying the fact. Therefore, Sir, unless we have the data with us it is difficult for us to accept the point raised by him. Now, we have taken a decision that very soon we will have a total study of the cost data for production of these items in Kerala with the help of the Agriculture Ministry and the Kerala Government.

And based on the findings, whatever necessary support is required to protect the growers there, it will be done by this Government and that too before the next Session of Parliament.

SHRI THAMPAN THOMAS : That may not help the economy...
(Interruptions)

SHRI P. R. DAS MUNSI : Listen. 'Economy' is a big word. In 'economy', can you bring traders also ?

SHRI THAMPAN THOMAS : No, no. State's economy. (Interruptions).

SHRI P. R. DAS MUNSI : Yes, you tell me clearly whether you are interested to defend the growers or the traders. (Interruptions). That is the point. Our Government is clearly concerned to defend the growers and I commit on behalf of the Government that if there is any shortcoming, if there are any difficulties faced by the growers, the Government will see that they are adequately protected and compensated based on the cause which they hold dear. That is the commitment in the House, come what may. But why do you say 'economy' ? It has a very wider perspective. 'Economy' means then, are you thinking in terms of traders? Traders are not our enemy. But what we say is, traders can trade, they cannot loot. That is the policy of the Government. We cannot allow them to take the country to ransom and do whatever they like, it is not possible.

Now I come back to your second question. You talked about rubber. If you could have referred any specific case where STC bought rubber at a higher price and sold it to a particular industry at a lower price—I can say on the floor of this House, if you could refer to any specific case, we will take appropriate steps in that regard and fix the responsibility. So far, the position is... (Interruptions). It is not in my knowledge. If you give a specific case, I say we will fix the responsibility and take steps, we are not feeling shy of it. But one thing is there. The country needs—hon.

[Shri P. R. Das Munsi]

Members on the opposite side will also appreciate—the country is still in shortage of 35,000 to 40,000 tonnes of rubber. Can you deny the fact that we have got shortage of rubber? We all can say 'stop the import'. If you stop the import, it means the next day a question will be raised: How many rubber factories are closed? You cannot avoid import till you are self-sufficient. So, you cannot say: What is your achievement and progress in terms of more rubber plantations? Yes, we have achieved good results in Tripura cultivation has come up there. We are planning every year some 10,000 to 15,000 hectares, but unfortunately the State Governments are not in a position to give us land. Even I tell you today, in Bengal also I had approached if they can offer us land, we can immediately cultivate rubber. The Orissa Government is sympathetic, they are giving us land.

SHRI SURESH KURUP: Now the price in the international market is higher than the domestic price.
(Interruptions)

SHRI P. R. DAS MUNSI: I will answer that. First, I will answer about the import price. The STC's operation is, if the rubber price goes up beyond proportion, release imported rubber into the market. If the rubber price really goes down, withdraw it from the market to protect them. In this mechanism—one year back I had been to Kerala, I agree with you, there are some wrong timings which adversely affected the rubber growers vis-a-vis the small growers. (Interruptions). Let us not blame every one saying that we are the only patriots and outside the hall whoever are there, they are not patriots. That is not the correct approach. Let us have the policy. Then I have checked up and last year you will appreciate, we have been able to remove their difficulties to a great extent and growers are happy and the price they should get at the time when they need it, otherwise it is true, when the rubber production is coming up in the market, if I release the rubber, it will affect the growers. We have established a new system in STC that without the

consent of the Rubber Board which is situated in Kottayam, without their market survey report, you should not hurriedly jump and push it.

SHRI SURESH KURUP: 'Concerned' or 'consult'?

SHRI P. R. DAS MUNSI: Consult, of course. They are to guide us. It is a fact and there they do it.

Now, in regard to coconut I do not know how you said that there is a change in policy. There is no change in policy. It was the same in the last EXIM policy if you go through it, the same in the earlier policy. How can you say that we have changed the policy? You see the provision. We have not changed the policy.

SHRI NARAYAN CHOUBEY: Does it hit the growers? (Interruptions).

SHRI P. R. DAS MUNSI: No, no. The policy is the same.

SHRI NARAYAN CHOUBEY: Supposing he has not changed, whether the policy is hitting the growers, that is the question. (Interruptions).

SHRI P. R. DAS MUNSI: I am coming to that.

