

LOK SABHA

Wednesday, June 9, 1971/Jyaistha 19,  
1893 (SAKA)

*The Lok Sabha met at Eleven  
of the Clock*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Export of Jute Goods

\*362. SHRI N. K. SANGHI : Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether export of jute goods in 1970 is slumped to an all time low ;

(b) the measures being taken to increase the export earnings ; and

(c) the target of export during the current financial year ?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : (a) to c). A statement is laid on the Table of the House.

*Statement*

(a) Yes, Sir.

(b) The measures taken to maximize exports include following :—

(i) increasing area under cultivation and yield of raw jute and mesta

(ii) raising production of jute goods from an average monthly output of 90,000 tons to 110,000 tons.

(iii) reducing domestic consumption of sacking

(iv) products development and diversification

(v) export promotional efforts and

(vi) restraint on speculative activities in hessian

(c) Export target has been stepped up to 7.4 tonne value at Rs. 250 crores approximately.

SHRI N. K. SANGHI : The Minister has accepted in his reply that the export has been the lowest in the year 1970. In the backdrop of the happenings in Bangladesh, I think this is the time when we should rejuvenate our export. Now so many workers are thrown out of employment because of the closure of jute mills. On the 1st of June the Minister stated that efforts are being made to reopen the mills to help the poor workers and on the 2nd June six more jute mills have closed down. May I know what he is going to do to get the closed mills reopened ?

SHRI L. N. MISHRA : In West Bengal there are a number of jute mills which are very much out-dated and old. Even though, we would be happy if the mills started working and the labour get employment, the main problem in West Bengal is the modernisation of the jute mills. In that I have not been getting the necessary or expected co-operation from the jute mill owners. Though there is provision for financing it and some funds have been utilized for that, they have not taken appreciable steps to modernise their mills. So far as the mills referred to in this

question are concerned I will look into each individual case myself and see what can be done. If finance is necessary, we will see that the Industrial Finance Corporation helps them. But the real problem in West Bengal is that the jute mills are very much outdated and some of them obsolete.

**SHRI N. K. SANGHI :** May I know whether the Minister would lay down responsibility in the Ministry on those who had not gone ahead with the purchase of raw jute from Thailand, which has resulted in great loss to this country? Would he also ensure that the opening of new jute mills will be only in Bengal and not outside because of its export potentiality.

**SHRI L. N. MISHRA :** We had a proposal to purchase jute from Thailand since our internal production was short by 7 lakhs to 8 lakhs tons. But the prices prevailing in Thailand were exorbitant and so that deal was not economical. Though we had asked the STC to make these purchases, because of the high prices prevailing there we did not make these purchases. About the mills in Bengal there was a discussion in this House only two days back and a number of hon. Members have asked for diversification of industry. So, in fairness to the States new industries and mills should be opened in the backward States of Bihar, Orissa, Tripura and Andhra. Therefore, I cannot give this assurance that no new mills would be opened or started in any other State except Bengal.

**श्री आर. बी. बड़ै :** मैं यह जानना चाहता हूँ कि अभी ईस्ट बंगाल से जो शरणार्थी आये हैं उन में से कितने ऐसे वर्कर्स हैं जो जूट मिल में काम कर सकते हैं, इसका सरकार ने कुछ अन्दाजा लगाया है ?

**अध्यक्ष सहोबय :** अभी इतनी जल्दी कैसे पता लगाया जा सकता है ।

**SHRI JAGADISH BHATTACHARYYA :** May I know from the hon. Minister whether we purchase finished jute products from foreign countries and, if so, to what extent ?

**SHRI L. N. MISHRA :** To the best of my knowledge, we do not purchase finished products. Perhaps, there may be some negligible purchases here and there.

**श्री राम सहाय पांडे :** माननीय मन्त्री जी ने अभी बताया कि जूट मिलों की कंडीशन बहुत खराब है, मशीनें बहुत पुरानी हैं इस कारण मिलें बन्द हैं। मैं जानना चाहता हूँ कि इस बात को दृष्टि में रखते हुए कि पाकिस्तान और भारत में जहाँ तक एक्सपोर्ट का प्रश्न है, बड़ा कम्पटीशन है, मन्त्री जी क्या प्रबन्ध करेंगे उन मिलों के बारे में जिनकी मशीनें खराब हैं, जिन्हें अपने एक्सपोर्ट को बहाया जा सके ?

