

I would like to draw the attention of the hon. Minister that though up to this time, Rs. 30.5 crores have been sanctioned, not more than 50% of the total money allocated by the Government of India has been disbursed by the Government of West Bengal. In this regard, I would like to know whether he would immediately send one Central team to visit all the blocks to see whether the sanctioned money is properly utilised by the State administration, timely and properly.

MR. SPEAKER: You put the question, no question of dialogue.

SHRI DEBI GHOSAL: The Government of India sanctioned money in the month of December, 1988 and today it is April, 1989. I would like to know whether the money is properly utilised. *(Interruptions)*

MR. SPEAKER: You put the question. What can I do?

SHRI DEBI GHOSAL: The money allocated is not disbursed timely and purposely. *(Interruptions)*

MR. SPEAKER: You should not take all the time of the House. You put the question. It is not like this.

SHRI DEBI GHOSAL: I have come to know from some source that the amount would be disbursed at the time of elections...

SHRI INDRAJIT GUPTA: Does he want that the Central Government should go and intervene in the relief work of the State Government?

SHRI BASUDEB ACHARIA: He is making a statement and allegation. *(Interruptions)*

MR. SPEAKER: I have not allowed you. I cannot allow. It is over-ruled.

*(Interruptions)\**

MR. SPEAKER: Will you take your seat? Or, I will ask you to withdraw.

### Strategy for Export of Cashew Kernel

\*540. SHRI THAMPAN THOMAS: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of cashew kernel has shown a declining trend during the last three years;

(b) if so, the reasons therefor;

(c) whether Government formulated any strategy to improve the exports;

(d) if so, the details thereof; and

(e) the additional exports generated thereby during 1988-89 and likely to be generated in coming years?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) to (b). A statement is given below.

### STATEMENT

From Rs. 225.11 crores in 1985-86, India's export earnings from cashew kernels rose to Rs. 334.11 crores in 1987-87 and showed a slight decrease to Rs. 332.11 crores in 1987-88. In the first 11 months of 1988-89, exports were Rs. 254.80 crores (provisional). The main reasons for the decline in the year 1988-89 have been a decline in the unit value realisation by about 8% in the international markets, higher production of lower priced cashew nuts by Brazil, the disturbance caused to trade due to change in policy relating to procurement of cashew in Kerala and competition from almonds, pistachios, etc.

The Government is keeping the situation under constant review and taking measures wherever possible. These include publicity abroad through brochures and other publicity material, participation in International Food Fairs abroad and sponsoring trade delegations to visit traditional as well as potential markets. With a view to increasing availability of cashew nut for processing

for export, Government of India, in the Ministry of Agriculture, have initiated schemes in the cashew producing States. The formation of a Cashew Board for taking care of the various aspects of production, processing and exports is under consideration. As the country's export earnings from cashew kernels would depend upon the factors mentioned above some of which are variables beyond the control of Government of India, it is not possible to estimate realistically future exports.

**SHRI THAMPAN THOMAS:** Sir, from the statement, two things have come up. One is the price of cashew from India is little high as you have said cheap cashew is available from Brazil and there is value added realisation of 8% less. That is one of the reasons for the export reduction. The other point is, there is drastic reduction of export in the previous years. In the first 11 months of 1988-89, it seems there is a reduction of about Rs. 80 crores as compared to the previous year. There was some increase in the year 1986-87. But in 1987-88 and in the first 11 months of 1988-89, it has come down, and the earning for the year 1988-89 upto 11 months is about Rs. 80 crores less. Even if you assume that there is Rs. 20 crores earning per month, then the earning for the year 1988-89 is less by Rs. 60 crores.

