

[Shri Balram Jakhari]

aged 9 asked as to why they were cutting the tree and they said, it has got to be cut because a house is to be built here. She was very sorry and went inside and wrote a couplet. I myself read it; it was a very nice couplet and she said:

“कदवा पेड़ चिल्लाकर बोला मुझको मत
काटी भाई, मैं तो तुम्हारा साथी हूँ तुम
वर्षों बने कसाई।”

This is something which gives vent to the feelings. Even children have that kind of sympathy for trees. Naturally, we have to project all these things before the people. I will try to bring it to the notice of the Cabinet; I have given a report; it is a long one; I have collected all the facts which I could see on talking to the people. I have seen mud houses which collapsed because it has a porous side; it is a gravel type in Karnataka and in these gravel type mud houses, when the water gets soaked, the walls become too heavy and they cracked and went down. Thank God, no life was lost. But still they are coming up again. We have to make houses which are cyclone-proof and which can withstand the velocity, and at the same time, they have to be cheaper. I asked them to apply for loans from HUDCO and from the Government of India. I am going to put it up before the Cabinet. I am going to see the Prime Minister and tell him what I saw and I will convey all the sentiments which you have expressed here, your anguish, your pain and your distress. I can assure you of one thing more. In it lies something for the future. There has been no rain in Karnataka and those areas where I have gone, like Kolar gold fields and other areas. They have not seen rain for many years. There was no water in the wells; they were absolutely dry. But now there will be water at least for 3-4 years. Water may recharge itself from below the earth and we are going to have good crop next year. I have tried to impress upon them the need to sow as early as possible, particularly the oilseeds and something which they can grow. I am doing to provide them with new varieties

of sunflower and other oilseeds, and also the pulses, so that they can be compensated and have something for the future. Thank you.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Now we shall take up clarifications on the statement made by the Minister of Commerce.

**Clarifications on the Statement made by
the Minister on Minimum Release Price for
Coffee**

SHRI JOHN F. FERNANDES (Goa): This is a very comprehensive and a technical statement—a statement of technical nature and I don't think there is much to seek clarification about. But I would like to ask the hon. Minister one thing. In view of the new policy of the Government on the free trade which is free of control, minimum release price has still been retained and I would like to know whether it is linked to flood price. It is not appropriate because coffee is basically an export-oriented commodity and in view of this revised policy of the Government where the rupee has been depreciated, naturally there is a benefit for the exporter. The revised minimum release price is up by two points, that is, only by Rs. 2. I would like to know from the hon. Minister whether benefit of the revised policy will go to workers or to the trading community, because there is appreciation of about 20 per cent in dollar value in view of rupee devaluation. I would like to know whether the Minister will see that measures are taken to ensure that benefits or gains are passed on to the workers and not just to traders.

DR. NARREDDY THULASI REDDY (Andhra Pradesh): Even though coffee industry has made tremendous successes, yet coffee growers are facing some problems. Firstly, the domestic consumption has remained stagnant at 55,000 to 60,000 tonnes over several years. So, how are you going to solve this problem? Secondly, the coffee growers feel that the Coffee Board does not adequately protect their interests and

does not give them the full benefit of the market price. Thirdly, the growers are unaware of the market mechanism and they have to wait for the full payment by the Board until the entire coffee is sold. Fourthly, there are vast differences in the prices secured in export auctions and internal sale. Fifthly, there is a heavy competition from the leading producers like Brazil, Mexico, Columbia and Indonesia in the international market. Also there is need to promote R & D on the alternative use of coffee such as coffee colas and de-cafeinated coffee etc. Lastly the Board has to explore the prospects for export of instant coffee. I want a clarification on these points.

SHRI SANTOSH BAGRODIA (Rajasthan): Mr. Vice-Chairman, Sir, I welcome this decision taken on the MRP because, I believe, this will help in more production of coffee. I would like to know from the hon. Minister whether this would help in exports also in view of the fact that there is a very strong competition from the coffee producing countries. So, will not the increased prices affect the exports? My second point is: Does the Government intend to encourage more production of coffee in the North-Eastern areas, particularly Tripura where rubber is also being required? Is the Government going to introduce some policy or some kind of an incentive to introduce coffee production in Tripura? My third point is: Generally, the statement is good. There are not many clarifications to be sought. But this year the tea market is very bad. In fact, the USSR is not taking tea supplies. With the Government consider that some kind of an RMP for tea is made; if not, at least the condition that 75% of tea be sold in the auction to be purchased only by the multinational companies who are controlling the market? At least that regulation will be removed.

