

12.00 hrs.

**CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORTANCE****Closure of Cashew Factories in Kerala.**

SHRI A. C. GEORGE (Mukundapuram): I call the attention of the Minister of Foreign Trade to the following matter of urgent public importance and request that he may make a statement thereon ;

"The reported wholesale closure of 168 cashew factories in Kerala throwing out of employment over one and a half lakh workers."

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA): Mr. Speaker, Sir, Import of raw cashewnuts was canalised through the Cashew Corporation of India with effect from 1st September 1970. The Cashew Corporation has been able to successfully import adequate quantities of raw nuts for distribution to the processing units. Most of the cashew processing units close in the month of September and October and re-open by January or February. I am aware of the fact that some of the processing factories have still not reopened. This is not due to the scarcity of raw material. In fact many of these units have refused to accept allocations made by the Cashew Corporation of India for raw nuts on the plea that they have heavy stocks of cashew kernels for which they have yet to find foreign buyers.

2. The Government are greatly concerned about this situation and all efforts are being made to liquidate the stocks of cashew kernels. In a recent review made by the Ministry of Foreign Trade, in consultation with the industry and trade, it was found out that the major reason for accumulation of stocks of cashew kernels was inadequate purchases made by USSR. It is customary both for the foreign buyers as well as our trade and industry to carry over stocks for their requirements of 2-3 months. The importers, it appears are trying to liquidate their stocks before entry into further import obligations. The problem now being faced by the industry is, therefore, of a temporary nature. We are also making special efforts to locate new markets. A long term marketing strategy is being worked out and the Cashew Export Promo-

tion Council has been asked to step up its export promotion effort.

3. I can assure the House that all efforts would be made to ensure that the cashew industry and trade are adequately serviced and assisted by the Cashew Corporation of India and the Export Promotion Council.

SHRI A. C. GEORGE: The cashew processing industry is of vital importance to our foreign trade as well as Kerala's economy and employment. During the last year this industry earned more than Rs. 57 crores in foreign exchange. It is a traditional industry which employs more than a lakh of daily workers and about ten thousand monthly paid employees. The hon. Minister says that some of the processing factories have still not reopened. The fact is somewhat different ; most of them remain closed. As he rightly says the big industrialists were importing raw nuts from African countries. A few months back the STC stepped into this trade. The industrialists naturally did not relish this idea and they are trying to pressurise the STC and elbow it out. For many months the workers remain unemployed. The Kerala Cashew development corporation has already stepped into this and nine factories had been taken over by them. Is the Government prepared to meet the challenge of the big industrialists who want to pressurise the STC out of business ? It is time the Central Government came out in a big way to finance the Kerala Cashew Development Corporation with loans and share capital so that it can take over as many of the closed factories and help the workers out of a miserable situation so that the factories closed down by the big industrialists may be taken over and the employees could get some relief ?

SHRI L. N. MISHRA: There is no question of anybody browbeating or black-mailing somebody. Some industrialists have not opened their units but the reason is the fall in demand from foreign markets. The USSR has been our main purchaser. This year our export is short by ten thousand tonnes. A delegation is here since yesterday and we are trying to persuade them in our discussions with them and also with some other persons to buy more. The moment we are able to get a foreign buyer the industry will reopen. As regards taking over

[Shri L. N. Mishra]

the industrial units, if the Kerala Government comes forward with some suggestions, we shall be too glad to help them. As regards credit facilities, I might assure them that the Corporation has decided to help the industrialists by extending credit for 35 or 45 days and if necessary I can take it up with the Reserve Bank of that they can get adequate credit facilities.

SHRI C. M. STEPHEN (Muvattupuzha): I am somewhat disappointed by the statement of the hon. Minister for two reasons. Firstly he thinks it is a problem of the industrialists. Secondly, he does not fully appreciate the situation. May I submit that the situation has a much bigger magnitude and possibly the Minister could not imagine. In Kerala over 1.5 lakh workers and a large number of monthly paid employees are without jobs, for the last seven months. I have just now received letters from our office in Quilon saying that the workers are having a morcha to Trivandrum, and notice has been given by an MLA, of staging a hungerstrike. A major situation is developing. The question is, how to tackle the problem which involves the workers and not how to solve the problem facing the industrialists.

Now, three things are admitted by the Minister. Firstly, he says there is no dearth of raw nuts. Secondly, he says the employers do not lift the raw material. Thirdly, he says that the employers do not lift the raw nuts because they have got heavy stocks with them and they are not able to sell them. Therefore, the position is that foreign countries are not lifting the stock and therefore they have got a heavy stock here. Because the stock is not lifted, it is not being processed, and the workers remain unemployed.

The key to the problem is, whether the STC can step into the place and take over the kernels which remain unsold here; rather, whether the STC can contemplate stepping into the foreign market also, and selling the kernel, bringing the cashew here rather than handing them over to somebody else, expecting somebody else to do the job, holding the stock for them, and thus clear the whole difficulty and get the workers employed.

