

18:07 hrs

HALF-AN-HOUR DISCUSSION

INCREASE IN SUPPORT PRICE OF JUTE

SHRI B K DASCHOWDHURY (Cooch-Bihar) Sir, this half-hour discussion arises out of my Unstarred Question No 6232 regarding the fixation of minimum support price of jute. I put a very straight and short question

"Will the Minister of Foreign Trade be pleased to state

(a) whether his Ministry propose to increase the minimum support price for jute to Rs 200 per quintal for the benefit of the jute growers, and

(b) if not, the reason therefor" ?
The answer given was

"There is no such proposal under consideration of Government. Minimum support price for 1972-73 season will be fixed in the light of the recommendations of the Agricultural Prices Commission"

When I put this straight question, I expected that the Minister would come forward with a reply in the affirmative sense in order to achieve the socialistic objective which they claim. I simply wanted to give a fair deal to the poor jute growers and jute cultivators. I substantiate my proposal by quoting from the book *Indian Agriculture in Brief* the prices of raw jute per maund. In 1947-48 was Rs 33 and 7 annas. In 1948-49 it was Rs 39 and 6 annas. In 1949-50 it was Rs 34 and 10 annas. In 1950-51 it was Rs 55 and so on. In 1947-48, it was Rs 33 and 7 annas a maund, in 1950-51, it was about Rs 55 a maund.

Let us imagine what is the price rise in these days. We all know that if we take this basic price rise in the year 1950-51, the price rise, according to the Government's statistics, has gone up to the extent of 135 per cent. If you find Rs. 50 was the price of one maund of jute in 1950-51 and if we go on calculating at an increased rate or a proportionately increased rate of this price index, then price 2 jute comes to more than

Rs 200 a quintal. Even then, I say, let this minimum jute price be fixed at Rs 200 a quintal. But the simple answer was no. He said, whatever is recommended by the Agricultural Price Commission, that will be accepted by the Government.

* Now, before coming to this particular Agricultural Price Commission's Report, I would like to give a brief outline about jute production in our country. Jute is being produced along with mesta in West Bengal, Assam, Bihar, Orissa, U P, Andhra, Tripura and also now Meghalaya. Mesta is being produced in West Bengal and in Andhra and a very nominal quantity in certain other parts of the country. The total jute production according to the Government's statistics as I have collected, is more than 30 lakhs bales in West Bengal, 1 lakh bales in U P, 3 lakh bales in Orissa, 7 lakh bales in Bihar, 10 lakh bales in Assam and 1 lakh bales in Tripura and Meghalaya. The total comes to 52 lakh bales one bale consisting of 180 Kgs — and another 18 lakh bales of mesta.

The foreign exchange that we earned in 1969-70 was slightly less than Rs 300 crores. About last year we have not got the ready figure and, probably, it might be around Rs 300 crores. This year, the foreign exchange will certainly go upto Rs 300 crores. This is the largest foreign exchange earner in the country. But the jute growers, a few crores of them, who are engaged in the jute cultivation in different parts of the country, are not getting the minimum price according to costs.

The Agricultural Prices Commission, as I said earlier, has not yet come up with the Report for these things. This is the Report for the year 1970. In this Report, it was said that in earlier years, the Agricultural Prices Commission fixed up the minimum support price for jute at Rs 40, and in 1970, they have increased only to Rs 42.50 p per maund, taking 40 Kgs a maund. I cannot understand this. When the jute price in the year 1947-48 was about Rs 33 or Rs 34 and, in 1950-51, it was about Rs 55, then, in 1969-70 and, in 1970-71, I cannot understand how the Agricultural Prices Commission can come up with a proposal that the minimum price should not be more than Rs 42.50 p. I do not understand that.

What happened for not giving this remunerative price for jute growers? The entire rural economy of West Bengal which is dependent mainly on the jute growers' earnings, particularly, in the days of higher costs and higher price index of essential commodities, is ruining and ruining day by day. But the Government at the Centre, though they are very cautious and careful with cotton growers who cannot get sufficient price, at least remunerative price, but for jute growers, they are not willing to see to their interests.