**MR. SPEAKER :** He has replied to that.

**SHRI L. N. MISHRA :** It is a fact that next year is going to be a better year for jute exports. At least that is our expectation. The indigenous production of jute this year would be more as compared to last year. On taking advantage of the situation I will only say that we are trying to recapture the US market which we lost as a result of competition from Pakistan, because Pakistan mills are very modern mills. Their quality of jute was also good and we were almost at the point of losing the world market. But the time has come when we should take advantage of the situation and regain the markets, especially when there are signs of improvement in the world market, so far as jute is concerned.

**श्री एम. रामगोपाल रेड्डी :** मैं मन्त्री जी पूछना चाहता हूँ कि जितना रा जूट है वह सब इस्तेमाल में आ रहा है ? या मिलें बन्द होने की वजह से वह जूट बैसे ही पड़ा हुआ है ?

**श्री एल. एन. मिश्र :** मेरे लयाल में इस्तेमाल में आता होगा। ऐसी बात नहीं है कि जूट पड़ा रह जाता होगा। यहाँ पर भी इंडियन गवर्नमेंट के जूट की काफी आपत है ।

**SHRI INDRAJIT GUPTA :** In the statement it is stated that one of the measures taken to maximise exports is to increase the area under the cultivation of raw jute. May I know from the Minister whether recently the Government has decided to ask the raw jute cultivators to increase their cultivation by about 25 per cent and, if so, in view of the fact that the anticipated jute crop this year is going to be a very good one, what measures will the government take to guard against a glut of raw jute which may lead to a serious fall in prices and thereby harm the interests of the cultivators.

**SHRI L. N. MISHRA :** Till now we have experienced shortage of jute. The trends of the world jute market show that there would not be a glut of jute in the world market. In fact, we will have a bigger demand from the market. We will see to it that there is no glut and the growers do not suffer. As the hon. Member knows, we have set up the Jute Corporation and it will be the main function of the Jute Corporation to make purchase of jute. So, whenever there is any fall in price of jute the Corporation will enter the market and make purchases from the jute growers.

#### Drop in Indian Share of Tea Trade in British Market

\*365. **SHRI SAROJ MUKHERJEE :** Will the Minister of FOREIGN TRADE be pleased to state :

(a) the causes for a drop of 16 per cent Indian share of tea trade in the British market in the past 30 years ;

(b) whether African share of tea has increased from 3.8 to 21.2 per cent under similar conditions ; and

(c) if so, the reasons therefor ?

**THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE) :** (a) to (c). A statement is laid on the Table of the House.

#### Statement

(a) The decline in India's share of tea in the British market is due to the gradual

inroads made by Ceylon, Africa and other teas.

(b) The share of African teas in the British market has gone up from 4.6% in 1940 to 21.3% in 1970.

(c) (i) Emergence of African countries as new tea producing countries and their steady increase in production with a much lower cost of production compared to India ;

(ii) African tea is cheaper than Indian Tea.

(iii) Because of low internal consumption in East African countries, they are exporting as much as they can irrespective of any price consideration. On the other hand high internal consumption in India which accounts for 50% of the total crop makes Indian tea dearer.

(iv) The seasonal pattern of production in India as against year round production in East Africa together with advantages of a shorter lead.

**SHRI SAROJ MUKHERJEE :** The hon. Minister has evaded the real question. He has accepted that India's share of tea in the British market has declined but he has not mentioned the percentage. My question was whether there is a drop of 16 per cent in the share of Indian tea in the British market in the past few years and he has evaded the question by simply saying that there is a decline. Nor has he mentioned in his reply what steps he is going to take to rectify the position. He has simply referred to the inroads made by Ceylon, African and other teas. Our tea used to have a very good market in the world and we used to earn quite a big amount of foreign exchange which we badly need for building up our economy. Now this Ministry is not doing what it should do to compete with other countries in the world tea market. He has not said anything about them.