Before the coconut, I will conclude one point which the hon. Member Shri Suresh Kurup raised—rubber tyre import. I am sorry to say, this can be only explained by the Industry Minister. But what I say is this. With my competence and capacity, it is not a back-door import policy of rubber tyre. You are all progressive political forces publicly defending that the mass transport system should not be at the mercy of the tyre tycoons, to shoot up the price as they like. To keep them under the pressure, this policy is welcomed by every progressive section. I do not know why Kerala Government is not appreciating this. I do not know whether in this matter you are defending

the tyre tycoons of the country or defending the common poor workers of the country.

SHRI NARAYAN CHOUBEY : They are for growers, not for tycoons.

SHRI P. R. DAS MUNSI : He knows that the country's rubber growers cannot meet the total requirements of the country. His party also knows it. Rubber import is for the industry. But tyre import has been exclusively explained by the Industry Ministry, in which sector and that too in what condition, and that too by permission only it can be imported. It is not that any industry can bring tyre and dump it in the market at the cost of the industry. That is not the policy. Kindly do not propagate it and do not bring wrong impression in the minds of the people.

SHRI SURESH KURUP : In the OGL rubber blankets of all types and the types of rubber threads of above 19 gauges, heat resisting rubber thread are there. The manufacturing of rubber thread is in the small scale industry in my place. But it is included in the OGL. How do you explain it ?

SHRI P. R. DAS MUNSI : You must be knowing the purchase policy. For small scale industry and public sector, we give extra price preference than the big sector.

SHRI SURESH KURUP : But there are provisions, to import.

SHRI P. R. DAS MUNSI : Here is the provisions. Import of bus and truck tyres of certain specifications have been allowed for import under Open General Licence to the following categories of consumers as per the decision of the Cabinet Committee on Economic Affairs. What are those ?

“Manufacturers of original chassis of vehicles who use the said tyres in the manufacture of such vehicles.

State Road Transport Undertaking referred to in clause (b) of section 68A of the Motor Vehicles Act, 1939 (4 of 1939).

Association of State Road Transport Undertakings, being a society registered under the Societies Registration Act, 1860.

Association of owners of vehicles in which the said tyres are used and approved as such by the Department of Industrial Development of the Government of India in accordance with the scheme framed by them in this behalf.

Officer, authority, undertaking, Department of other body under a State Government, authorised by the concerned Government to import the said tyres and approved as such also by the Department of Industrial Development or the Government of India in accordance with the scheme framed by them in this behalf.”

When a State Government or the Government of India purchases the tyre and finds that small scale industry and public sector cannot compete with private-wallas, they have a price preference. As a Minister of Department of Supply, I can say, 10% or 15% price preference is given to them to match the prices. But that is not the point. The point is to protect the system against the exploitation and you should support it instead of criticising it.

In regard to coconut, you may recall that in Kerala, there was drought in 1982-83 and there was a crisis of coconut oil faced by the consumers. What will the Government do? Will Government not bring coconut oil? If there is a crisis in mustard oil, will Government not bring rapeseed oil to the country? How do we do it — through the canalised agency, which is STC. We have only imported once, i.e. in 1982-83 and afterwards we have not imported a drop through the canalising agency because we do not require it. The country has abundance of coconut oil.

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It was restricted and that too, even if you desire to import, even one kg., we have to satisfy the conditions of the Finance Ministry about the availability of market. Then only, foreign exchange will be released. We have not imported last year.

Now you can say about the REP licence ratio.

SHRI THAMPAN THOMAS : About the import substitution, fatty acid, you permitted the soap manufacturing industry to use it. You may not be having the accounts with you. But they have imported the oil and the price has gone down.

SHRI P. R. DAS MUNSI : A small quantity of coconut oil is permissible for import against REP licences issued to the exporters of fatty acids/amines. Import of coconut oil/copra can be effected up to a maximum of 10% of the value of exports. During 1986-87 the exports of fatty acids were of the order of Rs. 169.7 lakhs, and import of coconut oil copra against licences issued on these exports was Rs. 16.97 lakhs. Is it a figure? And you want to say it affects and you propagate to the people that it affects.

SHRI THAMPAN THOMAS : If it is so much sold, why cannot we avoid it?

