

12.2z hrs.

CALLING ATTENTION TO MAT-
TER OF URGENT OF PUBLIC
IMPORTANCE

REPORTED SERIOUS SITUATION DUE TO
DECANALISATION OF IMPORT OF
CASHEWNUTS

SHRI A. K. BALAN (Ottapalam):
I call the attention of the Minister of
Commerce to the following matter of
urgent public importance and request
that he may make a statement
thereon:

Reported serious situation arising
out of the decanalisation of the im-
port of cashewnuts in Kerala.

THE MINISTER OF COMMERCE
AND STEEL AND MINES (SHRI
PRANAB MUKHERJEE): Sir, import
of raw cashewnuts had been canalised
through the Cashew Corporation of
India since 1st September, 1970. The
exportable surpluses of raw cashew-
nuts from the traditional sources of
supply in East Africa have come
down substantially after allowing for
these countries' own processing re-
quirements which have been pro-
gressively going up with the creation
of new capacities. Consequently,
imports by the Cashew Corporation of
India have progressively gone down
from 1.95 lakh tonnes to about 20,000
tonnes in 1980-81.

Indigenous raw cashewnuts pro-
duction is estimated at about 1.10 lakh
tonnes in 1980-81. The installed
processing capacity in the country is
estimated at 4.5 lakh tonnes. The
cashew processing industry employs
approximately 1.5 lakh workers. Thus
the estimated requirement of raw
cashewnuts for providing all round
the year employment would be ap-
proximately 4.5 lakh tonnes.

In order to increase the availability
of raw cashewnuts for processing, a
scheme was evolved in July 1979 per-
mitting import of raw cashewnuts

from non traditional sources (exclud-
ing Tanzania, Mozambique, Kenya and
Malawi) by manufacturer-exporters
subject to the approval of Cashew
Corporation of India for distribution
to all eligible factories. Under this
scheme, State Corporations, like the
Kerala State Cashew Development
Corporation, as manufacturer-export-
ers, were also eligible to import raw
cashewnuts from non traditional sour-
ces.

In spite of this special scheme
which was announced by the Cashew
Corporation of India in July 1979,
adequate raw cashewnuts could not be
imported, and in order to augment
the supply of raw cashewnuts a Pub-
lic Notice was issued under which
CCI & E may allow direct imports of
limited quantities of raw cashewnuts
on merits for the purpose of proces-
sing in India for re-export subject to
such conditions as may be stipulated
in each case. Only 5013 tonnes were
imported by a single private party,
under this public notice. Thereafter,
I had, while replying to the Demands
for Grants of the Ministry of Com-
merce in the Lok Sabha on the 7th
July 1980 and in the Rajya Sabha
on the 8th July 1980, assured that
private parties will not be allowed
to import raw cashewnuts provided
State Cashew Corporations are able
to make arrangements for their im-
port. In spite of this assurance, no
State Cashew Corporation actually
imported any raw cashewnuts, under
this Public Notice.

To review the situation I had taken
two meetings with MP's of Kerala
and Tamil Nadu on 2-4-81 and MP's
of Kerala, Tamil Nadu and Karnat-
aka on 16-4-81 where the seriousness,
arising out of paucity of raw nuts
was discussed in detail. Only after
explaining the position to the MP's
and with a view to increasing the
foreign exchange earnings of the
country as well as providing addition-
al employment, it was decided to de-
canalise the import of raw cashew-
nuts. By Public Notice No. 18
ITC(PN)/81 dated 27.4.81 raw cashew

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imports have been placed under OGL subject to the condition that half the quantity imported shall be offered to the Cashew Corporation of India for distribution to actual users in such a manner as may be laid down from time to time.

It may thus be seen that no serious situation has arisen as a result of the decanalisation of import or raw cashew in as much as even prior to the decanalisation, the availability of imported raw nuts had come down substantially. On the contrary, it is anticipated that with the change in policy there might be additional generation of foreign exchange and employment in the country.

SHRI A. K. BALAN: I called the attention of the hon. Minister to a serious economic crisis in Kerala. This economic crisis will surely lead to thousands of people being thrown out of employment.

The cashew industry in Kerala employs more than 1½ lakhs workers and it requires nearly 4-1/2 lakhs metric tonnes of raw cashewnut a year. The indigenous production of raw cashewnuts is not sufficient to meet even one-fourth of the actual requirements. The remaining quantities have, therefore, to be found through imports. The State Government has once moved the Government of India for arranging maximum import of raw cashewnuts through the Cashew Corporation of India. The Cashew Corporation of India have also been requested to intimate the arrangements they have made or are making for further import of raw cashewnuts. No firm reply either from the Government of India or from the Cashew Corporation of India has so far been received in this regard.