In Kerala, cashew is one of the major important economic activities and many poor people find their livelihood by cashew processing work in the cashew industry. Lakhs of people are depending on it. Now this has become a big problem. Even there is concerted attempt to sabotage the economy of Kerala on the one hand by draining out the items to the other States and on the other dwindling the export of cashew. By that, the processing of cashew has come to a standstill and the workers are not having the work. They are not getting the job there. Along with that, only recently in the Assembly, 10 MLAs from the Opposition have offered hunger *satyagraha* and they have been removed to hospital. They have been demanding that higher price is required for

cashew. I am just telling that these are the concerted attempts to weaken our economy. I am only asking the question. What is the policy of the Government of India on this point. I want a direct answer. I am putting the question straightway. On the one hand, it is being drained outside. Rs. 5 crores is the realisation of Karnataka Government on sales tax. This is being transported to other States. On the other hand, the Opposition parties demand higher procurement price. I would like to know from the hon. Minister what is the policy of the Government of India on monopoly procurement because you said something about monopoly procurement in your answer which was the policy of the State Government. What is your approach? What is your procurement price? If it is increased, will it affect the export?

**SHRI DINESH SINGH:** The hon. Member is right that there has been a fall in export of cashew largely because of the reasons that I have given. But, the point that he has made is a very valid one. This disruption came largely because of the procurement policy of the State Government of Kerala. They introduced a procurement price without consulting us or without having a wider consultation amongst growers and processors, with the result that there was a problem on processing. Processors refused to take it because they said that there had been some faults in the procurement and cashew crop had been damaged. Government of Kerala then took over 36 processing units to process them and were very keen to import some cashew for processing and export. Government of India gave them assistance. STC was asked to arrange import for them and also to arrange export. We had released funds to the Government of Kerala Corporation to be able to both import and to buy cashew locally but, because of the disruption there has been a loss. Now it is not for me to comment on the policy of the Government of Kerala. It is for them to decide what is in the best interest of the grower. But, it would be of help if they would consult with us and with the growers and the processors so that a policy could be evolved where their policy objectives could also be kept in

view as well as the interest of the growers. As it turns out, the growers are the biggest losers. So, while they are saying that this policy has been initiated in the interest of the growers, it is the growers who are losing and, that is why, there has been some agitation. Growers are wanting a higher price than the Kerala Government is willing to give them. We shall be very glad to assist the Government of Kerala if they wish to consult with us.

**SHRI THAMPAN THOMAS:** The Minister has not answered because one of the answers which is given is the price of Indian cashew abroad is high and Rs. 80 crores we have lost because the cashew price which we export abroad is high and I cannot understand what the Minister is saying further. If further higher price is given to the growers, how will that help export. That part has not been answered. I want a categorical answer to that. Along with that, I would like to know how the banks are playing their role. I have come across an instance where banks have been directed to advise the cashew processors to start industry elsewhere, not in Kerala. Then only they will finance them. There were instructions issued to such banks. How are you going to coordinate this activity?

**SHRI DINESH SINGH:** No such instructions have been issued. In fact, the banks assisted the Government of Kerala Corporation last time and gave them advances to be able to import cashew. So far as the prices are concerned, it is not only a question of what price the producers get. It is also a question of processing, packaging and also getting a good price in the international market. One of the reasons why we lost last year was that we entered the market 1 too late. It is because of the disruption that has been created by the policy, we were able to enter the world market very much late. That created difficulty. So far as improving the price of the general condition of cashew is concerned, Government of India have decided to set up a Cashew Corporation which will assist the growers in having a better quality of crop, also assist in the general way more or less on the lines that we are assisting the rubber growers in Kerala.

**PROF. P.J. KURIEN:** Sir, the hon. Member Shri Thampan Thomas himself has admitted that cashew is taken from Kerala to other States. The main reason is that in other States, cashew is given higher price whereas in Kerala the price is very low because of the wrong procurement policy of the State Government. Sir, the hon. Minister himself has said that this policy has caused a disruption in the industry and it has affected our exports adversely. You know that there MLAs were on fast for 10 days. Yesterday they were arrested and removed. An agitation is going on in the State. That will adversely affect the cashew production and will again adversely affect our exports. Since this is a matter directly affecting the export earning of the country, I would like to know whether the hon. Minister will take up the matter with the State Government and use his good offices to correct this wrong policy so that a better price is given to the farmers and the export is improved.