SHRI P. R. DAS MUNSI : Simply because the exporter will export a particular commodity because he needs a certain incentive according to his requirements. If I export plastic and I ask him to bring aluminium or aluminium product at 10%, he feels that by that aluminium, I can give some supply to manufacturer and with that incentive I can export. It does not affect the industry. If it affects the industry or the grower, we will not take it up. Rs. 16.97 lakhs were the amount obtained from imports in the last two years.

SHRI THAMPAN THOMAS : But that has affected the coconut price, I would like to bring to your notice that it affects the coconut price.

MR. DEPUTY SPEAKER : Hon. Minister should go on. We cannot go on discussing like this.

SHRI P. R. DAS MUNSI : The policy was there and it is now there. Again I repeat, in our Import-Export Office we are cautious in monitoring from this year. Even in respect of REP Licence cases cautious monitoring is done. The item which is even remotely affected, we are discouraging. I must thank the exporters. Most of the exporters are responding to our will, whenever they feel so. Otherwise, the figure would not have come down so low. Only Rs. 16 lakhs imports for the last two or three years in exchange of about Rs. 2 crores of export. It is not a big thing. It is not effective. On the contrary, the coconut production in the country is going up and we have to think of the way in which it is going up. It will ultimately reduce the prices and affect the farmer.

I want to conclude by saying that the propaganda which is made in Kerala, the propaganda which is made from public platforms, is not correct. But we appreciate the concern being expressed by the MPs and the political parties. Therefore, we are going to have a cost study of the production, and we will take appropriate steps to protect the growers. If for that reason, we are to review the policy and if we are to take any measures, we will take. I assure this with responsibility. In regard to other commodity prices, I do not like to raise the issue. If I quote the price of nutmeg etc., you will be horrified. How the trader enjoyed the whole empire during the last two years?

Let us shed the tears for the growers and let the law of the land deal with it and Government will protect the growers and I assure you that the Prime Minister specifically conveyed to us that in any part of India in any commodity, in any mechanism you do, if farmers and growers are hit, even after announcing decision on policy, you are to see that they are rescued, whatever may be the mechanism and we shall do accordingly.

With these words, I conclude.

MR. DEPUTY SPEAKER : In view of the hon. Minister's reply which is exhaustive, already we have taken 45 minutes. I request other Members to be very brief. According to the Half-an-Hour Discussion, we have only to put the question. Therefore, anyhow we are going to resume our Railway discussion also. Therefore, the Members are to be very brief. Please try to be brief and put the question. Dr. Chandra Shekhar Tripathi will speak now.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad). Mr. Deputy Speaker, Sir I will try my best to confine to my question. I have seen the main question, Hon Minister has stated in his reply that the representations received on the New Import Policy were not implemented because :

[English]

"The representations received were based on the apprehension that the new import policy for rubber, spices copra, coconut oil, coir and coir products would lead to a fall in prices which would affect the farmers and the economy of Kerala."

That means if their suggestions had been accepted by the Ministry, the prices would have gone down and that would have definitely affected the growers and the economy of the State of Kerala very much. While replying to the second part of the question the hon. Minister has stated that because of canalisation and because of putting a certain restriction on import, the prices have gone high. If the prices of the products of the growers are higher, they are going to be benefited. On the one hand, you did not accept that the prices will come down. Therefore, the suggestions made by certain institutions were not accepted and on the other hand, canalisation was taken up because the prices have gone up. If you go through your reply, you will come across this contradiction.

Secondly, I would like to confine myself more to the basic question No. (1). The entire intention, in setting up STC or Rubber Board or Spices Board, of the Government has been to make the country self-sufficient in these spheres, in these products. I would like to know from the hon. Minister whether, after the inception of these Boards, the STC and other agencies, the quantum of exports has gone up and imports has gone down or whether it is in the reverse i.e. the quantum of exports has gone down and the quantum of imports has gone up. This is my specific question for which I seek clarification from the hon. Minister.

With regard to rubber, coconut, cloves and other spices, very recently it has come in various newspapers that because of the import facilities given under OGL system, the spices have resulted in a sharp drop in producers' price and that has badly affected the agricultural economy. To cite an example, cardamom prices have dropped from Rs. 400 per kg, to Rs. 125 per kg. The prices have come down tremendously. The prices of nutmeg have come down from Rs. 150 per kg, to Rs. 125; pepper from Rs. 5500 per quintal to Rs. 3350 per quintal. This is because of the OGL system and because of the liberal import policy, the prices of these products have come down tremendously. Will it not affect the growers' economic condition and the economy of Kerala? Further, the quantum of import can be reduced. The intention of the Government, since long, has been this. That is why these Boards and agencies were opened. I would like to know from the hon. Minister in what way they have increased the production of various products in Kerala by providing assistance, by giving subsidies, by providing new technology, by giving some insecticides and other accessories.