SHRI RANJIT SINGH (Haryana): I congratulate the Minister for revising the price rise. He has given the rise by 12%; I think, it comes to 11.93 per cent which provides direct benefit to the farmers. But if we see the price index

after devaluation, it has gone up by 13 to 14 per cent. I would request the hon. Minister if he could think of revising the rate considering this price index which again would be one or two per cent, that would be beneficial to the farmers. Secondly, I would like to ask—because we are not the largest exporters but we are the leading exporters in the coffee market—as to what the target is that Government has for the exports.

SHRI K. G. MAHESHWARAPPA (Karnataka): Mr. Vice-Chairman, Sir, I think the hon. Minister for having announced the MRP well in advance, as promised by him. Usually, the Minimum Release Price is announced in the month of March, after the commencement of the season. Though the increase is considerable, though the increase in the MRP this year is considerable, it is not commensurate with the cost of production of coffee. The hon. Minister should have taken into account the exorbitant increase in the cost of fertilisers and pesticides, which the farmers use profusely, particularly, in Karnataka.

The hon. Minister has said in his statement: 'Based on such information, the cost of cultivation has been worked out as Rs. 14.51 per kg. in the case of Arabica and Rs. 10.95 per Kg. in the case of Robusta'. But in Karnataka, as the hon. Minister is aware, nearly ninetyfive per cent of the coffee-growers are small estate-owners. The average appears to have been taken in relation to the bigger farmers. I would like to bring to the notice of the hon. Minister that most of these small farmers are debtors. They borrow money from the banks. The interest rate has also gone up. Therefore, the cost of production has also increased. I would appeal to the hon. Minister that he should consider this increase in the minimum Release Price as only tentative. He may think of revising the price later on.

Secondly, it is a good thing that purchase tax is not being collected when the first instalment is given. In this connection, I would request that the recovery of purchase tax may be postponed for at

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least three years. This will benefit the coffee-growers. Coffee, which is an annual crop, is subject to the vagaries of nature. They get a good crop once in a period of three years. Therefore, I request that this aspect may be considered. The recovery of purchase tax may be postponed.

Finally, a word about the functioning of the Coffee Board. There are a lot of complaints. There are reports—as mentioned in the Annual Report—of malpractices in regard to inventory, etc., found during the course of investigation. The hon. Minister should take steps to check the malpractices in the Coffee Board. Thank you.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Mr. Salaria, you have given your name in respect of this statement as well as the statement to be made by the Minister of Civil Aviation. You have to opt for one. If you do not want to seek clarifications on this statement, I will call you on that.

SHRI SHABBIR AHMED SALARIA (Jammu and Kashmir): If it is a question of option, I will seek clarifications on the next statement.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): You can speak on that. Now, the Minister of Commerce.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): Mr. Vice-Chairman, Sir, this is a very simple statement and I do not think this should be enlarged into a wide-ranging debate on coffee as such. I am willing to have a debate on coffee.

AN HON. MEMBER: Over a cup of coffee.

SHRI P. CHIDAMBARAM: Today, I think I should confine myself to the issues contained in the statement.

Minimum Release Price forms the basis for fixation of floor price for internal pool

salts. It has nothing to do with the export price. Minimum Release Price means, no coffee will be sold in internal pool sales, for domestic consumption, at a price less than Rs. 23.93 per kg. in the case of Arabica, and Rs. 19.21 per kg. in the case of Robusta. Export auctions are controlled by different considerations and the Coffee Board always attempts to get the highest price in export auctions. Let me tell you that this year, export prices are much higher than last year's. Therefore, we expect to achieve our export target of 1,10,000 tonnes this year. We expect an export realisation of Rs. 400 crore. When coffee is exported at higher prices, coffee-growers will get higher prices.