Sir, the Government of India have also been requested to permit the Kerala State Cashew Development Corporation to import raw cashewnuts direct from foreign countries for its own requirements. Government of India have indicated that import of raw nuts from non-traditional areas could be made by manufacturer exporters subject to the approval of the Cashew Corporation of India and their surrendering 50 per cent of the import to the Cashew Corporation of India for distribution to all the eligible factories. The Chief Controller of Imports and Exports would also allow direct import of a limited quantity of raw nuts for the purpose of processing in India for re-export subject to the conditions stipulated by the Controller in each case. As the above conditions will not be beneficial to Kerala State Cashew Development Corporation, the Government of India was again addressed for the grant of permit to the Kerala State Cashew Development Corporation to import raw nuts from traditional and non-traditional areas without any conditions attached. But the Government of India intimated that it is not possible to allow such imports without the conditions earlier prescribed by them.

Ever since September 1970, Government have been following a well-thought-out sensible and rational system of canalising raw-cashewnut import through the Cashew Corporation of India. Consequent on the revised import and distribution policy for raw cashewnut for 1980-81, the Union Government have permitted private cashew processors to import raw cashewnuts. The State Government was afraid as the private processors, if permitted to import nuts, are sure to direct their imported stocks to the neighbouring States of Tamilnadu or Karnataka where the unorganised labour is deliberately exploited with a view to making more profits. The State Government have thereupon invited the attention of the Union Government to the alleged im-

port policy revision highlighting how it will seriously jeopardise the cashew industry in this State, particularly, at a time when it is struggling for existence and moved the Union Government to rescind the decision, if any, taken to change the canalisation policy so far followed. But, Union Government have changed the policy to the effect that import permits are issued to the private cashew processors. Sir, this decision, surely, is against the aspirations of the Kerala people. The Government has decided to import cashew-nuts. They are going to import coconuts, cocoa and rubber. What is the intention? Sir, the intention is very clear. Anyway, it is to make a blockade against Kerala Government. I request the Minister not to try to catch fish in tumbled water.

MR. DEPUTY-SPEAKER: What is the reason for this enmity?

SHRIMATI SUSEELA GOPALAN (Alleppey): Because, there is non-Congress Government in Kerala.

SHRI A. K. BALAN: Sir, I am sure, the Government is trying to make troubles in Kerala. The Minister so many times, when the Kerala M. Ps irrespective of the politics met him, assured at that time that he would not permit the import of cashew by the private parties. But, the policy is changed and we know the person behind it. Anyway I do not think the Minister himself is responsible for this. We know the man who is behind this decision. We, the Kerala people, know him. He is an advocate of the monopoly capitalists. I do not want to go further. But, this is against the Kerala people.

MR. DEPUTY-SPEAKER: Please put your question.

SHRI A. K. BALAN: I am putting a few questions only. Sir, what made the Government to change the canalisation policy so far in existence.

(2) Whether this policy is going to help the organised industrial sector of cashewnut industries;

(3) What will be the impact of the new policy of import on the public sector factories under Kerala Government?

(4) Whether Government can guarantee adequate imported nut to feed the factories in Kerala at least for a period of six months for giving employment to one-and-a-half lakh workers? With these word I conclude.

SHRI PRANAB MUKHERJEE: Sir, the hon. Member has mentioned that the situation is serious. I do agree with this part of his observation that the situation is serious but I do not agree with his conclusion that the new policy has caused the serious situation.

Sir, if you look at the import figure and the indigenous production you will find that from 1970 onwards the import is going down. We had the opportunity of discussing this problem on the floor of this House on a number of occasions and when the hon. Members insisted that there should be no change in the policy and the policy of canalisation should be pursued—while taking part in the debate on the Demands of my Ministry—I told them that I was not going to change the policy. But what has been the effect? In the full year we have not been able to import more than 20,000 tonnes. Even your own State Corporation has not been able to import a single nut. When we did not allow the private parties to import for full one year. The point is your total production is 1.10 lakh tonnes, and if you want to give employment to 1.5 lakh people engaged in various cashew factories throughout the year then your total requirement is 4.45 lakh tonnes. Where would you get it? Public sector organisation is not in a position to import because of two developments that have taken place. First among the traditional suppliers like Tanzania, Mozambique, Kenya and Malawi from where we used to get 80 per cent of our import, on the one hand, their production is going

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down and on the other hand, they themselves have developed the processing units. So, they are not exporting raw cashewnuts. They are getting processed there itself. Further, certain other countries have come to the market.