Regarding Rubber, the hon. Minister has just stated that in spite of the repeated requests, the State Government is not giving land to plant rubber. (Interruptions) But last year, when the Consultative Committee visited along with learned Prof. Kurien, we were told that plantation of rubber is not giving any benefit to the

[Dr. Chander Shekhar Tripathi]

growers up to ten years. So, how will you compensate those poor farmers? Once they start planting rubber, they are going to get the produce after ten years. During this season, how they are to be subsidised and how they are to be assisted? We have been informed that most of the rubber growers are now shifting their products from rubber to other spices etc. May I know from the Government what they are going to do in this matter so that in the near future, we can become self-sufficient, particularly in the field of rubber?

SHRI V. SOBHANADREESWARA RAO (V. Jayawada): Mr. Deputy-Speaker, Sir, Mr. Kurup has extensively dealt with the spices and other cash crops mainly concerning Kerala. And the Minister has given an exhaustive reply also. I would like to confine myself to only one cash crop, namely, import of cotton. Last year, even after the impact of severe drought the revised estimates have shown that the total production will not go up...
(Interruptions)

SHRI P. R. DAS MUNSI: I may tell that in the Half an Hour Discussion, cotton is not at all figured. So, the Hon. Member may take it up later because I will not be competent to reply because cotton is not included in the whole aspect of this Half an Hour.

SHRI V. SOBHANADREESWARA RAO: In your part 'a', the new import policy is in respect of cash crops. I will take only two minutes. At that time, when there was some disturbing news that Government is going to import cotton, when we raised this matter in this House, the Minister said "No, no. We will not import cotton. But when some yarn is exported linked up with exports, we will purchase a small percentage of cotton." That is what the Minister has said just a few months back. Now again, we are seeing some report that cotton is going to be imported. Now we had very good monsoon this year throughout the length and breadth of the country. Definitely this year, production will be far in excess

of the previous levels. Will the Government take necessary steps to immediately stop any further import of cotton to protect the interest of cotton growers? The Hon. Minister has repeatedly said that first and foremost talk of this Government is to protect the interest of the growers. I would like to know categorically from the Hon. Minister if it is within his jurisdiction to coordinate with the concerned authorities and take appropriate steps to protect the interest of the cotton growers.

SHRI SHANTARAM NAIK (Panaji): Mr. Deputy-Speaker, Sir, I will pose only one general question which relates to this aspect as also to the general import policy.

Whenever we decide a matter through legislative forms, Government brings out a Bill and discusses that in the House. As far as import policy is concerned, departmentally matters are chalked out and ultimately through the Ministries it goes to the Cabinet and then the policy is formed. As a result of which, sometimes, situation arises as it has arisen now. Therefore, without going into the main aspects in detail which other colleagues have touched, I would like to say that in case the Government, in each and every policy matter of substantive nature, places the draft policy before the House and then it discusses it and adopts either by voting or by consensus, I think, we will be doing much service because at that time several views will be before you as expressed in the House. I would like to know whether this aspect will be considered and placed before an appropriate council not only in respect of this import policy but in respect of future policies also.

Secondly, just now you have made a statement that you are going to consider certain aspects which have been discussed here or otherwise which have come to your notice and in the interest of growers you are going to amend or improve upon the policy which has been enacted. If so, I would like again to know whether a draft amended policy will be placed before this House.

You have mentioned about four criteria. If those four are adopted before the

policy is formed, it will be very nice. I would like to know whether while assessing those four criteria, assessment is done on the basis of field assessment or only figures are taken as per the statistics available in the Ministry. If that is so sometimes errors can be committed but if each aspect of the policy of each criterion is examined at the field level then perhaps the policy that will get evolved will be fool-proof policy. Therefore, I would like to know whether this aspect will be considered by the Government.

