[Shri Pranab Mukherjee]

So, Sir, priority is being given. If there had been no need for this plant I would have come and said we have taken the decision not to establish. We are still exploring the possibility of how much we can meet from our own resources and how much we will get from external resources.

In regard to quality of ore nobody would dispute that the quality of Hospet ore is of high order and we are earning money by exporting it but at the same time as the hon'ble Member is aware today due to political changes those who were at the back of Kudremukh iron-ore project are backing out. Sometimes we are confronted with such situations which we cannot control and, as such, we shall have to bear.

14.18 hrs.

STATEMENT BY MEMBER *RE.* REPORTED DISAPPEARANCE OF SUGAR DESPATCHED BY F.C.I. FOR MADHYA PRADESH

PROF. MADHU DANDAVATE (Rajapur): Mr. Speaker Sir, with your permission I make the following statement under Direction 115:—

While replying to the Call Attention notice in Lok Sabha on 25th July, 1980 on the reported disappearance of sugar from Maharashtra despatched to Madhya Pradesh for fair price shops, Shri Rao Birendra Singh in the reply to the Call Attention notice, mentioned in his written statement in the House that "there should be no misapprehension that the quantity has disappeared."

Even when I pointed out to the Union Minister of Agriculture the details of the disappearing of sugar as mentioned in the 'Hindustan Times' of 24th July, 1980, the Minister did not budge from his statement and emphasised that "there is no question of any large quantity disappearing in transit. Otherwise, the F.C.I. people at the receiving end would know".

The news report from Bhopal extensively appearing in the National Herald of 26th July, 1980, however, stated that the spokesman of the Madhya Pradesh Government had contradicted the Union Minister's denial of the disappearance of sugar based on Food Corporation of India reports.

The most surprising aspect of the episode is the news revealed by Times of India (Delhi Edition) of 27th July, 1980 under the caption "C.B.I. to investigate F.C.I. sugar muddle" in which it is stated that "a C.B.I. official is understood to have arrived here (Bhopal) to look into the sugar muddle of the Food Corporation of India".

The report further states that "according to official sources, he (CBI official) is likely to be assisted by the economic cell of the State Police, which has been asked by the State Government to investigate the alleged shortfall in the supply of sugar from Maharashtra by the F.C.I.".

It is thus clear that the statement made by the Union Minister of Agriculture in the House on 25th July 1980 is inaccurate and hence the Minister should come out with the correction of the same".

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION (SHRI BIRENDER SINGH RAO): Sir, under Direction 115, I beg to make the following statement:

In the statement made by me on 25th July, 1980 in response to the Calling Attention Notice given by Shri G. M. Banatwalla and other Members regarding the reported disappearance of two trainloads of sugar despatched by the Food Corporation of India for Madhya Pradesh, I had said that there should be no misapprehension that the

quantity has disappeared. Before making this statement, I had checked up the position from the Food Corporation of India and I reiterate that the position indicated in my statement of 25th July, 1980 is correct. Out of the total allocation upto June of 1,32,715.8 tonnes of sugar to Madhya Pradesh, a total quantity of 1,20,349.3 tonnes has been allocated from the sugar mills in Maharashtra. Out of this, till the end of June, a total quantity of 1,06,274 tonnes has been despatched from those mills and a total quantity of 97,030 tonnes has been received in Madhya Pradesh, the balance quantity of 9,244 tonnes being in transit.

I have also gone through the news reports appearing in the Hindustan Times dated 24th July, the National Herald dated 26th July and the Times of India dated 27th July and the Department has further checked up the position from the Central Bureau of Investigation who have confirmed that no investigation or enquiry relating to the shortage of sugar sent from Maharashtra to Madhya Pradesh has been or is being conducted by the C.B.I. They have, however, informed that the Madhya Pradesh Government had entrusted an enquiry on 22nd July, 1980 to the Economic Offences Wing of the State Government about alleged missing of railway wagons carrying nearly 40,000 tonnes sugar sent by sugar mills in Maharashtra to Bhopal. It was in connection with this enquiry that the Deputy Inspector General, Economic Offences Wing, Government of Madhya Pradesh, Bhopal, had requested the local Superintendent of Police, C.B.I., Jabalpur on 24th July, 1980, to depute one officer for assisting in the scrutiny of records of the Food Corporation of India. It will, therefore, be seen that the state Government had taken this course at the local level, on their own, without consulting or informing this Ministry. In fact, when this position was being ascertained on 28th July from the C.B.I., my Ministry had simultaneously addressed the State Government also regarding the news item. But no reply has as yet been received from them. It would, therefore, be incorrect to conclude, on the basis of the news item in the National Herald that the Stae Government has contradicted my statement. It would appear that the news item datelined Bhopal (25th of July) was presumably reported before the position was cleared by me in Parliament as it refers to "enquiries in official circles", and to "FCI's explanation".