The question which I posed before the Members of Parliament when I had discussion with them in two instalments was that we are primarily concerned with getting cashewnuts. How can we get that? If the public sector organisation has not been able to get it, then let us try to give a chance to the private sector if they can bring in. The situation is not going to be worse. This year the total import is just 20,000 tonnes. In 1970-71 the total import was 1.95 lakh tonnes. In 1972-73 it was 1.90 lakh tonnes. In 1980-81 it came down to 20,000 tonnes. The year before that it was 24,000 tonnes and the year before that it was 20,000 tonnes. Therefore, from 1975-76 onwards we are seeing that Cashew Corporation is not in a position to import cashew which can meet the requirements of industry. So, what is the alternative? If the private parties can bring some cashew, then that will be processed here. After all people will get some jobs. If somebody takes the position that if Kerala units do not get the nuts then no other units established in other parts of the country could get nuts—I am afraid—I cannot accept the position. Even in the present policy, as I have clearly explained to the hon. Members, it would be our effort to see that out of whatever is imported, 50 per cent of it they will have to give to the Cashew Corporation and according to the distribution formulae of the Cashew Corporation, of whatever Cashew Corporation will get 80 per cent of it will go to the Kerala units because the number of units and the number of people employed there are more. Therefore, according to the formulae 80 per cent of the share of Cashew Corporation will go to the Kerala units. But if no cashewnut is

imported then what can I distribute? Your State Corporation could import it from non-traditional sources. They could not import a single nut. What is the demand. Give me the monopoly right. How can I come to the conclusion—Cashew Corporation had the expertise and who is in a position to import cashewnut from 1970-71—the hon. Members would appreciate their performance in 1970-71 and upto 1975-76 was quite satisfactory and they were importing more than 1,00,000 tonnes. If they are today not in a position to import more than 20 or 25 thousand tonnes, how can you convince me that if I give you the monopoly right, Kerala Corporation would be able to bring it? Secondly, what would be the position of the Tamil Nadu Corporation if they come forward and ask, why are you permitting a State Corporation monopoly in this? Why not they get it? What about the Karnataka Corporation? What will happen if some other State Corporations also come up? Therefore, this is not possible. If we have to give monopoly right of procurement that can be given only to the central agency. We cannot give it to a State agency. That is the position. But even in this new policy we have ensured this: If we get the nuts we will see that the majority of the nuts will go to Kerala. This is according to the formulation and the policy which we are pursuing. All these insinuations and conclusions drawn that the whole policy is detrimental to the interest of Kerala and so on, is not correct.

Now, you are talking of rubber. What is the price of rubber today? The present market price is Rs. 1475; did the market price reach this figure at any time? No. It is the present ruling price. For God's sake, you tell me, at what point of time this was the level of price, so far as indigenous rubber is concerned. Normally it varies from Rs. 800 to 1000 and today is more than Rs. 1400. I regulated the import deliberately. The industry demanded that 30,000 tonnes will have to be imported. The

projected production they said would be roughly about 150,000 tonnes and the total requirement would be 180,000 tonnes. I have not permitted it. I am importing 4 or 5 or 6 thousands. It is not beyond that so that the indigenous producer gets a reasonable price. But we will have also to look at the interest of the ultimate consumer and the industry. You cannot just follow a policy which will lead you to one track only. So, these insinuations are not called for. If you want to make such insinuations, you can do it. That is another matter.

Now, regarding cocoa, half-a-dozen times I have mentioned it on the floor of the House. I have put it in the restricted list. We are not importing it. It is not permitted. It has been shifted from OGL. You do not look at the import policy but you simply accuse the Government of India that I am importing Cocoa, I am importing rubber and the policy is detrimental to the interest of Kerala and so on. These are not facts. We are trying to help them in every possible way. I cannot help it if I cannot import cashewnuts. These are hard facts.

SHRI A. K. BALAN: One question.

MR. DEPUTY-SPEAKER: Is it a new question? No. You can ask for clarification only. Now, Shrimati Suseela Gopalan. You may tell her.

SHRIMATI SUSEELA GOPALAN (Alleppey): There was a discussion here in the House. Unfortunately when the Minister called the M.Ps. for a meeting of all the MPs from the various States, majority of Kerala MPs were not there. So there is no point in saying that we had discussion for name's sake. You can say that all MPs were consulted. Actually we would have responded if we had been contacted and informed well in time. We were away from the House. We could have participated. But one or two MPs who participated were themselves against it; and they strongly protested against it, we should know

why this canalisation was adopted. You know, there is a long history behind these. Industrialists in the country were processing it in the unorganised sector giving very paltry sums of wages to the workers. It was so difficult to maintain any rules in these companies. So, it is because of the persistent struggle from Kerala that Government accepted the canalisation of cashewnuts. For the last one year there was the same difficulty. As was explained by the Minister, processing units were started in these areas: so many countries are purchasing these cashewnuts. Of course, there is scarcity. Our feeling is this. The Cashew Corporation of India is not really very serious in bringing cashew to our country. At present that is the difficulty. That is why we have suggested that the State Cashew Corporation could do it. The State Cashew Corporation is prepared to bring it. We do not want any monopoly in this trade. If you want that 50 per cent of this product is to be distributed to other States, then the distribution work should be done by the State. The restrictions imposed by the Central Government should be removed. The restriction was that it should be brought from outside the traditional areas and 50 per cent should be distributed to other States. Now, why do we want canalisation? It is because this should go to the organised sector. In the Kerala Cashew Corporation, there are about 65,000 workers and they are getting very good wages. I have visited some of these areas before the Cashew Corporation came into existence. The women workers were complaining that a very old woman was engaged by the Companies to look after the very small children of the women workers. The small children in their creches would pass stools and the old woman would not be in a position to wash them and by the time their mothers return, the little ones would eat their own stools. Such was the condition. Now, when the Cashew Corporation came into existence they have been working there because they are getting good wages and good working

