

12 Noon

श्री राजनाथन (उत्तर प्रदेश) :  
 श्रीमान, मैंने जो आंको खत लिखा था उस  
 पर क्या हुआ ?

MR. CHAIRMAN: I have not seen  
 your letter. I shall see it.

[The Deputy Chairman in the Chair]

#### PAPERS LAID ON THE TABLE

THE NAVY (DISPOSAL OF PRIVATE PRO-  
 PERTY) (AMENDMENT) REGULATIONS,  
 1967

THE MINISTER OF STATE IN THE  
 MINISTRY OF DEFENCE (SHRI B.  
 R. BHAGAT): Sir, I beg to lay on  
 the Table, under section 185 of the  
 Navy Act, 1957, a copy of the Ministry  
 of Defence (Navy Branch) Notifica-  
 tion S.R.O. No. 257, dated the 5th  
 August, 1967, publishing the Navy  
 (Disposal of Private Property)  
 (Amendment) Regulations, 1967.  
 [Placed in Library. See No. LT—  
 1379/67.]

ANNUAL REPORT (1966-67) ON THE  
 ACTIVITIES OF THE COIR BOARD, ERNA-  
 KULAM AND THE WORKING OF THE COIR  
 INDUSTRY ACT, 1953

THE DEPUTY MINISTER IN THE  
 MINISTRY OF COMMERCE (SHRI  
 M. SHAFI QURESHI): Madam, I beg  
 to lay on the Table a copy of the An-  
 nual Report on the activities of the  
 Coir Board, Ernakulam, and the wor-  
 king of the Coir Industry Act, 1953,  
 for the year 1966-67, under section 19  
 of the said Act. [Placed in Library.  
 See No. LT—1393/67.]

950RS—5.

CERTIFIED ANNUAL ACCOUNTS (1965-66)  
 OF THE CENTRAL SILK BOARD AND  
 RELATED PAPERS

SHRI M. SHAFI QURESHI: Madam,  
 I also beg to lay on the Table the  
 Certified Annual Accounts of the  
 Central Silk Board for the year 1965-  
 66 and the Audit Report thereon.  
 [Placed in Library. See No. LT—  
 1391/67.]

#### MINISTRY OF COMMERCE NOTIFICATION

SHRI M. SHAFI QURESHI: Madam  
 I also beg to lay on the Table a copy  
 of the Ministry of Commerce Notifi-  
 cation S.O. No. 2389, dated the 17th  
 July, 1967, under sub-section (2) of  
 section 18-A of the Industries (Deve-  
 lopment and Regulation) Act, 1951.  
 [Placed in Library. See No. LT—  
 1392/67.]

#### STATEMENT ON THE FLOOD SITUATION IN THE COUNTRY

THE MINISTER OF STATE IN  
 THE MINISTRY OF INDUSTRIAL  
 DEVELOPMENT AND COMPANY  
 AFFAIRS (SHRI K. V. RAGHUNA-  
 THA REDDY): Madam, on behalf of  
 Dr. K. L. Rao, I beg to lay on the  
 Table a statement on the flood situa-  
 tion in the country. [Placed in  
 Library. See No. LT—1384/67.]

#### STATEMENT BY MINISTER RE

##### I. PROBLEMS OF THE JUTE INDUSTRY

##### II. COTTON PRICE POLICY FOR 1967-68

THE DEPUTY MINISTER IN THE  
 MINISTRY OF COMMERCE (SHRI  
 M. SHAFI QURESHI): Madam, as  
 the House is aware, jute industry is  
 one of our major industries and is the  
 single largest foreign exchange ear-  
 ner for the country. Almost 70 per  
 cent of raw jute produced is consum-  
 ed in the manufacture of jute goods

for export, balance being used in production of goods for the domestic market.

- Over the recent years, the Indian jute economy has, for one reason or the other, been under strain. In particular, in consequence of the shortage of fibre, production of jute goods had to be curtailed during some part of 1966, especially during the month of May when a block closure had to be observed for one week. Exports of jute goods during 1966-67, as compared to 1965-66, declined from 895,000 tons to 734,000 tons in quantity and from 383 million dollars to 334 million dollars in value.

The course of the monsoon has so far been satisfactory. So also the sowings. Special steps have also been taken to improve the yield and the quality of production. We are all hoping that the grower will reap a good harvest and the industry and trade will be able to increase production and exports.

The prospects of a bumper crop, however, have unduly depressed the market for both raw jute and jute goods. The decline in the prices of jute manufactures has been disproportionately steep and the foreign buyers who have been holding off from the market in expectation of a further fall have helped to accentuate the bearish sentiment. If remedial steps are not taken, further downward pressure will be exerted on the prices of raw jute, production of jute manufactures may be dislocated and our export earnings may be adversely affected.