Lastly I would like to say that you have rightly said that our party's interest lies in favour of small farmers. We have committed ourselves through the 20-point programme that small farmers will be protected. Therefore, in the light of the 20-point programme I would like to know what steps are being taken in this direction.

[Translation]

SHRI HARISH RAWAT (Almora)
Mr. Deputy Speaker, Sir, after the points made out by Shri Suresh Kurup and the reply given by the hon. Minister I feel that the class character of our Kerala Government has started changing. Now they have started favouring traders more than the growers. But I did not expect from Mr. Suresh Kurup to advocate the cause of traders so much instead of growers. But I would like to draw the attention to the hon. Minister the fact that there are three or four such varieties of spices that have been kept under O.G.L. by the Government with the result that growers are getting less prices for their produce and the prices thereof in the market have come down. Therefore I want to know from the Hon. Minister to what extent the keeping of spices under O.G.L. has affected the interests of the growers and whether the hon. Minister purposes to keep the spices with in purview of the O.G.L.

[English]

SHRI P.R. DAS MUNSI: Sir, I

think I have almost replied all the questions earlier but anyway two-three points I would like to repeat. The main objective of all our commodity boards including Spices Board is to increase import substitution by way of self-reliance and increase in production and for that matter we are giving a number of schemes of support, incentives, subsidies, etc. by the Rubber Board, Spices Board, etc. In so far as exports are concerned we do not export rubber but rubber products. In commodities we export tea and coffee. Export of coffee depends on international quota. Export of a tea depends on our surplus but its export has gone up and not gone down. In so far as other spices are concerned it is going up and only in the case of cardamom the price is going down because of stiff competition from Guatemala.

So far as Shri V.S. Rao's question is concerned I am sorry that I am not competent to reply to that aspect. It is handled by the Textile Ministry but I will certainly convey his concern. The Government's policy is not at all that at the cost of the growers or the farmers will continue to import in any sector but certainly his concern about cotton in view of the monsoons I shall convey to the Textiles Minister.

In so far as the question of Mr. Naik about EXIM policy it is a tradition that we debate it throughout the year in the Chamber of Commerce, Industry, Entrepreneurs, experts and concerned Ministries then the comprehensive approach comes which is tabled in the House. After tabling in the House if the Members demand a discussion then it is upto the Chair to decide but we are only too happy if a discussion takes place in the House. Your point is that this thing should come to Parliament first in a draft form and then to be debated. This is a new suggestion which we will certainly pass on to the concerned authorities as to whether it can be thought of in future. As far as any review or amendment of the policy is concerned we do it by notifications which are tabled in the House and they become property of the House and Members are free to discuss this matter with the permission of the Chair. Therefore, there is

[Shri R.P. Das Munsi]

no hide and seek.

Shri Harish Rawat has said if at all we think of reviewing the whole policy of bringing OGL to canalise or restricted list we should do it now. As I have stated in the beginning we will have to make the cost study of the entire production and see whether this policy is really causing great harm to the growers. If so in what formal measure we will try to protect them. I cannot commit it now at this stage. It will not be in the best interests of the growers also because they should know that the traders also take advantage of all the policies before we announce it.

So, I can only assure you that we shall take all possible interest of the growers. The mechanism will be done possibly by the Agriculture Ministry. In that light, we will take a decision.

PROF. P.J. KURIEN : Already, the Spices Board has conducted a cost study. Their finding that the price is not remunerative.

SHRI P. R. DAS MUNSI : I can only tell you that the Spices Board is not to competent agency to make a study of the cost of production. (*Interruptions*) Government will decide about the appropriate agency.

In so far as pepper is concerned, I forgot to answer it. Hon. Members are aware that our season is from October to May. In the lean period now, the pepper price is going down. We have little stocks in our hands. We are not deliberately exporting. This is the season of Malaysia and Indonesia. Malaysia and Indonesia have brought down the price at such a level that you will wonder why should you push our prices at this time when our season will start after a few months. That's why we are doing it after some time.

Secondly, in regard to export duty and cess we have taken a decision that when the next season begins, we shall try to

bring in on a long-term perspective. We already in touch with the Revenue Department of the Finance Ministry to discuss the aspect of export duty and cess. I feel, we will bring some tangible results.

PROF. P. J. KURIEN : You have already assured the delegation consisting of Mr. Karunakaran, Mr. Antony and some of us that import policy will be reconsidered. (*Interruptions*) You also said that with regard to the spices, you will consider canalising the import. (*Interruptions*) Do you stick to that assurance ?