What about the cost? I do not know whether the Agricultural Prices Commission has gone into the details of these costs. For one acre of jute-growing field, it produces about 15 maunds of jute and, for this one acre, there is a requirement of 10 to 11 Kgs. of seeds. Jute seeds are being sold at Rs. 9 to Rs. 11 per Kg. Now, if we take up the minimum figure of even Rs. 10 a Kg., varying from Rs. 9 to Rs. 11 the Government rate is far lesser but the poor jute cultivators are not getting it at the Government rate—if we calculate at this rate, and if he takes about 10 or 11 Kgs. of seeds per acre, it means about Rs. 100 or Rs. 110 as the cost of jute seeds only.

Now, these prices have been fixed at the rate of Rs. 40 or Rs. 42 or Rs. 45, though in the primary market, these poor jute growers are not getting this much of price. For the poor protection of cotton growers, the Cotton Corporation has given enough money to purchase even from primary market, all stocks possible. But the Jute Corporation has been not given the same treatment. According to the Agricultural Prices Commission's Report the State Trade Corporation has been given that power. Even this year, it is being talked about that the Jute Corporation should be given the equal power to purchase jute from the primary market and not only to see what is the price at the primary market, the Calcutta market, or the mill rate but to see whether they can purchase it. But the Government has not so far come forward with the statement.

Only the other day, I understand, the hon. Minister, Mr. Mishraji, while he addressed the Indian Jute Mills Association, said that since 1970, this jute industry

is a coming to be established in our country.

At the same time he said—and it is also a fact—that our jute producers were not getting the remunerative price and that something must be done.....

MR. CHAIRMAN : The hon. Member may conclude.

SHRI B. K. DASCHOWDHURY : I have spoken only for six minutes or so, Normally in half-an-hour discussion, the member who initiates gets 12 to 15 minutes—Anyway, Sir, I will finish in two or three minutes.

What I was telling was that the hon. Minister said that remunerative price should be fixed and also processes are to be found out, mechanisms are to be found out, so that even from the primary market the Jute Corporation can purchase jute from jute growers. But, so far, they have not taken any steps.

What is more interesting, even today the Agricultural Prices Commission have not yet settled what should be the price. The crop season is coming. In Bengal, this is the month of Jyaistha, the end of May, and the 15th June, the new jute will be coming up in the market. But they have not yet decided this matter.

Over and above this, the hon. Chief Minister of West Bengal has been pressing the hon. Minister here, 'you kindly declare the minimum support price for jute and kindly make it obligatory for the Jute Corporation of the State Trading Corporation or for any other mechanism or any other machinery, so that they can purchase even from the primary market to ensure that the jute growers may not be hard it.

In view of all these things, I would like to know whether this Ministry agrees to the formula that the jute prices should be in the parity of 2:1 maund of rice equivalent to one maund of jute. In 1939, the Bengal Government, under the Land Revenue Commission, made an investigation and they found it suitable that the price should be in the rate of 2 : 1, i. e., two maunds of rice equivalent to one maund of jute. If we calculate the price of 2 maunds,

[Shri B K Daschowdhury]

of rice, that should come, according to that ratio, to the price of one maund of jute. In that case also, how can the Government come forward with a statement that they are not going to fix up this minimum price of jute at Rs 200 per quintal? What is the price of rice now—in terms of rice if it has a fixed ratio? Inversely, as I have said, in 1950-51 the price of one maund of jute was Rs 55. At that time, the price of one maund of rice was Rs 20 or 21. We find that it always maintains the ratio, the parity, that 21 maunds of rice are equivalent to one maund of jute. I would request the hon. Minister to come forward with a statement whether he is going to agree to this ratio.

THE MINISTER OF FOREIGN TRADE (Shri L N Mishra) What will be the price of jute per maund?

SHRIB K DASCHOWDHURY You calculate, what is the price of rice now? The price of rice is about Rs 50 to 55 per maund. Why do you not fix the price of jute at Rs 100 per maund? What is wrong therein? In 1950-51 if the price of jute was Rs 55, what is wrong therein while according to Government's calculation, the price has gone up to 135 per cent. What is wrong therein to fix up the price?

Too much stress has been laid on the Agricultural Price Commission. We have seen a few weeks before the Agricultural Prices Commission report which suggested that the price of wheat should be Rs 68 to 72 per quintal. But the Government did not have the courage to accept the price of wheat because of certain pressure and certain lobbying.

