

SHRI SURESH KURUP : Sir, you should ask the Minister to give a more specific answer.

MR. SPEAKER : I do not think what more specific can be. I do not know what more can we expect from him.

SHRI BASUDEB ACHARIA : Sir, the specific question is why it has been withdrawn. He has not answered that.

SHRI KHURSHID ALAM KHAN : It was withdrawn on the suggestion of people that more tea will be exported if this is withdrawn because there was a glut in the tea market in the world.

SHRI P. KOLANDAIVELU : Sir, the tea export has become a vested interest in the hands of big bosses like Tatas and Birlas, and the small tea growers, those who are having 4-5 acres, are not getting a chance to export their quality of tea to other countries. May I know from the hon. Minister whether the small tea growers are being given a chance, and if not, whether they will be given a chance in the near future.

SHRI KHURSHID ALAM KHAN : Sir, 75 per cent of the total produce is auctioned and in that auction everybody comes and puts his tea for auction. Therefore, they take the advantage of the auction and they get the auctioned price.

DR. K. G. ADIYODI : Sir, tea plantations are hundred years old. Normally, their average life is 50 years. The standard of tea is deteriorating because of old plantations. I would like to know if the Central Government will take some action to assist in the replantations.

SHRI KHURSHID ALAM KHAN : There are already several schemes to improve the plantation, to add more acreages under plantation and to replant and rejuvenate the old plants.

Freight Equalisation Policy for Iron and Steel

*270. **SHRI ANANDA PATHAK :** Will the Minister of STEEL AND MINES be pleased to state :

(a) whether the policy of freight equalisation for iron and steel, the telescopic freight rate for movement of coal in the absence of similar measures in other vital industrial inputs, have materially affected the industrial growth in the Eastern region, particularly in West Bengal;

(b) if so, whether there will be any review of the said policy soon; and

(c) if so, the time by which it is likely to be reviewed ?

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT) : (a) Industrial growth in a particular region/State depends on a number of factors and it is difficult to attribute it to freight equalisation. The telescopic freight structure applies to all commodities including coal.

(b) and (c). On the basis of the recommendations made by the National Transport Policy Committee, Government have already decided, in principle, to phase out the Freight Equalisation Scheme in respect of iron and steel. This will, however, have to be done over a suitable period of time so that the industries concerned have sufficient time for adjustments in the prices. Modalities and time phasing of the withdrawal of the Freight Equalisation Scheme in respect of iron and steel have not yet been finalised.

No review of the telescopic freight structure for any commodity, including coal, is envisaged.

SHRI ANANDA PATHAK : The answer given by the hon. Minister is not only satisfactory, but also evasive. Because of continuance of these irrational policies, the economy not only of West Bengal, but also of Bihar, Orissa and other States in the North Eastern region is being adversely affected. Freight equalisation and its impact on the location of industries was examined in depth by the Marathe Committee. Before that, another Committee also examined this issue in depth. Subsequently the National Transport Policy Committee headed by Shri B. G. Panday also examined this issue...

MR. SPEAKER : Are you narrating the history, Sir ?

SHRI ANANDA PATHAK : As I have already stated the reply of the hon. Minister is unsatisfactory. It is rather evasive, therefore, want to substantiate.

MR. SPEAKER : There is no question of substantiating. You put question. There are no substantiations during Question Hour.

SHRI ANANDA PATHAK : I am coming to the point.

Subsequently, another Committee was appointed. That Committee also recommended that freight equalisation policy should be phased out. The recommendation of both these Committees was on the same line. The Government of India had also accepted this recommendation.

MR. SPEAKER : That is not the way to put a question. I would not allow this. You are reading something. If you want to question, put the question straightaway. Else put I am going to cut it.

SHRI ANANDA PATHAK : I would like to know whether the Government is going to review the policy so that the economy of these States, including that of West Bengal, is not adversely affected.

MR. SPEAKER : That was the question. You were unnecessarily wasting the time.

SHRI K. C. PANT : As I said, on the basis of the recommendation of the National Transport Policy Committee, Government have accepted in principle that the freight equalisation scheme should be phased out. Now, whether industry will grow automatically in the Eastern region because of the phasing out of the freight equalisation scheme is by no means clear because there are so many factors, including power for instance, which are responsible for industrial development. But the point that I would like to make is while the Government has taken this decision—and we are formulating a scheme—there are other States in the country which are against the phasing out or even the abolition of the freight equalisation scheme. Those are naturally the States which are far away from the Steel producing region in Eastern India, although the picture is going to change once steel plants come up in the South also. This is the total picture.

But we are formulating the scheme in accordance with the decisions that I have mentioned.