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conditions. Now, the factory owners are thinking of shifting their factories to the suburban areas because they could get old and young people in the new areas for a very meagre wage. They would pay less than half of what the organised sector pays. That is why we say that the organised sector should be developed. Why should you put restrictions that they should not go to the traditional areas? When some offer comes from other States, the State Corporation should be allowed to import them but the Government of India says that the Cashew Corporation should not import them from the traditional areas. Moreover they say that 50 per cent of the product should be given to other manufacturers. These restrictions should not be there. If the State Cashew Corporation import it and crush it in their factories, about 65,000 workers will get the benefit. But you are putting conditions and you are unable to import 20,000 tonnes of cashewnuts. Why don't you give them a trial? You are giving a trial to the private parties. Why don't you have a trial with the Cashew Corporation of Kerala? Even Tamil Nadu and Karnataka are prepared to import cashew. You should give them licence and allow the State public sector undertakings to import it for crushing purposes. Why should you allow the private parties to import it? Now, the workers in the Cashew Corporation are getting a better deal. But you are allowing the big monopolists to exploit the poor people.

Even now the cashew is being brought from our State. What is happening there? These big monopolists are giving Rs. 2 or Rs. 3 more per kilogram. The producers in the border areas sell them to the monopolists. Now, you may ask how can the monopolists afford to pay more. It is possible because they pay very low wages to the workers. The Government of India is encouraging them.

That is why we are asking: are you prepared to give it only to the State Corporation in Kerala, and allow Tamil Nadu and Karnataka to have their corporations for this purpose? Not only that. You have said that the price of rubber has gone up. Why? I may point out here that the price of everything has gone up. When wages go up and the price of everything goes up, naturally the price of rubber will also go up. When you get this commodity from outside, the price that you will pay for that would be still high.

Now, take copra for example. There is a lot of production of coconut in Kerala. When there is an abundant production of coconut in Kerala, I do not understand why copra should be imported. I can understand if it is imported during lean months. But when there is a lot of production of coconut, I do not understand why copra should be imported. It is only to help the soap producers, Tatas and Birlas, who produce soap. I can understand if you are importing copra when the scarcity is there, but during that season you will not allow them to import, because you want to help them. They will purchase during this time, hoard it and sell it at a time when there is scarcity of coconut. The hon. Minister was telling that they have nothing against Kerala, but actually whatever we have built up there in giving employment to the workers, in giving more wages and other things, they are trying to demolish it. That is what is happening. Our Industries Minister is there; he has given licence to a coir magnate for the mechanised unit about four and a half years ago, and thousands of workers are going to be affected by that. Every day you are doing such things. That is our experience. That is why we want reversal of the policy. Are you prepared to allow imports to the State Cashew Corporation instead of the private producers? We are prepared to take it up and if the sole monopoly is given, we are prepared

to give 50 per cent to the Cashew Corporation of India.

SHRI PRANAB MUKHERJEE: All the observations which the hon. Member has made, I knew that she has to make these observations and what she meant was that our policy is to ruin the economy of Kerala. On one point I can assure the hon. Member that perhaps her own people are more competent to ruin the entire economy of Kerala; she does not require anybody else. I can analyse the way they are standing in the way of traditional exports, the way they have created a situation in which nuts are produced, but these are not being processed in Kerala, there are being smuggled out of Kerala and processed in Tamil Nadu or Karnataka, but I am not going into that aspect. Now, the raw cashew import is placed under O.G.L. and you can show your competence, and how much you can bring in. You want that protection should be given to you... (*interruptions*). Now you can show your competence, how competent the Kerala Cashew Corporation is to bring raw cashew from traditional and non-traditional sources at whatever price; whatever they want to do, they can do. And here I can give you an assurance right now that I am not going to impose any levy on your imports, you utilise it in your own units. I will make an exception for the State Corporation that whatever they will be able to bring, they can get it processed in their own units. For other private imports, I would impose levy and they will have to give fifty per cent to the Cashew Corporation of India, so that out of that 50 per cent, 80 per cent goes to Kerala units. I will make that arrangement so that you can get more, but I would like to see how much you can bring in. Let there be some experiment and you show your competence; you can bring it from traditional, non-traditional and whatever sources you want. The facts are with us. You are saying that Cashew Corporation of India is not bringing it. What is the interest

