

DR. VASANT KUMAR PANDIT: It has been stated that raw materials are channelised through the State Industries Corporation and various other agencies. The main difficulty lies here only. The small scale industries do not get their quota from this Corporation while the big and large industries get rakes and rakes of raw material from the big producers. That has been the chronic complaint for the last so many years. What special steps does the Government propose to take to see that the basic raw materials are supplied to the small scale industries in time so that their production programme is not disturbed?

SHRI R. VENKATARAMAN: This again is a matter which is within the competence of the Ministry of Industry.

SHRI SOMNATH CHATTERJEE: The hon. Minister being in charge of the overall financial situation in the country should not ignore this question on the ground that it does not pertain directly to his Ministry. If the Government through the banks is providing financial assistance to the small scale sector, then it should be seen that the money reaches them in time and quickly, that with the money they are able to get the raw material quickly as they need and that there are marketing facilities for them, as Shri Naval Kishoreji has rightly said. Should not the Government consider setting up some sort of a coordinating agency for this purpose? If every Ministry deals with its own separate subject without having any idea as to what are the difficulties of the small scale sector, we would not be able to achieve the objective. Therefore, would not the Government think of setting up of a coordinating agency of the different Ministries in the Centre which will in coordination of the State Government frame scheme for proper development?

SHRI R. VENKATARAMAN: The coordinating agency is the Industry Ministry which gets figures about the

assistance which the Banks give, the allocation of raw materials by the D.G.T.D. etc.—all these things are done by the Industry Ministry. What the Finance Ministry does relates to excise concessions, financial concessions, giving bank facilities etc.

SHRI SOMNATH CHATTERJEE: Therefore, the Ministry of Industry has no control over banking. That is the point.

SHRI R. VENKATARAMAN: We provide for the facilities, and when the Ministry of Industry coordinate, they ask the Finance Ministry for assistance.

MR. SPEAKER: They will coordinate with that Ministry.

PROF. MADHU DANAVATE: One specific question. As far as the small scale industries are concerned, credit facilities are available from the banks at concessional rates. Coastal areas have been making the point, and the demand, that these loans which are available to small scale industries, should also be available to fisheries at concessional rates. I want to know specifically whether these concessions will be available to fisheries for fishermen—because they also can be treated as small scale industries.

SHRI R. VENKATARAMAN: I am not omniscient. I want notice.

Capacity of Godowns of J.C.I.

*286. **SHRI NIREN GHOSH:** Will the Minister of COMMERCE be pleased to state:

(a) what is the capacity of godowns of Jute Corporation of India and its up-to-date stock position; and

(b) steps so far taken for disposal of these stocks?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) The Corporation has in its possession nearly 700 godowns at present with a total storage capacity of about 13

lakh bales. As on 9-6-80, it was holding a stock of 12.56 lakh bales.

(b) The Corporation has sold 2.92 lakh bales to the five taken over mills and 1.46 lakh bales to 21 private mills. They are continuing to make all efforts to dispose of the stocks.

SHRI NIREN GHOSH: In view of the fact that when the Jute Corporation was launched by Shri Lalit Narain Mishra, it was declared with fanfare that it would gradually extend its operations in order to secure the commanding heights in the trade of raw jute, may I know from the Minister if there is godown space, and whether there are commandeered godowns that are being used by the private big business magnates of the jute industry to extend their area of operations for purchase of raw jute? Is it a fact that in view of this purchase, back-to-back agreements and holding back of stocks, when the price was raised it was not being sold? Is it true that it made a loss of Rs. 16 crores? And, in view of the various financial irregularities and of the management of the Corporation being in league with the big magnates of the jute industry, how is he going to make good this loss? Will at least 50 per cent of the raw jute be procured by the JCI this year? This is the first supplementary.

SHRI PRANAB MUKHERJEE: It is true that when JCI was established years back, it had as its objective to see that the prices of jute did not crash, and that the growers got at least the minimum remunerative price fixed by the APC. In the operation of the Jute Corporation, certain problems have cropped up, particularly the problem with which we are confronted today. There is a huge unsold stock, so far as JCI is concerned; and as I have already indicated in the text of my main reply, the present stock is nearly 12.56 lakh bales. It is mainly because of two reasons: in 1978-79 and 1979-80, they purchased about 16 lakh bales. They could dispose of about 4-odd lakh

bales. One of the major reasons was that there was a strike in the jute industry for a pretty long time. As a result, the jute mills did not take it. With regard to the functioning of jute mills in Bengal, I do share the views of hon. Members that they have built up a system in which the growers are always denied, and the middlemen make profit. There is no denial of it. Growers do not get the advantage of it. That is why we are emphasizing time and again upon JCI that they must purchase directly from the growers, and they must establish a number of purchase centres from where they can have direct access to the growers.

PROF. N. G. RANGA: Are they provided with sufficient funds?

SHRI PRANAB MUKHERJEE: I will answer this interruption. So far as funds are concerned, we provided the funds. If the commercial organisation simply goes on procuring and is not in a position to dispose it of, naturally there is a point beyond which you cannot go on. So far as the present stock is concerned, we have calculated that there would be a loss of nearly Rs. 13 crores and it will come from the public exchequer, because if they have to dispose of from whatever stock they have today, perhaps they will incur a heavy loss. Another problem with which it is confronted today is that this year there will be bumper crop, so far as jute is concerned, and if they do not go in the market, naturally there will be price crash. So, taking into consideration all these factors. I have already discussed this matter with the officers of the Jute Corporation and also had a discussion with the Chief Minister of West Bengal. We are trying to evolve a strategy through which we can ensure that the growers are not denied at least of the minimum remunerative price and the price does not crash. In regard to the quantum,— as the hon. member suggested whether it would be possible for me to indicate it,

whether JCI is in a position to purchase 50 per cent of the total crop, that means nearly 40 lakh bales, because the production would be of the order of 80 lakh bales,—it is just not possible for me to indicate the quantum.