SHRI ANANDA PATHAK : Let me give example of coal, which is produced in West Bengal. That coal costs much more in Durgapur than in other areas. Therefore, due to the continuance of this policy, the other commodities produced here are facing difficulties in the markets. I would like to know from the Minister whether the Government will review this policy so that either this policy is done away with or it is extended also to other commodities ?

SHRI K. C. PANT : This is about planning to phase out the Freight Equalisation Fund in respect of Iron and Steel. But in the same breath the hon. Member wants me to extend it to other commodities. Sir, these two things do not go together.

SHRIMATI GEETA MUKHERJEE : The Minister has stated that this has been accepted in principle. What is the time which has actually elapsed when it is accepted in principle and the actual time of implementation in view of the fact that it is a matter of urgent necessity for the eastern sector of our country ? Will the Minister make the position clear ?

SHRI K. C. PANT : The Committee give report in 1980. Government took decision in 1982. The Department of Steel consulted various concerned Ministries in the Government of India. There were some differences of opinion. Several of the States represented in the matter. I don't want to mention the States. I don't want to pit some States against some others. There are States which objected to this there are also States which have been strongly in favour. Government has taken a decision on the basis of the report of the Committee. In respect of whatever we do, we shall allow those States which will have to adjust to the change, to do so. There should be sufficient time for them to adjust to the sudden change because this would mean a big amount of additional outlay for them. They have set up industries on the basis of the Equalisation Scheme. This has been in operation for 30 years since 1956. And one cannot disregard the effect this will have on those States when the phasing out is done.

SHRIMATI GEETA MUKHERJEE : We have been deprived for 30 years. Is not that time enough ?

SHRI K. C. PANT : Bengal has done a lot for India; this is a very small thing.

Measures to Stop Distress Sale of Cotton

*271. SHRI V. SOBHANADREESWARA RAO :
SHRI S. JAIPAL REDDY :

Will the Minister of TEXTILES be pleased to state :

(a) whether the prices of cotton have touched very low level at present;

(b) whether this forced that farmers to resort to distress sale below the minimum support price level in different States; and

(c) the measures taken by Government to stop the distress sale of cotton ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). A statement is given below.

Statement

(a) to (c). As a result of a record crop of the last cotton season and prospects of a satisfactory crop during the current cotton season, there has been a decline in prices of cotton as compared to the last season. In order to safeguard the interests of the farmers, Government have announced the minimum support prices for this season and the Cotton Corporation is there in the market to provide remunerative returns to the farmers. The Corporation has a procurement programme of 15.00 lakh bales during the current cotton season and has purchased about 1.52 lakh bales upto 28-11-1985. Government has released since January, 1985, a quota of 4.95 lakh bales of long and extra-long staple cotton, 27,000 bales of Bengal Deshi and 25,000 bales of Yellow Pickings for export through various agencies in order to relieve the pressure of arrivals.

SHRI V. SOBHANADREESWARA RAO : The hon. Minister in his statement

does not make the position clear regarding the minimum support price this year. The farmers know that it was Rs. 535 last year but they do not know how much price it is in this year. The cotton growers in Andhra Pradesh are facing an unprecedented situation due to the white flies due to which the farmers are able to get only 3 quintals per acre, while they have to get 10 quintals per acre on an average. The Collector, Guntur district has informed the Chairman of the Cotton Corporation of India that the cotton-growers have suffered a loss of nearly hundred crores. As per the Minister's statement, the Cotton Corporation of India has purchased 1.52 lakh bales by 28-11-85, whereas our information is that in Andhra Pradesh only a few thousand bales of cotton are purchased. So, will the Government direct the Cotton Corporation of India to open purchase centres at all points with adequate staff, because, for a farmer, in order to dispose of his cotton to the CCI, it is taking a week for disposal and weighing and another 10 days for preparing the cheque and other formalities. So, will the Government direct the CCI to provide necessary staff and pay at least the minimum support price to the farmers ? There is a precedent in 1974 when while the procurement price was Rs. 360, the CCI paid at Rs. 525. So, in view of this present year's difficult situation to the farmer, will the Government direct to purchase at Rs. 535 a tonne ? Actually it is purchasing for only Rs. 460 a tonne.

SHRI KHURSHID ALAM KHAN : Sir, taking into consideration the problems faced by the Andhra Pradesh cotton growers, a special team was deputed to Warangal and other areas in which the representatives of the Commerce Ministry, Textiles and the Government of Andhra Pradesh were also there. They went and saw everything, also met the Chief Minister and discussed details with him and most of the things had been sorted out, and I assure the hon. Member that everything possible will be done to help the growers.

PROF. N. G. RANGA : What about the minimum price ?

SHRI KHURSHID ALAM KHAN : Will you kindly let me answer ? (*Interruptions*).