of the Cashew Corporation in not bringing it? If they could bring it in 1970, 1971, 1972 right upto 1975 and import more than hundred thousand tonnes, why are they not in a position to bring more than twenty or twenty-five thousand tonnes this year and for the last three years. You will have to go to the root of the problem. The problem is because nobody is interested. As a producing country am I interested to send my raw materials? If I have the opportunity, I would like to get it processed. Similarly, from the traditional sources when the Ministers came here, I took up with them; even I wanted to suggest that I am prepared to go with them, have some sort of joint ventures so that we can go into the production and get some assured market, but no country is agreeing to it. It is not in my hands; it depends on them. If they agree to it, it would be all right, but the whole question is that they are having their own processing units; their production is going down, and more people are coming in the market. Therefore, these three factors are relevant. When we were in a position, for instance from Mozambique we used to get 80 per cent of their exportable surplus. Now we are not getting even 50 per cent. On that account their production is going down, exportable surplus is going down. Therefore, where would you get it? The moot question is how you get it? If you get the nuts you can process it. And we can have some mechanism through which we try to help the Kerala units. Everybody appreciated it. Eighty per cent of the workers are working there. Largest number of processing units are established there. But the main objective should be to get the nuts. If we get the nuts, if we can get it processed, your people will get jobs. It is not other areas. It is mainly concentrated in three-four States. I do not understand why you are time and again raising this question. Do you want canalisation for canalisation sake? If you want it, all right have it. But what purpose will it serve?

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Canalisation is to regulate the import. Canalisation is to provide the raw materials to the processing units. If they are not in a position to bring the raw material, what is the fun of having the canalisation? And there, I don't agree with you.

Now you have been put on par with others and you show your efficiency. And if you don't want to compete, I am afraid I can't agree with you.

In regard to the meeting of the Members, I am very sorry she has mentioned to it. I invited the members. Eleven members of Kerala were invited, five members from Karnataka were invited, seven members from Tamil Nadu were invited. Their State Resident representatives in New Delhi were contacted to contact the Members. If they don't come, what can I do? I held meetings twice, not once. If you don't come and don't take interest, what can I do? and consultation does not mean I shall have to be guided by only your suggestions. I talked to the Members of the other States and when we explained to them the position, the situation came that I had to take a decision. And this decision I have taken. Let us see how it works. And if it does not yield any results, then nothing prevents me from changing the policy.

SHRIMATI SUSEELA GOPALAN: Then make it a condition that in the traditional areas, Kerala Cashew Corporation will do the purchase.

SHRI PRANAB MUKHERJEE: Now, you can do in traditional, non-traditional, everywhere.

SHRIMATI SUSEELA GOPALAN: When the private parties are in the market, then we cannot compete with them.

SHRI M. M. LAWRENCE (Idukki): Sir, from the Statement of the hon. Minister, it could be seen that 1.5 lakhs of workers are engaged in this industry. If the private impor-

ters import cashew, 50 per cent will go into the hands of CCI. Out of that, 80 per cent will be given to the Kerala State. So, what is the activity? Kerala State will be getting only 40 per cent of the total import. Out of these 1.5 lakhs of workers, the vast majority is in Kerala. Only a minority of workers engaged in this industry are in Tamil Nadu and Karnataka. So, by giving only 40 per cent to the Kerala State, does the hon. Minister, believe that the interest of the Kerala workers can be safeguarded by this policy?

Secondly the decision of the Government to allow the private employers to import cashew is only to help the private exploiters. This Government does not want to take care of the interests of the real workers. They are only interested in the profit. In this very statement, he has stated: "It is anticipated that with the change in policy, there might be additional generation of foreign exchange and employment in the country." The question is whether this will help guarantee employment to the workers who are now engaged in this industry in Kerala. Perhaps, you may be able to give additional employment to workers living in other States. There, the employers will get cheaper labour. If hon. Minister is willing to go into the real state of affairs, he will see that for a very meagre, i.e. the lowest wage, these employers engage workers in Tamil Nadu and Karnataka.

So, the whole policy is to safeguard the interests of monopolists and exploiters. As my hon. colleague pointed out earlier, there was one big leader of our state; and he was in the cashew industry, organizing the workers. Now he is communicating between the employers engaged in the cashew industry in Kerala and Tamil Nadu and the Government of India—on behalf of the employers. Because of this communication, the policy of canalization for the Government of India was cancelled, and this decanalization was started.