The key to the problem is the STC has

got to pass or to the logical second stage, stepping up export trade and purchase kernels and sell them and thus easing the situation. The Minister gets perhaps a consolation by saying that it is a temporary phase. Let us not forget that every day matters. It is a question of lakhs of workers. It is not a temporary phase; the workers have been starving for six months. To say that it is a temporary phase is a cruel statement to the starving workers. Therefore, the Government has got to step into it.

The question is this. Supposing the entire cashew is taken over by the industry. My experience, I would like to submit, 50,000 tonnes of cashew have already been brought in here. 50,000 tonnes have been sold to the industrialists. 50,000 tonnes of cashew are enough for three months for processing. Yet, excepting 12 factories, all the other factories are remaining closed. Why? In order to defeat the minimum wage provisions, they are processing the nuts in unauthorised areas, making money out of it, keeping the workers in complete starvation. The workers in Kerala are demanding that the STC must come in, purchase the nuts, distribute them to the factories on a factory basis, accepting the factory as a consumption unit.

We have been making representations. They have not been so far accepted. The whole difficulty is, the STC is not approaching this problem as a social problem, keeping in view the interests of the workers. Therefore, may I ask the Minister whether he would see that the entry of the STC does not result in large-scale unemployment to the detriment of the economy of Kerala, and with that purpose, whether the Minister would kindly consider the question of distributing the raw nuts on a factory-unit basis, on a consumption-unit basis and would firmly accept the responsibility of taking over the kernels, keeping them with them for having holding power and entering into the export trade, so that this challenge to the industry could be met and the workers could be saved?

SHRI L. N. MISHRA: As far as labour is concerned, I know that Mr. Stephen is a great labour leader, and naturally he has sympathy for the workers. But I have also got my own sympathies for the workers. I hope it is not his privilege only. Now, it is

a fact, that as I stated earlier, a number of workers are out of job because some factories have not come into operation when the season is on. But the reasons, as I said earlier, is the fall in foreign market. We are trying to explore new markets. I am sending a team, a delegation, also to other countries to explore all the possibilities.

About the stepping in of the STC into the market, it is out intention, and it is our ultimate objective, to take over the whole trade. I do not want to say it, but then, I had a discussion with Mr. Stephen and other leaders also, and earlier on, my idea was both in the case of the Cotton Corporation and the Cashew Corporation, we should take over the trade ; the purpose is to have them in the public sector and not allow any private sector to deal with them.

But there is practical difficulty on the first year of operation. After a year or so the Cashew Corporation will be able to handle both the internal and export trade. So far as export this year is concerned, I have had talks with some of the people concerned with this. I have also had talks with representatives of foreign countries. It is the resolve of the STC to enter the export market also in course of time. But this year we have some difficulty. We have not been able to build our own market. Therefore, we do not want to lose foreign exchange by switching over to a system which may not work satisfactorily.

As regards the assurance to the workers, I have given it in my original statement. I repeat it that it will be the endeavour of the government to see that workers are given work and factories start working. If there is dearth of capital or want of capital, government would be only too glad to give the necessary facilities, either directly or through the State Government, or, if necessary, through the Reserve Bank of India.

12.16 hrs.

RE. CALLING ATTENTION TO MATTER
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IMPORTANCE

(Query)

MR. SPEAKER : Now papers to be laid on the Table.

SHRI KALYANASUNDARAM (Tiruchirappalli) : Sir, let us have some question hour for the Speaker also.

MR. SPEAKER : I am sorry, you are standing up so abruptly without giving any notice. Kindly sit down.

SHRI KALYANASUNDARAM Kindly listen to me before asking me to sit down. There is a very serious situation facing the cane growers, and more than three lakhs of them are put to hardship. I have given notice of a Calling Attention and Short Notice Question. Today I have given notice of an adjournment motion.

MR. SPEAKER : That does not entitle him to get up as he likes.

SHRI KALYANASUNDARAM : Now there are only three days more. Where am I to seek remedy ? I must be allowed to raise it. Otherwise, why am I here ?

MR. SPEAKER : Why does he get up so abruptly ?

SHRI KALYANASUNDARAM : For the past ten days I am trying to raise it. Kindly ask the Minister to make a statement. Here also the position is as important as in the case of cashew.

MR. SPEAKER : Kindly resume your seat.

SHRI KALYANASUNDARAM : Do not think that I am raising it just for the sake of raising it. I want to know what action the Minister is going to take with regard to the difficulties of the cane growers. Now three lakhs of cane growers are involved and they are small peasants.

MR. SPEAKER : If he goes on speaking without permission nothing will go on record. I would request him to listen to me before he makes his submission.

SHRI KALYANASUNDARAM : You must appreciate my position. I am not raising it just for the sake of raising it.