Only because the poor jute cultivators who are mostly from the Eastern States have not been in a position to create that lobby. Therefore these people should suffer and they should suffer and at the back of them the Government of India is to prosper because they are earning about Rs 300 crores of foreign exchange from jute from West Bengal, Assam and some other States. I would earnestly request in the name of the jute-growers that the Government should come forward with a statement that the price must not be anything, less than Rs 200 per quintal as the price of jute was Rs.

55 per maund in 1950-51 and you increase it by 135%. If not, we will certainly say that a fair deal has not been made to the jute-growers in different parts of the country.

SHRI INDRAJIT GUPTA (Alipore) I would like to know

(a) Whether there is any proposal actively under the consideration of the Government to replace the present practice of announcing the minimum support price every year fixing a statutory minimum price as reported in the Press?

(b) If so, whether the statutory minimum price will have any realistic relation to the actual cost of production of raw jute which the support price unfortunately never had?

(c) When even the minimum support price could not be maintained effectively due to the fact that there is no machinery and there are no people to act as Inspectors in these hundreds and thousands of raw jute markets which are scattered all over the five or six States and there are no storage facilities, and no godowns, how do they propose to enforce the statutory minimum price which obviously the STC or the Jute Corporation have not got the necessary facilities to maintain?

I want to know from him what they propose to do. What is the policy? Will they take over the whole raw jute trade and thus protect at least the peasants from the oppression of the mill owners and their agents or will they simply declare the price on paper they cannot enforce and then leave the peasants again at the mercy of the mill-owners and their agents?

श्री भूलचन्द डागा (पानी) बंगलादेश से हम को 260 करोड़ रुपये की जूट मिलेगी। मैं यह जानना चाहता हूँ कि क्या उसके साथ हमारा काम्पैशन होगा या नहीं। चूँकि व्हीट प्रोडर्ज ने भावाज उठाई, इस लिए व्हीट के भाव कृषि मूल्य आयोग द्वारा निश्चित भावों से भी ज्यादा निर्धारित किये गये। मैं यह भी जानना चाहता हूँ कि अगर बंगलादेश के साथ

समझोता न हो, तो जूट की कीमत कहा तक बढ़ाई जा सकती है—जूट-प्रोडर्ज को फिनि कीमत देने की गृजायश है।

SHRI TRIDIB CHAUDHURI (Braham-pore) It is an open secret that jute prices in Calcutta and all over Bengal, the prices the peasants and farmers get are controlled by fifteen jute brokers. They dictate the price. How do the Government propose to give the peasant a fair return and ensure that he gets a fair return unless they go in for some kind of a statutory minimum price on the lines suggested by Mr Daschowdhury.

THE MINISTER OF FOREIGN TRADE (SHRI I N MISHRA) I am indeed very much grateful to Shri B K Daschowdhury for raising this discussion in the House. There have been two or three more discussions on this subject in the House. The first one was raised by Shri Surendra nath Dwivedy and Government's point of view was made clear on those occasions.

It is a fact that jute-growers in this country have suffered very much. Shri Tridib Chaudhuri and Shri B K Daschowdhury have also raised this question. It is a fact that the jute growers in this country have no lobby. They have no press.

SHRI INDRAJIT GUPTA Why does the Government not be lobby for them?

SHRI I N MISHRA When there was a crisis in cotton there were voices raised here and cotton growers get their due. But the jute growers have been denied of their dues for nearly 200 or 150 years. But it is good that hon. Members of Parliament, in the Lok Sabha as well as the Rajya Sabha, have risen to the occasion and they have started championing the cause of jute-growers who have been exploited by a long chain of middlemen so far.

At the outset, I must make it clear that it is the intention of Government and also mine to see that the jute growers get their due. Shri Indrajit Gupta had raised this question and asked whether Government would take over the entire trade in jute, and my answer is 'Yes'. I want to take over all the domestic trade in jute.

But I am making a beginning at this stage. First, the Jute Corporation is entering into market. For the first time, this year, the Jute Corporation will be entering into the secondary and primary markets and the proposal is to make purchases of about six lakhs bales this year as against a few thousands bales purchased last year and the year before last.

Facilities for storage have also been made and facilities for buffer stock are also being made. We want to help the growers and see that they get their due.

SHRI B K DASCHOWDHURY Will they participate in the primary market from the countryside?

SHRI I N MISHRA I am coming to that.