This is the reality. In my opinion, there is a real discrimination against Kerala. Why? Unemployment is going to increase. The majority of workers are employed even now. The hon. Minister is saying that the policy which Government was pursuing earlier, was not getting as much raw cashew from outside as was desired. So, it was a failure. To overcome that, this new policy has been enunciated. That is his main argument. But what I am saying is if anybody is suffering from headache, will he cut off his head to get rid of the headache? If canalization had failed because of any reason, Government will find means to rectify the defects in the canalization policy, as well as import policy, provided it is willing to safeguard the interests of the country—not of the exploiters but of the toilers. If there is any flaw in the import policy, they will try to rectify it.

So, the policy change made by this Government is a continuation of the policy of discrimination against the backward Kerala State—as in so many other respects. Kerala does not have caprolactum. It does not have sufficient rail links. There is no rice allotment. There is no railway wagon allotment. Sufficient Plan allocations are not there. The demand for a precision instruments factory has also not been fulfilled. In all these respects, there is a policy of discrimination followed by this Government. It is in continuation of it that this policy is being pursued by the hon. Minister in this case also. This is actually helping the forces of disintegration in this country. We have been seeing similar things in Assam and some other places of this country. So, my earnest appeal to the hon. Minister is to stop this policy, and take up canalization and help the workers of Kerala, and the interests of Kerala State.

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SHRI PRANAB MUKHERJEE: The hon. member has also repeated the arguments given by other members.

Only one point I would like to tell him. What is the present quantum they are getting now? The moot question is that some raw material should be made available so that those factories can work. Due to this we are trying to get it through CCI. As I had mentioned earlier, we are not in a position to get it because of certain factors. We can try whether private importers, State Corporations or anybody can bring it. Now, the Kerala units will also try it. Your State Corporation will also try it. In that process, instead of making efforts through one corporation, if we can get from various sources some nuts, those nuts will be processed there and people will get their job. Today, even you are not getting 40 per cent. You are thinking that if some private importer brings it and gives it to CCI, then they may get it. What are you getting today? Today you are not getting anything. Only 20,000 tonnes are imported. Of that, 10,000 tonnes only go to you. You will also have an inhibition. Earlier you had an inhibition. Now you can go to the traditional market, non-traditional market. From anywhere at any price you can bring it and get it processed. So, what is the difficulty? If we find that this policy is not in a position to bring more nuts, we can review it. I have never said that this policy is going to continue for all time. We can review it. But we are seeing that a policy which is continuing has not been able to bring in more nuts. Earlier it imported more nuts. But for the last 3-4 years, it is just importing 20,000 tonnes, 25,000 tonnes, 30,000 tonnes. Therefore, we are changing this policy where everybody will be placed at par. It is on OGL and no party will have any additional difficulty. As I had mentioned in reply to Mrs. Gopalan's query, whatever CCI will bring, the same formulation which existed earlier, the formulation of distribution will go to you. Therefore, this policy particularly is not causing any harm to you. Rather it is trying to help you. Unfortunately, you do not want

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to understand it. If you have that dogma and jargon, I am afraid I cannot go with that—That canalisation is a must whatever be the consequences. I do not subscribe to that view. Canalisation is for bringing a particular commodity. Canalisation is to have a regulation and control over the import. But canalisation for canalisations sake, you may have that view. I do not have that view. Therefore, I do not like to add more. The only point I would like to say is that this is the reason why I wanted to discuss it with you. At the first meeting only 3 members from Kerala came. At the second meeting only 2 members from Kerala came. I sent an invitation to 11 members of Kerala and 5 members of Karnataka and 7 of Tamil Nadu. If you could have come and if we could have discussed it, that may not have changed the policy or the decision but I could have explained to you in greater details.

SHRI E. BALANANDAN (Mukundapuram): The hon. Minister is kind enough to say about it here.

THE MINISTER OF COMMUNICATIONS (SHRI C. M. STEPHEN): Why did you not come?

SHRI E. BALANANDAN: That is all right. Meetings alone cannot decide things. The point here is that our hon. Minister was saying that we have to go into the root cause of the question and find out some solution. All right. If the hon. Minister is willing to go into the root cause of the question and find out a solution, we will discuss it and find out a solution. The Government of India have taken this decision, of canalisation not all of a sudden. The experience of many years has compelled them to take this decision. Why? The hon. Minister was saying that private employers may try their luck and bring some more nuts so that the industry may get some more nuts. That is the trial which he is going to make now.

What were they doing and what are they going to do now? The industry which fetches the largest amount of foreign exchange is being given to whom? The Government found that they were doing so many things, under-invoicing, over invoicing by which they were making money, not the Government of India. So, these people have been tied for a long time. And then only they brought forward this canalisation.

