

COMPANY AFFAIRS (SHRI BEDA-BRATA BARUA) I beg to lay on the Table—

(1) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 642 of the Companies Act, 1956 —

- (i) The Cost Accounting Records (Dyes) Rules, 1976 published in Notification No GSR 605 in Gazette of India dated the 1st May, 1976
- (ii) The Cost Accounting Records (Rayon) Rules 1976 published in Notification No GSR 606 in Gazette of India dated the 1st May 1976 [Placed in Library See No LT-10868/76]

(2) (i) A copy of the Report pertaining to the execution of the provisions of the Monopolies and Restrictive Trade Practices Act 1969, for the period from 1st January to 31st December, 1974 under section 62 of the said Act

(ii) A statement (Hindi and English versions) explaining the reasons for not laying simultaneously the Hindi version of the above Report [Placed in Library See No LT-10860/76]

ANNUAL REPORT OF UNIVERSITY GRANTS COMMISSION FOR 1973-74

THE DEPUTY MINISTER IN THE MINISTRY OF EDUCATION AND SOCIAL WELFARE AND IN THE DEPARTMENT OF CULTURE (SHRI D P YADAV) I beg to lay on the Table a copy of the Annual Report (Hindi and English versions) of the University Grants Commission for the year 1973-74 under section 18 of the University Grants Commission Act, 1956 [Placed in Library See No LT-10870/76]

11 03 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED CLOSURE OF MORE THAN TEN JUTE MILLS IN WEST BENGAL

SHRI DINEN BHATTACHARYYA (Serampore) Mr Speaker, Sir, I call the attention of the Minister of Commerce to the following matter of urgent public importance and I request that he may make a statement thereon:

“Reported closure of more than ten jute mills in West Bengal during the last few weeks and its effect on the country's economy and employment position”

THE MINISTER OF COMMERCE (PROF D P CHATTOPADHYAYA) Mr Speaker Jute Industry occupies an extremely important position in the industrial profile and exports spectrum of the country. The industry relies to a large extent for its health on its export prospects. There has been a decline in the volume of our exports of jute goods, as had been indicated by me recently on the floor of this House. The industry's health has not been too good on account of this phenomenon.

A statement showing the details of jute mills which are lying closed at present is laid on the Table of the House. All the units closed other than the one located in Kanpur are situated in West Bengal which has the highest concentration of jute mills. The total labour complement of the units which are lying close at present is about 31 000. Government are seriously concerned over the closure of mills and consequent loss of employment to a large number of workers.

However the causes of the closure of the Mills are diverse and complex. It will be evident from the statement laid on the Table of the House that out of 10 mills which are now lying closed, two namely Kanpur Jute Udyog

and Khardah have been lying closed since 1975. Of the remaining 8 mills, which closed down only in 1976, 5 have stopped functioning due to labour trouble, one has stopped functioning due to damage from fire, another has closed down due to both financial difficulties and labour trouble, only one namely Bharat Jute Mills, is reported to have stopped functioning due solely to financial difficulties.

Investigation under the Industries (Development and Regulation) Act has already been caused into the affairs of Khardah Company. The question of taking over the management of this unit and entrusting the same to a suitable agency is pending before the Honble High Court Calcutta. A proposal to entrust the managerial responsibilities of Kanpur Jute Udyog to the Government of Uttar Pradesh is engaging our attention.

It may be mentioned in this connection that one jute mill namely Howrah Mills which had been lying closed until recently has again started working with effect from 14th May 1976 according to reports received by us.

Government have set up a committee to formulate an integrated approach to the problems of jute industry. One of the terms of reference of the committee is the identification of the problems of individual units which are lying closed or units which are financially or otherwise weak and the solu-

tion to these problems. The committee is expected to finalise its report before long on this aspect and make its recommendations. Appropriate action would be taken on receipt of the recommendations of the committee.

In the meantime Government being alive to the situation have taken several measures to help the jute industry for stimulating export demand. Export duty on all items of jute manufactures has been abolished. A cess for Research and Development has been introduced. Government have also directly financed certain research and development projects primarily for reduction of the cost of production and development of new products and uses.

Government have been continuing the system of interest subsidy on loans granted by Industrial Finance Corporation for modernisation of the jute mills. Certain other measures have been taken by the Government to make our export production more remunerative and more competitive.