I have consulted the representatives of the interests concerned in the health of the jute industry. They are unanimous in their view that steps should be taken to secure an economic price for the grower as well as the manufacturer. I am also convinced that the overseas buyers of our products would prefer to see stable conditions emerge in the market

so that they are able to enter it with a sense of confidence. I would like to assure the House that Government proposes to make every effort to bring about stability on a long-term basis in the markets for both raw jute and jute manufactures.

The House would recall that we raised the support price for raw jute in 1967 from Rs. 35 to Rs. 40 per md. for Assam Bottom delivered at Calcutta. Government are committed to provide minimum support for raw-jute at this price. I would like to . . .

SHRI BANKA BEHARY DAS (Orissa): Madam, I am suggesting because both jute and cotton are very important that these statements may be circulated, so that tomorrow morning at the first hour we can ask questions. Both are very important.

THE DEPUTY CHAIRMAN: Let him finish it. Let him read it.

SHRI M. SHAFI QURESHI: I would like to assure the House that steps have been taken to ensure that this commitment is fulfilled. Should raw jute come under further pressure, the Jute Buffer Stock Association, and if necessary, the State Trading Corporation, will enter the market, purchase the quantities offered for sale and prevent the prices from falling, below the minimum level.

So far as the question of providing stability to jute products is concerned, I propose to rely upon the creation of a buffer stock for jute goods of standard constructions as the chief instrument for securing stability in trading conditions for jute goods. Purchases for and sales from such a stock will help to absorb stocks stemming from fluctuations in demand and to impart steadiness to both production, and trade in this important item. Government have accordingly decided to give such assistance and support as may be required for bringing into being, without loss of time, a Jute?

Goods Buffer Association on the lines of the Jute Buffer' Stock Association which, as the House is aware, has been in existence for some time.

Government do not consider that fixation of a minimum price for jute goods on a statutory basis is called for. We expect that the existence of the Jute Goods Buffer Stock Association will make it easier for the industry to take such reasonable steps by way of voluntary discipline, as may be found, to be necessary to stabilise the price level in the long term interests of producers, sellers and buyers.

It has been considered that futures trading in jute goods has been a source of instability in the jute goods market. Since the regulatory measures taken by the East India Jute and Hessian Exchange proved unavailing, it was decided on 3rd August 1967 to suspend future's trading for a period of one week. This period is proposed to be extended from time to time so long as necessary.

It has been urged that production should be curtailed in order to restore the balance between supply and demand. Such a step entails avoidable hardship for labour and would lead to a fall in production. Government do not consider this to be necessary in the present circumstances. I would, on the other hand, prefer to see the production pattern adjusted to the change in the demand pattern, to stimulate Government purchases, to revive foreign demand and to advise banks to reinforce the industry's holding power.

It is my belief that the measures I have outlined will succeed in imparting the necessary tone to the markets for jute and jute goods and encourage production and exports at economic prices and at optimum levels.

Madam Deputy Chairman, hon. Members would be anxious to know the policy Government propose to adopt as regards cotton in the forthcoming cotton year 1967-68. Equally

they would, I am sure, like to know about the policy regarding cloth.

From many points of view the cotton year, which is about to close, has not been a satisfactory one. The crop turned out to be much smaller than originally expected and Government had to take various steps to augment available supplies by larger imports, to restrain consumption through reduction in machine activity and to secure equitable distribution through controls over stocks and movements and surbs on credits.

The policy to be pursued in the forthcoming year has been considered against the background of the experience of last year and in the light of the recommendations, made by the Agricultural Prices Commission. The two principal objectives Government have kept in view are firstly to assure to the grower a fair remuneration for his produce and secondly, to assure to the consumer supplies of controlled varieties of cloth at current prices.

The course of the monsoons has been satisfactory. So also the sowings. It is hoped that farmers will take advantage of the facilities which are being offered to increase the yield and protect the quality of the crop. It is hoped that as a result a much better and larger crop will be reaped this year.

I should also like to take this occasion to assure farmers that Government would be prepared to buy whatever quantities are offered for sale at the minimum support prices. The minimum support prices for the 1967-68 season are proposed to be fixed for the standard variety of raw cotton, namely, Vidarbha M.P. Virnar 27/32" Fine, at 5 per cent above the present level (the revised price being Rs. 279 per quintal or Rs. 990 per candy), and for other important varieties including ISC-67 (but excluding Bengal Deshi) at levels ranging between 5 and 10 per cent according to qualities, over the corresponding floor prices for the current year.