SHRI NIREN GHOSH: I am sorry, the hon. Minister has, to some extent, misled the House. He has made an incorrect statement which he should correct it. While the big magnates of the jute industry who corner the entire crop are not suffering any losses, JCI suffers a loss of Rs. 13 crores. Is it because when the prices were high, they did not dispose of the stock? Whether it is a fact that all the organisations, trade unions, etc., have demanded a price of Rs. 300 per quintal whereas the Committee on Public Undertakings have demanded a higher price, but they have got nowhere near. Will the Minister give an assurance that something near Rs. 300 per quintal will be fixed and he will also see to it that not a single quintal falls before that price? The Janata Government decided to procure 27 lakh bales. What was the reason that you did not procure it deliberately? Is there any collusion with the jute magnates all along? You are sabotaging it

SHRI PRANAB MUKHERJEE: We have taken the responsibility after we came into power from 14th of January this year. I have already explained to the hon. member what was the position in 1978-79. They purchased nearly 16 lakh bales and they could not dispose of them.

SHRI NIREN GHOSH: Why?

SHRI PRANAB MUKHERJEE: Now we have taken a decision of disposing it of. One of the reasons why they were not in a position to dispose it of was that there was a long spell of strike. Another reason was that they purchased a very low grade variety. In fact, 67 per cent of the total stock there is of low grade variety for which there is no

ready market. Thirdly, the earlier government did not take any decision about the export. Therefore, for the last two years, there was no export of raw jute which is the function of the Jute Corporation. All these factors taken together accumulated to the loss. So far as this year is concerned, I have already indicated to JCI in what modality they should dispose it of; and they have been permitted also to export. But for obvious reasons, I would not like to quote the figures, because the moment I say that we are going to export so much, there will be an effect on the international price, because certain other countries also export raw jute. But that decision of exporting raw jute has also been taken and disposing of raw jute particularly to the taken over mills which are under the control of the State Government and Central Government. They will purchase it from JCI. They are also public sector organisations; they have to see the quality of the jute also.

SHRI NIREN GHOSH: What about the canalisation scheme?

SHRI PRANAB MUKHERJEE: I have already told you that we are permitting them to export and naturally we will like to see that JCI get preference in export to private traders. Otherwise private traders will export and they will be held up with the stock. In regard to monopoly purchase of 27 lakh bales, I can share my information with the hon. members. If they are not in a position to dispose of 16 lakh bales, what is the fun of telling them to purchase 27 lakh bales? An organisation must be judged from its performance. (*Interruptions*).

SHRI V. KISHORE CHANDRA S. DEO: Mesta is grown in large quantity especially in northern parts of Andhra Pradesh. Recently, the government has taken a decision that this will be purchased only by the JCI and the private traders and dealers will not be allowed to purchase it directly from the growers.

'What happens is that JCI' is taking their stock of it from the growers. There are no facilities for storing in the godowns. Normally, they have open market yards: and mesta fibre is not save to be kept over there. The private traders are not allowed to purchase it from the farmers as a result of which the growers and other people have been put to a lot of serious problems. Whether he will take immediate steps to see that either JCI should purchase it and clear it from these marketeers and profiteers or you should at least allow the private dealers to purchase it—those who are in a position to purchase it—so that farmers and producers are not put to any difficulties.

SHRI PRANAB MUKHERJEE: So far as this is concerned, it is not banned because JCI is not in a position to have the monopoly purchase. In regard to the availability of godowns and storing facilities, we are in touch with the Andhra Pradesh Government.

Capital Structure of New Joint Sector Enterprises

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*287. **SHRI GHULAM RASOOL KOCHACK:**

SHRI P. M. SAYEED:

Will the Minister of COMMERCE be pleased to state:

(a) whether a new orientation is proposed to be given to export production by STC through capital participation in joint sector enterprises to be set up in the country;

(b) if so, the main consideration for (a) above;

(c) the extent of proposed capital participation in such joint ventures;

(d) when the final decision is likely to be taken;

(e) whether Government are also considering to include other participants in the capital structure of these enterprises such as State Governments, Industrial Finance Corporation as well as the public; and

(f) the details of the items to be covered by such collaboration are being identified?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). Yes, Sir. STC plans to create export capacity for its own exports, through participation in joint ventures by providing assistance in technology transfer, marketing and finance, if necessary.

(c) and (d). Decisions regarding such projects will be taken on a case to case basis.

(e) Both private and public sector organisations will be considered, but selection of participants will vary from case to case depending upon interest and capability, etc.

(f) To begin with, the product ranges identified for capacity creation are, leather products, processed foods and marine products. However, other products will also be considered depending upon the need for induction of technology and potential for export market growth.

SHRI GHULAM RASOOL KOCHACK: The government has accepted the feasibility orientation of export production by STC sharing technology and financing marketing with others. Would it not be in the best interest of the country if similar schemes are extended to other export organisations also?

SHRI PRANAB MUKHERJEE: In the main reply I have indicated that we have just initiated and certain areas have been identified, as and when export growth will be there and market will be available to us, we will expand in many other commodities.

Development of Tourism in Andhra Pradesh

*288. **SHRI P. RAJAGOPAL NAIDU:** Will the Minister of TOURISM