Industrial relation is a subject which is primarily the concern of the State Government. Closures on account of labour trouble could therefore be looked into by the appropriate conciliatory authority. We are in close touch with the West Bengal Government for organising a meeting of all interests for finding out a solution to the problem arising out of closure of such a large number of jute mills.

Statement showing the details of the Jute Mills which are lying closed

S No	Name of the Mill	Owner	Period of lock out & reported reasons therefor	Number of Workers
1	2	3	4	5
1	Meghna North	Bajonia Group	From 8-3-1976 Labour trouble	6,000
2	Meghna South	Do	From 9-2-1976 Labour trouble	
3	Union Jute Mills	Bird Group	From 14-3-1976 Financial and Labour trouble	2,250

1	3	4	5
4	Premchand Aggarwal & Ors.	From 8-4-1976 Damage from fire	3,400
5	Bharat J. C. Saha & Ors.	From 9-4-1976 Financial trouble	1,600
6	Kankarajhah Jardine & Co.	From 24-4-1976 Labour trouble	4,100
7	Kamarhatty Kanoria Group	From 3-5-1976 Labour trouble	5,200
8	Eastern Manufacturing Kanoi Group	From 6-5-1976 Labour trouble	2,000
9	Khardah Kedia Group	From 8-5-1975 Financial and labour trouble	5,000
10	Kanpur Jute Udyog Sahu Jain Group	From 6-10-1975 Financial trouble	1,300

SHRI DINEN BHATTACHARYYA:

Mr. Speaker, Sir, the Minister's statement on the issue is that out of ten jute mills, only one or two have been closed due to financial difficulties and the others have been closed for labour trouble.

At the end of this statement he has passed on his responsibility to the State Government. That is to say, for the closure of the mills, etc. he has passed on this responsibility to the State Government, by saying, he has informed the West Bengal Government to take necessary steps in the matter. And, Sir, one of the steps suggested is that of organising a meeting of all interests for finding out a solution to the problem arising out of closure of such a large number of jute mills. My question is this. What does he exactly mean by saving organising a meeting of all interests and finding out a solution? Which are the parties which he has in mind? He has expressed in his statement all his concern for the interests of the jute-mill owners only. So far as the economy is concerned and so far as the workers' interests are concerned, he has not mentioned any-

thing except to say that he has informed the State Government to look into it and so on. The Bose-Mullick committee had been set up, I want to know whether it is a fact that that Committee has already submitted its report. If it is so, what are the recommendations of the committee? Will he lay a copy of the report on the Table of the House? If it is done, Members may know, which are the recommendations made by the Committee, which was set up to suggest an integrated approach. Does it mean that the production cost has to be reduced by the employers? Does it mean that the machinery has to be replaced and rationalisation done, which will result in reduction in the strength of jute-mill workers about which we have had sad experience? As a result of nationalisation, one lakh workers were retrenched after 1950 in the name of rationalisation. This is our sad experience. That is why, I am pointing out this. It should not be your motive to save the interests of the jute-mill owners only. So, I would like to know about these things categorically. This thing had come out in the Blitz also some time back.

They have brought out the fact that the Minister himself has come out with a statement that he does not know actually to what extent he does not actually know whether it has been qualified the jute millowners have diverted their surplus funds to other industries and whether they have made any assessment about Number 2 account of these jute mill magnates which they are always having, about which also it has been mentioned in the Blitz that an estimate made by knowledgeable sources suggests that not less than Rs. 2,000 crores in foreign exchange has piled up in foreign banks by the sheltering tycoon associated with the jute industry and foreign trade.

Knowing it full well, now the Government has given enough concessions to these jute millowners, and the export duties have been withdrawn. Also, the other duties on the jute products have been withdrawn. Cash benefit or cash subsidy for exports has been granted in this case. So, after this, is it the policy of Government to give further concessions to these jute millowners? Or will it set up a Parliamentary Committee to go into the matter, such as the financial conditions as well as the other points raised by the jute mill magnates and also by jute growers and jute mill workers so that Government can take a concrete step in the matter? May I ask the Minister as to what is the ultimate solution to this? Does he not consider that it is now the proper time to take over the wholesale trade in raw jute goods and also export trade and to nationalise the whole of the jute industry which has ruined this country for so long by amassing a large amount of black money which they have diverted, as per the statement of the Minister himself, for other purposes with a view to earning more profits? I want a categorical answer from the hon. Minister to all these questions.