SHRI P. R. DAS MUNSI : I can only inform the House that it is no good my saying what I discussed outside the House. It is more appropriate that I should state the official stand of the Government before the hon. Members in Parliament.

It is a fact that Mr. Karunakaran, Mr. Antony and many other leaders did discuss with me. I explained to them that Government will consider all the aspects very sympathetically. What I say is, before the Government comes to a conclusion, it will have to adopt a certain mechanism. Without that, we cannot take a decision like that. And that mechanism is the cost study.

In so far as pepper is concerned, I had stated that on the eve of the next season, a study will be made in consultation with the Revenue Ministry. Then, we shall come out with a decision.

I can also inform the hon. Members of this House that black-listing of the pepper in the United States was causing a great concern to Kerala's economy. I hope, you would have appreciated that in a document the Government of India did it. We immediately took it up with the United States authority FTFA. We sent our Joint Secretary, Shri Sivaraman. Now a situation has come that on the consignment—which will be further inspected by UIA based on the 20-30 consignments—they will come out with a decision. We are hopeful this whole chapter will be over very shortly.

PROF. P. J. KURIEN : You abolish the export duty on pepper.

SHRI P. R. DAS MUNSI : Mr. Kurien, I tell you that we have to take a decision always in totality not off and on. We have to take in totality. Can you deny the fact that pepper till last year was fetching such a good price which even our other export commodities could not think of. May be this is a lean period. This does not mean that you have to change your policy every now and then. We cannot play ping-pong with the export policy. We have think of the totality of the economy and the exports. We have to take that with the State.

MR. DEPUTY SPEAKER : Half-an-hour discussion is over. Now we are resuming the discussion on railways.

Now Mr. Mahfooz Ali Khan...

PROF. M. R. HALDER (Mathurapur) : You have heard both the sides May we conclude that ..

MR. DEPUTY SPEAKER : No, no. It is over. We cannot allow you to put questions in half-an-hour discussion. Your name is not in the list.

18.40 hrs.

SUPPLEMENTARY DEMANDS FOR GRANTS (RAILWAYS) 1988-89

Contd.

[*Translation*]

SHRI MOHD. MAHFOOZ ALI KHAN (Etah) : Mr. Deputy Speaker, Sir, today this discussion is being held on Supplementary Demands for Grants (Railways). As the hon. Minister of Railways is not present in the House, I would expect from the hon. Minister for Parliamentary Affairs present in the House to note the points made out by me and convey them to Mr. Scindia. First of all, I want to read an Urdu couplet. This is my good-luck that in the meanwhile Mr. Scindia has arrived in the House before my reciting the couplet :

“Unke Dekhe Se Aa Jati hai muha par rozak,

Vah Samajhate hain ki bimar ka baal achha hai.”

Before speaking on the Railways I would like to pay thanks to Mr. Scindia for providing us with a train i.e. 101 up and down from Kasganj to Bareilly and for giving his approval for its halt at Gangagarh railway station. For it I thank him personally and on behalf of the people Transport-facilities are the most essential factor for the development of a place It is quite evident that more attention is being paid to the big stations and important rail sections. I would urge upon the Government to make a survey in respect of those railway lines which are incurring losses, to identify the reasons thereof. The officers of Railways are present here and they should note as to why these lines are running in losses and how they can be made profit earning. For example, Etah-Barhan line which has remained a limited one, is incurring losses. No attention has been paid to it. I want to make it clear that it can be profitable only in case it is extended. If this line is extended from Etah to Farrukhabad, our district Etah which is a backward district will be able to make progress.

Today all the narrow gauge lines wherever they are in India are running into losses. A survey in respect of all these lines should be got conducted and it should be seen as to how those can be saved from losses. I would once again urge upon the Government to conduct a survey in this regard. Although I feel ashamed of saying one thing again and again but I have to say this repeatedly. Even our hon. Mr Scindia will be thinking that the same question is being raised by me but I am bound to repeat it.

I will be highly obliged to you if Etah station is converted into a model station. It is the demand of the people of this area that two more boggies for Lucknow and Allahabad should be attached to the trains running on Tundla-Etah section via Barhan. Lucknow is the capital of U.P. and Allahabad is the seat of the High Court.