Secondly, hon. Members raised the question about calculation. As I said, the system by which the Minimum Release Price is calculated has been made transparent. I made this promise at Bangalore. I said that, usually the Minimum Release Price is announced between October and December. Unfortunately, in 1990, it was announced in March 1990 and in 1991, it was announced in March 1991 and I said that I do not wish to follow that practice, I wish to revert to the original practice of announcing MRP well before the commencement of the year. In Bangalore I promised that I will announce it before the 30th November and that is why I had to come before this House at 5.00 p.m. on Friday to announce it, in order that I will be within the deadline. What we have done is follow the practice and I want to announce this to the world, to the coffee growers. Once in 5 years the Cost Accounts Branch in the Ministry of Finance makes the calculation. It is a quinquennial revision. Every succeeding year we update the cost and we do so by selecting a random sample of 600 estates. These are big and small estates. Once a random sample is selected, a questionnaire is sent out to these estates. The response is never hundred per cent. Responding estates are less in number but it is a random sample. It consists of smaller and bigger estates and the Coffee Board makes every effort together as much information as possible. Based on this data

the cost of production is updated and based on the cost of production I have announced the minimum release price.

I do not think it is quite correct, as the hon. Member has said, to link the percentage increase directly to the rate of inflation. Rate of inflation is as a result of a basket of commodities. It does not mean that in every sector the rate of inflation is 13.6 per cent. The rate of inflation is based on a basket of commodities, but when one works out the cost of production in any one sector, one must look into the inputs in that sector and I believe that the method that has been followed is as accurate a method as possible. I am willing to concede that there can be improvement, but I think this is as good a method as possible. I think the price that has been announced this year reflects the cost of production.

More important than the MRP is the initial payment against the MRP. Last year's initial payment was Rs. 9 per point. This year's initial payment is Rs. 11 per point. This point system is a very complicated system. Hon. Member like Shri Gurupadaswamy and others are more familiar with the point system. I concede that it is a complicated system, but it is a system which the grower understands because this has been the system for years. It was Rs. 9 per point last year and this year we have given Rs. 11 per point. Last year's payment was after deducting purchase tax. This year's initial payment is without deducting purchase tax. Why we have done so is because I believe that some States which have a high purchase tax are reconsidering the matter. I would appeal to the States to reduce, if not abolish, this purchase tax. Rs. 11 per cent works out to approximately 72 per cent of the minimum release price, which means that every grower will in the first instalment recover approximately 72 per cent of his cost. This is the highest in recent years and I think this will be welcomed by coffee growers.

Other larger questions raised on coffee may be reserved for a wider debate on coffee and not for this occasion.

STATEMENT BY MINISTER

Explosive Device Found on Air India Flight 111 on 1st December, 1991 at Delhi Airport

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI MADHAV RAO SCINDIA): Mr. Vice-Chairman, Sir, on 1st Dec., 1991 AI flight No. 111 Boeing-747 from Madras to New York via New Delhi and London arrived at New Delhi at 0705 hrs. The aircraft had 76 passengers and one infant along with 21 crew members on board from Madras. Out of these, 12 passengers disembarked at New Delhi 334 passengers including 4 infants and a fresh set of 22 crew members boarded the aircraft at New Delhi by about 0745 hrs. There were thus a total of 394 passengers, 5 infants, and 22 members of the crew on the flight.

2. As per information available at present, while the catering carts were being positioned in the galley, a PVC bag was found. As the contents looked suspicious. AI security person on duty was alerted who immediately removed the PVC bag from the aircraft to the high lift truck to be taken away from the site. The concerned authorities were informed and the bomb disposal squad of the Bureau of Civil Aviation Security located at the Airport rushed to the spot immediately.

3. The device on examination was found to contain the following items:

1. A 9-volt battery
 2. Pyro technic substance
 3. A torch body
 4. An electronic circuit connected with wires.
 5. 100 ml. bottle containing a liquid which smelt like petrol.
 6. One shaving cream can containing a substance which smelt like LPG.
4. The device was neutralised by the explosive experts.