PROF. D. P. CHATTOPADHYAYA:
Sir, I shall try to be as categorical as I can. We are quite aware of the seriousness of the problems; as I have said the Commerce Secretary has been

to Calcutta last week, discussed the problems with the concerned officers and the Ministers and this week, I propose to go there and have a tri-partite meeting representing the interests of the workers, the Government of West Bengal and the industry.

I think the interests of the industry, the mill-owners, workers and the people as a whole are inter-dependent. I think it would not be correct to suggest, as my hon. friend has suggested, that we look after only the interests of the millowners. What we do is that we see the common interests of both. When the mills are closed, then workers suffer. So, we have to see their interests as a whole.

The Bose Mullick Committee has submitted the reports on some items, that is, for helping the Government to formulate its policy, to tackle and solve the problems as far as possible, under the prevailing constraints. The integrated approach referred to by me in my statement relates to jute growers' interests, their export problems and also the problems of modernisation and financing of the industry under the difficult circumstances. All these things are being looked into. The question of subsidy has to be viewed in this context. If our goods are not competitive, that is not entirely due to internal factors because the cost of production and the price of synthetic fibres are due to the efficient management or capital intensive nature of the production. Particularly, the foreign market conditions are not within our control. Therefore, whether a particular export product is to be subsidised or not that is not a matter which we can decide entirely on our own. So, if and when our experts in the Finance Ministry are satisfied that a particular product deserves subsidy to that extent we support. It is not to help any particular mill owner. It is in the interest of all concerned including that of the workers.

Sir, often, mention has been made that jute textiles or jute industry is making huge profits. I am referring to

[Prof. D P. Chattopadhyaya]

one particular report of the Reserve Bank (Indian Bulletin) September 1975.

"Gross profit as percentage of total net assets as compared to other textile mills Jute 08 per cent

Profit after tax as percent of net worth Negative

Ordinary dividends as per cent of ordinary paid up capital 17 per cent"

These are the figures of the Reserve Bank and not Supplied by the mill owners These figures show that the industry is not in its best of health

SHRI DINEN BHATTACHARYYA

In view of the Committee that has been set-up whether it is in the knowledge of the Government that if rationalisation or modernisation takes place in the jute mills, what will be its impact on the employment position?

PROF D P CHATTOPADHYAYA:

If modernisation is effected it is Government's endeavour to ensure to the maximum possible that it does not lead to displacement of labour

11.21 hrs.

STATEMENT ON TALKS BETWEEN INDIA AND PAKISTAN HELD AT ISLAMABAD

THE MINISTER OF EXTERNAL AFFAIRS (SHRI YESHWANTRAO CHAVAN) As the House is aware, ever since the Simla Agreement was signed in July 1972, it has been the Government of India's policy that, in keeping with the Agreement, the severed links between India and Pakistan should be restored and the relationship between the two countries normalised During this period, many problems have indeed been resolved. The telecommunications and postal services between the two countries

were re-established and a visa agreement was signed to facilitate travel from Pakistan to India and vice versa. In January 1975, agreements were also reached between the two Governments on shipping and trade. However, some other items from the Simla Agreement remained unresolved, these were air and land communications and the restoration of diplomatic relations. Two meetings between official delegations were held in November 1974 and May 1975 to discuss questions arising out of Pakistan's complaints with the International Civil Aviation Organisation but no agreement could be reached

On the 27th March Prime Minister of Pakistan in a letter to our Prime Minister, indicated that Pakistan would be prepared to withdraw its case from the International Civil Aviation Organisation As the House is aware, India had previously urged such a course in order that the process of normalisation could maintain its momentum and the Simla Agreement could be fulfilled Consistent with our firm belief that the Simla Agreement enjoins us to work for the establishment of durable peace and harmonious bilateral relations, our Prime Minister, in her reply of 11th April, suggested that the Foreign Secretaries of the two countries should meet and discuss pending matters such as air-links overflights resumption of rail and road communications and also the restoration of the severed diplomatic relations between India and Pakistan The Prime Minister of Pakistan accepted these suggestions in his letter of 18th April As a result the two Foreign Secretaries arranged for the delegations to meet in Islamabad between the 12th and the 14th May

After the meetings a Joint Statement was issued, which was simultaneously released to the press in the two capitals The two governments have also agreed to make public the three letters exchanged between the two Prime Ministers. I am placing texts of the Joint Statement and letters on the Table of the House.