In view of the position stated by me, I would like to submit that there was no intention of misleading the House on my part.

PROF. MADHU DANDAVATE: Sir, are you satisfied with the statement? Because, he has already admitted that the State Government has not yet sent them the reply, either confirming or denying what exactly are the facts? He could have waited for the reply before he made the statement.

MR. DEPUTY SPEAKER: As it is, he has presented the facts.

PROF. MADHU DANDAVATE: I gave a copy of my statement to hon. Speaker. The Minister also must have submitted the statement to the hon. Speaker. Now, is the hon. Speaker satisfied with the calarification that is given in the statement which has just now been made by the hon. Minister? He himself indirectly admitted that he had not received the reply from the Madhya Pradesh Government. That means there are some skeletons in the cupboard and they might be at that end or at this end.

MR. DEPUTY SPEAKER: No no, it is not like that.

SHRI PHOOL CHAND VERMA (Shajapur):....*

*Not recorded.

MR. DEPUTY SPEAKER: Whatever you say will not go on record. This is not proper. I am very sorry. I am not permitting you. You have got to sit down.

SHRI PHOOL CHAND VERMA: ....*

MR. DEPUTY SPEAKER: Don't question me. You carry out the order. You will have to sit down. Have you given notice in writing? You have not given any notice in writing.

SHRI PHOOL CHAND VERMA:..*

MR. DEPUTY SPEAKER: I am not permitting you. Mr. Kurien to make the statement.

14.27 hrs.

STATEMENT BY MEMBER RE. IMPORT POLICY OF RAW CASHEWNUTS

PROF. P. J. KURIEN (Mavelikara): Mr. Speaker Sir, with your permission I make the following statement under Direction 115:—

Hon'ble Minister of Commerce while replying to the debate on Demands for Commerce on 7th July, 1980 announced in this House that he "would not allow private people" to import cashew nuts. To the delegation headed by the Chief Minister of Kerala also he gave the same assurance. To an Unstarred Question No. 4802 of 18th July, 1980 put by me, he has answered "the import of raw cashew nuts continued to be canalised through Cashew Corporation of India."

But, Hon'ble Minister of Labour in his answer to an Unstarred Question No. 4549 of 17th July, 1980 has revealed that--

(i) "a scheme to allow eligible manufacturers to import raw cashew nuts from non-traditional sources under over-all supervision of Cashew Corporation of India was evolved in 1979". And

(ii) "Permission for direct imports for raw cashew nuts on merits for the purpose of processing in India for re-export" is being granted.

This policy statement of the Labour Minister has brought in an ambiguity in the light of Commerce Minister's reply. In fact this statement is also contradictory to the policy statement made by the Commerce Minister on 18th July, 1980 in his reply to Unstarred Question No. 4802.

Under the circumstances it is for the Minister of Commerce to clarify the position and state in this House as to which is the correct policy of the Government. If the policy is that of eligible manufacturers also allowing to import, as stated by the Labour Minister, how is that the assurances given by the Commerce Minister be honoured. I, therefore, request the Commerce Minister to remove the ambiguity and state the correct policy of the Government and give an assurance that under no circumstances private parties will be allowed to import raw cashew nuts and also all steps will be taken to import maximum quantity of raw cashew nuts through Cashew Corporation of India only.

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): Import of raw cashew nuts has been canalised through the Cashew Corporation of India since 1st September, 1970. The exportable surpluses of raw cashewnuts from the traditional sources of supply in East Africa have come down after allowing for these countries' own processing requirements which have been progressively 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

*Not recorded.