It is a fact that today the prices are fixed for delivery at the mill-gate by the Agricultural Prices Commission and the growers in the primary and secondary markets do not get, according to my information, even the cost of cultivation. Even the cost of cultivation has been denied to them. So we have not only proposed but we have decided to take a few steps to help the growers and I shall detail point by point presently what we propose to do to the growers.

Shri B K Daschowdhury had asked when we were going to fix the minimum price of jute. In about two weeks' time, we hope to be able to declare it. This has been delayed because of some factors this year, but I must give an assurance to the House today that the minimum price of jute will be fixed on a statutory basis before the sowing season so that the growers are in a position to decide whether it is economic for them to go in for jute cultivation or it is not economic for them. If it is not economic to them, they will have option to go in for other crops and not for jute. This situation has been prevailing in this country that the growers have been going in for jute and when the harvesting comes and they bring the jute into the market, as against a cost of cultivation of Rs. 20, they have been offered only Rs. 7 or so.

SHRI B K DASCHOWDHURY had given some figures. Sir, I come from the jute

[Shri L N Misra]

growing areas. I have, therefore, something to do with jute-growers. I was one of the office-bearers of the jute-growers' organisation for a number of years, and I know the plight of the jute-growers and how they have been exploited so far by a chain of middlemen in the secondary markets, primary markets and so on. The plight of jute-growers in Bihar is much worse than that even in West Bengal. If you go to Motihari, Darbhanga, Saharsa and Purnea, and see the fate of the jute-growers, you will see how worse it is. I know their problems and I want to help them. I must make it clear here that we are just making a beginning of the operation and a time will come when the entire domestic trade, domestic price and domestic purchase of jute will be taken over by the Jute Corporation of India.

At the moment, we are proposing to do the following. Government have decided to fix a statutory minimum support price for jute. The prices will be fixed even for the secondary and primary markets and for all the varieties and not only for the Assam bottom. The Jute Corporation of India is taking a number of steps for organizing purchase operations in the coming year. In the beginning, about six lakhs bales would be purchased as against only a few thousands purchased last year. It would be the endeavour of the Jute Corporation to see that larger arrivals of jute do not have any depressing effect on the prices and excess supplies are siphoned off.

Purchases would be made through departmental purchase centres, co-operative societies where viable ones are functioning and also through private agents where these agencies are not available, where they do not exist. This is a temporary arrangement, if we start departmental purchasing agencies, they will disappear automatically. Adequate warehousing arrangements would also be made for storing jute. In this direction steps have already been taken and space has already been booked with State and Central Warehousing Corporations. Buffer stock operations are also expected to be undertaken by the Corporation. We have also a proposal before us to set up new jute mills in different States and the dispersal of the jute mills will assure better price to the growers in Bihar, Assam, Orisa, Tripura and Andhra. It is with this end in view that a

proposal to establish one-jute-mill each in the States mentioned, is being actively considered and the Government decision is expected to be announced very shortly. This would go a long way in assuring jute growers of these States better price for their produce and for increased production and yield of jute. I am confident of the fact that all these operations would serve the larger objective of protecting the interest of the long neglected jute growers (interruptions). So far as the export of jute goods is concerned, we had a big jump this year; as against an export of about Rs 189 crores last year, this year, 1971-72, our export has been of the order of Rs 300 crores.

Last year when we entered the cotton market, people said that we would not succeed. Now people are saying that we have done a good job in cotton because the Cotton Corporation of India entered the domestic market. Similarly we felt that when the jute corporation of India enters the jute market and makes departmental purchase, it will be to protect the interest of the jute growers.

SHRI B K DASCHOWDHURY What is the cost of production per acre? Has he calculated it?

SHRI JYOTIRMOY BOSU (Diamond Harbour) Kindly tell us what has happened to the jute enquiry committee which was set up by the UP Government to look into the grievance of the jute growers.

SHRI L N MISHRA I am not aware of the misdeed and good deeds of the UP Government.

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**BUSINESS ADVISORY COMMITTEE
THIRTEENTH REPORT**

**THE MINISTER OF PARLIAMEN-
TARY AFFAIRS AND SHIPPING AND
TRANSPORT (SHRI RAJ BHADUR)** Sir, I beg to present the Thirteenth Report of the Business Advisory Committee.

18 35 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, May, 25 1972/Jaishuk 4, 1894 (Saka)