I may read from the statement made by the hon. Minister here. He says by introducing a new system more nuts will come. From where will they come? If the Government of India is having an organisation and with that organisation if we can buy nuts from outside the country, how can the private interest come in and get it? If they can do it, it means they will be resorting to under-hand methods. I know, if canalisation is resorted to by the Government of India, some restrictions might be there; there may be some fairness in that. But the experience we had with the C.C.I.—I may say here with all humility to the Ministers and others here—that they were just doing this business just like traders or a commercial agency, not like an agency which has its task to get more money for the Government of India or more foreign exchange and primarily to give employment to these one lakh and fifty thousand workers. This was not their concern. What was the concern of the C.C.I. Their concern was to get more profit. As our Minister pointed out, practically their purchases are coming down year after year. There was some reason. Reasonable reason was there. That I do admit. In certain traditional areas some industries have started. The incentive arose because of the conditions these people imposed. They wanted to buy the nuts at the lowest price to make profit. Therefore, those indigenous producers wanted to start production by themselves. About the efficiency in production, I am not going to deal

with that question. I am only requesting the Minister to note that in Kerala we have experience about this efficiency. The new Minister, Shri Pranab Mukherjee, I agree he is efficient and all that. But we are also people connected with the industry for long. Therefore, he has to, at least, listen to us. In this industry, (Interruptions).

MR. DEPUTY-SPEAKER: He wanted to listen from you,...

SHRI E. BALANANDAN: The point is listening means not only hearing. When this kind of policy questions are taken seriously, he has to listen to us. On this question of cashew nuts we are only suggesting what he should do. The remedies, I suggest, or he suggests, may be good for trial and error and mistakes may occur. But what is the basic position? As he wanted me to point out the basic position, the basic position is that the public sector industry should be developed and the Minister should see that errors and mistakes are not there. The Government of India gets more foreign exchange. Is it the policy to give more money to the private industries, or the private capitalists to squeeze the workers and to fill their pockets? That is the basic point on which some kind of discussion should be held and the policy has to be formulated. The assumption is that the private capitalists may bring something. I do not doubt it. They may be able to bring it. The Government takes a stand that the Cashew Corporation of India, with all their might, failed to buy the cashew nuts from outside the country and they have failed. Therefore, private industries are brought in. That is a big myth. The Government of India—the almighty—has failed and these *Chotas*, of Karnataka and Tamil Nadu,—I know the names, I do not want to mention the names—are allowed to buy the cashew nuts. Are they powerful people? How can they bring cashewnut into the country? What is this? This is a fantastic statement. This comes

from, emanates from the understanding of the Minister, that the private capitalists are to be helped, not the workers and the industry in the corporate sector. One sentence I want to add here. In the country as a whole, this Cashew Corporation of Kerala which employs nearly 60,000 workers, should be taken as a model. If Shri Pranab Mukherjee or any other friend of them wants to do some thing, I do not think that politics will stand in the way. If there are some lacunae, we are willing to discuss with them and understand their views and correct ourselves if mistakes are there. To protect the unorganised workers who are being exploited like anything, the Government of India had to bring in so many pieces of legislation to see that exploitation of such a labour is reduced to the minimum extent. That has been the approach of the Government of India for long. If that is to be implemented practically, the Private Sector should not be allowed to come again in the import of nuts. So, I submit that these policies go counter to the basic policy. Therefore, I ask the Minister this question. The hon. Minister Mr. Pranab Mukherjee, will excuse me if I just divert from the main subject and say a word or two to the Minister of Industry. The coir industry employs five lakh of workers in Kerala. He has taken the latest decision—a wonderful decision;—to mechanise the coir industry. If mechanisation is introduced in the coir industry, lakhs of workers in Kerala will become unemployed. So, how can you do it? You want to allow one or two fellows to mechanise the industry and take away our livelihood. You can kill us, you can hit us below the belt. But in this way you cannot cow down the people of Kerala. By adopting this method, you want to keep us down politically. That will not work.

I request the Minister to ponder over the question once again. There may be defects in the public sector. Those defects should be looked into and rectified. But that organisation

[Shri E. Balanandan]

has to be given maximum help by the Government of India. If the Corporation of Tamil Nadu, Andhra Pradesh or any other State comes forward, we are not against it. We are equally concerned about the workers of Tamil Nadu, Andhra Pradesh or any other State. The only point is what model we should adopt. The policy of the Government of India is claimed to be to protect the unorganised scattered workers, to encourage the public sector and to earn more foreign exchange. In that case, this public sector Cashew Corporation of Kerala may be given some kind of monopoly. I request the hon. Minister to discuss with the Cashew Corporation of Kerala and then evolve a method for bringing in more cashew nuts. Canalisation should be restored. That is the only way by which we can control the import trade. As the other hon. Member was saying, do not adopt the policy of cutting the head if there is any trouble with it.

SHRI PRANAB MUKHERJEE: I am prepared to discuss with anybody, any organisation to explore possibilities of getting more nuts as primarily I am concerned with import of more cashew nuts.