In view of this, it has been decided that the statutory control on the ceiling and floor prices for raw cotton will be discontinued with effect from 1st September, 1967. Government expect that, having regard to the improvement in the supply position, prices will rule in the forthcoming cotton year at reasonable levels to facilitate the sale of cotton by farmers and its purchase by the co-operative marketing societies, the trade and the mills in an orderly manner. With a view to maintaining stable price and trading conditions thus avoiding hoarding and profiteering, Government propose to strengthen and wherever necessary intensify measures for control over the sale, purchase, stocking and movement of raw cotton. The details of these measures will be worked out in consultation with the Cotton Advisory Board on which all concerned interests are represented. Further curbs on credit are proposed to be intensified until the new crop starts arriving in market in substantial volume. It is my intention to vary the intensity of these measures with the changes in market conditions. For instance, when market arrivals improve, restrictions on purchase, provision of credits will be progressively relaxed; similarly, if prices tend to rise unduly, curbs on purchases, movement and credit will need to be made more stringent. In order that the legitimate interests of growers, traders and mills are safeguarded and stability in price movement is assured, the Textile Commissioner would be assisted in overseeing the operation of control measures by a Standing Committee of the Cotton Advisory Board.

I hope that with the co-operation of all concerned and having regard to the expected improvement in the supply position of both indigenous and imported cotton, it will be possible for the users to obtain the bulk of their requirements at reasonable prices.

In the unlikely event of this hope being belied, Government would be

compelled to adopt appropriate measure\*.

The House will appreciate the need for taking every possible step in the interest of the economy as a whole to ensure that prices of controlled cloth do not rise above current levels. It is my belief that cotton prices in the coming season will rule at a level below those attained in the later half of 1966-67. I am therefore of the view that the industry should find it possible to discharge their obligations to the consumer. Government do not accordingly propose to make any changes in the control measures relating to the production and pricing of cloth.

I am sure that all the interests concerned with the health of this vital industry are conscious of their responsibilities, not only to themselves, but also to the community as a whole. It is my hope that they will lend their helping hand in making the measures I have outlined fully effective.

SHRI NIREN GHOSH (West Bengal): Madam, it is an important statement. We should have a debate on it. Otherwise we cannot do justice to it.

SHRI BANKA BEHARY DAS: These are two important statements concerning two very traditional industries of this country, both cotton and jute. We know here in the House how the crises are there in both the industries. So I would request that these statements may be circulated, and at least we should have a short-duration discussion. They can be taken up together. There is no necessity for separate discussion.

SHRI ARJUN ARORA (Uttar Pradesh): I support this suggestion.

SHRI LOKANATH MISRA (Orissa): I also support this proposition since these are two important items.

THE DEPUTY CHAIRMAN: I am told that already you have given notice. So we can have a short-duration discussion tomorrow sometime.

SHRI V. M. CHORBIA (Madh'ya Pradesh); For two and a half hours.

SHRI M. M. DHARIA (Maharashtra) : There should be a discussion for at least two hours on this issue. It is a matter of vital importance. The floor prices which are now offered by an increase of 5 per cent are absolutely meagre. Our demand was that the present ceiling prices should be floor prices. The statement made by the hon. Minister has shocked us. Therefore, that discussion is absolutely necessary, for two hours.

SHRIMATI VIMAL PUNJAB DESH-MUKH (Maharashtra); I heartily support this suggestion.

THE DEPUTY CHAIRMAN: I think everybody has agreed that you want a discussion on this. The next point is the duration of the discussion. I think the consensus of the House is that you need two hours. The next point would be when. Tomorrow?

SHRI V. M. CHORDIA: Monday.

THE DEPUTY CHAIRMAN: If you rule out tomorrow, then you will have to leave it to us to find out a time next week. It may be Monday, it may be any other day, but we will try to make it as early as possible. I think that is reasonable and the House will agree with that. We go back to the next business. Bill for introduction.

SHRI M. SHAFI QURESHI; There is a half-an-hour discussion on jute today, Madam.

SHRI NIREN GHOSH: That will of course come up.

THE DEPUTY CHAIRMAN: I would request the House that in view of the discussion you are going to have, this half-an-hour discussion could be waived.

SHRI CHITTA BASU (West Bengal): No, no.

THE DEPUTY CHAIRMAN; I think we have given a two-hour discussion.

श्री राजनारायण (उत्तर प्रदेश) :  
इसी को ढाई घंटे कर दीजिए और आधा  
घंटा उसमें जोड़ दीजिए ।

THE DEPUTY CHAIRMAN: You know one would be sort of willing to accept if your speech will be very brief.

श्री राजनारायण : हमारा तो दो  
मिनट में काम चल जायेगा ।

THE DEPUTY CHAIRMAN: I do not know whether it would be two and a half hours or two hours. The office will see. Anyway, shall we waive the half-an-hour discussion this evening?

HON. MEMBERS: Yes, yes.

THE DEPUTY CHAIRMAN: The House agrees that the half-an-hour discussion this evening is waived,

#### THE COAL BEARING AREAS (AC- QUISITION AND DEVELOPMENT) AMENDMENT BILL, 1967

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI P. C. SETHI): Madam, I beg to move for leave to introduce a Bill further to amend the Coal Bearing Areas (Acquisition and Development) Act, 1967.

*The question was put and the motion was adopted.*

SHRI P. C. SETHI: Madam, I introduce the Bill.