**SHRI DINESH SINGH:** We have already sent message to the Government of Kerala that we would be happy to assist them in any manner we can and have enquired from them as to what are the difficulties that they are facing. I have had some consultations with the Ministers of the Kerala Government in this regard. But they are following a policy which is not accepted by either the growers or the producers fully and it is this difficulty that we face now. The State Government feel that there is very little that we can do except to offer assistance. But once the Cashew Board is set up we will probably be able to give them even more concrete assistance.

**MR. SPEAKER:** Shree Basheer...

**SHRI BASUDEB ACHARIA:** Sir, please allow Members outside Kerala also.

**MR. SPEAKER:** After this, I will allow Prof. Dandavate.

**SHRI T. BASHEER:** Sir, in the answer given by the hon. Minister, one of the reasons given for the decline of the Indian

export of Cashew is that change in policy relating to procurement of Cashew in Kerala by the Kerala Government. Due to this procurement policy by the Kerala Government, as my hon. colleagues have correctly put it, the Cashew growers are in distress. The cashew industry is in crisis. This is a big issue agitating the minds of the people of Kerala, cashew growers and the workers in that industry. Sir, some MLAs are on hunger strike for the last 10 days.

MR. SPEAKER: Is there anything new?

SHRI T. BASHEER: The Kerala Government is very adamant. It is not for solving this problem. So, my request is that the Government should intervene immediately and try to evolve something to protect the interests of the cashew growers in that State. So, I would like to know as to what assistance the Government has so far given and what result has been achieved there. The hon. Minister has stated that he is prepared to consult that Government. What is the reaction by the Government and what steps the Minister is going to take in this matter?

MR. SPEAKER: I think you have already replied to that question.

SHRI DINESH SINGH: Sir, I have already replied. I would just like to mention that when I said that we are setting up the Cashew Board, I had probably mentioned 'Corporation'. Anyhow, the hon. Member has reminded me. It is the Cashew Board that we propose to set up.

PROF. MADHU DANDAVATE: Is the hon. Minister aware of the fact that in the backward Konkan Region of Maharashtra, only some industries which exist, many among them are cashew processing industries, they are able to provide you the necessary export and get foreign exchange reserves? It is a fact that these cashew processing industries in the Konkan Region are not able to get the requisite amount of raw cashew and as a result of which the processors suffered a loss, and what they have been consistently demanding is this. You

import some raw cashew from outside and give it to various processing industries. But in the case of Konkan, some technical issues have been raised and as a result of that, they are neither able to get adequate supply of indigenous cashew nor could also get imported cashew. Will you look into the matter and try to settle the issue?

SHRI DINESH SINGH: So far as indigenous cashew is concerned, the hon. Member may wish to discuss this with his colleagues in the National Front (*Interruptions*)

PROF. MADHU DANDAVATE: For that, you do not worry.

SHRI DINESH SINGH: But, so far as imported cashew is concerned, I shall be very glad to look into it and also assist the processors in Maharashtra for this purpose.

SHRI G.M. BANATWALLA: Mr. Speaker, Sir, in view of the Government of Kerala's persistence in destroying the cashew industry, will the Government consider it proper to see that the cashew growers are not left at the mercy of the Kerala Government which will finally destroy the cashew industry altogether? In view of the stubborn attitude of the Kerala Government, will the Government consider the proposal to dismiss this Leftist Government over there? (*Interruptions*)

SHRI THAMPAN THOMAS: Now the cat is out of the bag. The attempt is for that. (*Interruptions*)

#### MOU Signed by GIC and Hinduja National Hospital

\*541. SHRI K.S. RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the General Insurance Corporation (GIC) and Hinduja National Hospital, Bombay have signed a memorandum of understanding which ensures high quality medical attention to policy-holders;