The hon. Member has mentioned that the Cashew Corporation is not making serious efforts and that they are not giving higher price. In 1973-74 our total import was 1.63 lakh tonnes and the price was Rs. 1500/- per tonne. In 1980-81 we are paying Rs. 9000/- per tonne but still our import has gone down from 1.63 lakh tonnes to 20,000 tonnes. The reason is that the cashew nuts are not available and secondly, they are processing themselves. How can the Cashew Corporation give a higher price? After all, the industry has to absorb it. It happened recently. Tanzania made an offer of 15,000 tonnes of cashew nuts in March, 1981. The industry says, "you do not go beyond

\$1120 F & B per tonne." The Cashew Corporation says that they are prepared to go upto \$1150 per tonne. But Tanzania says, nothing short of \$1381 which was the highest bid received by them. So, they sold it to others. The Cashew Corporation can purchase it but the industry does not take. The arrangement before fixing the price is that they have to consult the industry which will utilise it. What is the position that the industry is taking? They would require raw nuts. They would ask the Cashew Corporation to bring it. At the same time, they would dictate price and would say that at a particular price they would have to make purchases. No public sector organisation can fulfil so many conditions and bring materials in a highly competitive market. If it was a buyers' market you could say anything you like. But it is basically a sellers' market. There, you cannot put so many conditions that prices should not go beyond certain point; you are the only person to bring it, no other person should bring it and you are to import it at this particular condition. Therefore, this is just one instance which I want to give. Ultimately, we could not bag that contract; it went to some other country. Otherwise, you would have got 15,000 tonnes, if the industry had agreed, the industrial units in your State had agreed, to pay a higher price, if you said that you could market it at that price. The importer will purchase at a price at which he can make a profit while selling it, because profit would be his consideration. You have to take a quick decision and enter into a contract. In fact, even at this price we could not get much.

Secondly, I want to draw your attention to another point. What is the scheme of indigenous production? When I was having discussions with my officers, I was told that a scheme which was initiated much earlier has not yet started, even though your own State unit has to give effect to that. It is a World Bank scheme where SADU was to take up an indigenous

production programme under which there would have been a production of 8,000 tonnes. In the ultimate analysis, we have to produce at least 4 lakh tonnes. You have not given serious thought even to this scheme, which has Rs. 27 crores worth of World Bank aid, when you are having serious problems. Then there is the Multi-State Cashew-nut Development project through which we are expecting we may get some production by 1986-87 in certain other areas, like Kerala, Andhra Pradesh, Karnataka and Orissa. But we do not know what is the state of affairs in Kerala of their projects. Therefore, these are the areas where we shall have to concentrate. I have already mentioned the name of the organisation, which has to do this, SADU, the Special Agricultural Development Unit. In Kerala they are entrusted with this project. If they had started functioning, the production would have been 40,000 tonnes more. Therefore, we shall have to take into consideration the various factors.

I would not like to repeat it; it is not the intention to put the Kerala units in difficulties. I am sorry, I cannot convince you. We are trying to help the Kerala units. We cannot help you unless we have the nuts. Mere word is not enough to process; mere word is not going to do the job. You were all along

referring to the Minimum Wages Act. Can you tell me what is the rationale of the Minimum Wages Act. Now while you guarantee the minimum salary, the job is not guaranteed. The spirit of the Act is, if you do this job, you will get so much income but the job is not done. You have created a situation where they do not do the job. Therefore, a mere guarantee of minimum wage is not enough. You have to create a situation where, while the minimum wages are guaranteed, at the same time, the job is also ensured. Therefore, I do not think any fresh policy is necessary. But I would inform the hon. Members, particularly the hon. Members from Kerala, that I am prepared to discuss with them if they can suggest any other mechanism through which we can augment the import of cashew-nuts, and I am prepared to consider it.

13.16 hrs.

LEAVE OF ABSENCE FROM THE SITTINGS OF THE HOUSE

MR. DEPUTY-SPEAKER: The Committee on Absence of Members from sittings of the House in their Fourth Report have recommended that leave of absence be granted to the following members for the periods mentioned against each:—

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| 1. Dr. Subramaniam Swamy | 6th April to 27th April, 1981 (Fifth Session) |
| 2. Shri V.N. Swaminthan | 6th March to 6th April, 1981 (Fifth Session) |
| 3. Shri A.A. Rahim | 17th February to 3rd April, 1981 (Fifth Session) |
| 4. Shri Cumbum N. Natarajan | 8th April to 8th May, 1981 (Fifth Session) |
| 5. Shri Thazhai M. Karunanithi | 23rd February to 1st April, 1981 (Fifth Session) |
| 6. Shri Keyur Bhushan | 10th April to 30th April, 1981 (Fifth Session) |
| 7. Shri Somnath Chatterjee | 6th April to 30th April, 1981 (Fifth Session) |
| 8. Shri Balakrishna Wasnik | 8th March to 24th April, 1981 (Fifth Session) |