

APPENDIX I
JUTE ENQUIRY COMMISSION
QUESTIONNAIRE
A—RAW JUTE

*1. Please give the acreages under raw jute and the quantity produced for the jute years 1939-40 to 1952-53. The data may be furnished in a tabular form and, where possible, by sub-divisions and thanas.

*2. To what extent, and in which sub-division or thana, are the increases in acreage and production attributable to the grow more jute campaign?

*3. In the additional areas brought under jute cultivation what are the alternative crops that were previously being grown or would otherwise be grown? Please give this information in respect of each sub-division or thana.

*4. Are the areas referred to in question (3) above generally near (a) a railway station, (b) a landing place in case of river-borne traffic, and/or (c) a baling press? If not, to what extent is the transport of raw jute handicapped? Give details (for main areas only) of transport costs.

*5. To what extent do cultivators receive advances from brokers, traders, or others for growing jute? Are there any co-operatives financing the cultivation of raw jute?

*6. Please furnish any data you have regarding the cost of cultivation of jute in 1939 and at the present time? What items of expenditure does the grower incur till the stage of sale of raw jute? How do such costs compare with the costs of cultivation of alternative crops like rice or sugarcane?

7. Have you any data relating to the cost of living of jute cultivators in 1939 and at the present time?

*8. (a) Do you consider it advisable to fix minimum prices for raw jute? What essential conditions would be required to work such a scheme? How far will such a scheme affect the jute goods market? Is any other form of state regulation favoured in the interests of the grower and the industry?

*9. Do you consider that the present prices of raw jute or prices that have prevailed at any time since 1947 uneconomic to the cultivator and have been responsible for a fall in acreage? If so, has there been a diversion to other crops?

*10. What is the present pattern of marketing of raw jute at the growing centres? To what extent do cultivators sell direct to

(a) mills, (b) balers, (c) shippers and (d) brokers/dealers/intermediaries? Are there any co-operatives storing, handling, marketing or baling jute? Have you any comments on the present purchase procedure of raw jute by the mills?

11. Can you estimate the season's raw jute production that is generally

- (a) sold by cultivators as a standing crop
- (b) disposed of by cultivators within 6 months
- (c) retained by dealers and middlemen for periods of
 - (i) 3 months
 - (ii) 3 to 6 months or
 - (iii) more than 6 months.

after the crop is ready for marketing? Please give the figures with reference to the Jute years 1951-52/1952-53.

*†12. What is the basis on which the price of jute is determined in primary markets? Are factors like quality, grading, allowances, etc., applied to the same extent as in subsequent transactions?

*†13. What do you estimate is generally the gross margin between the price received by the cultivator of raw jute and the price paid by the mills excluding transport charges? How much of this gross margin would be covered by storage, handling, insurance, interest charges and other expenses? Give details with reference to transactions of any specific period.

*†14. Would the operation of co-operatives or other state sponsored organisations which might eliminate some of the tiers of middlemen in any way improve the lot of the cultivator or prejudice the interests of trade?

*†15. Are low prices to cultivators due in any way to lack of precise market information or of crop forecasts in (a) growing areas, or (b) mofussil buying centres?

*†16. Are such low prices in any way attributable to activities of financiers and brokers, defects in weighing, under-valuation in grading or other marketing irregularities?

*†17. How far is the low price to cultivators due to their indebtedness or pledging of their crops before harvest?

*†18. What are the sources of credit available to the cultivator, and on what terms, in marketing his crops? Are the persons affording credit to the grower directly connected with the jute trade? To what extent is bank finance or any form of cheap credit available?

*†19. To what extent would the development of co-operative sale societies improve the existing system of marketing?

*†20. (a) What is the quantity of (a) loose jute, (b) Kutcha bales, (c) Pucca bales bought by mills—(your mills)—during seasons 1948-49, 1949-50, 1950-51, 1951-52 and 1952-53? What is the quantity consumed in production?

(b) What is the quantity of Indian jute bought by you (a) for ready delivery, (b) for forward delivery during the above years? Monthly figures and period of forward delivery should be given.

(c) In regard to your mills' purchases of Pakistan jute please indicate for the years mentioned the quantities and varieties purchased (a) through mills' own agents in Pakistan, (b) through balers, or (c) through agents in India.

†21. For a single shift working and on the present pattern of working hours what has been your mills' consumption of (a) Indian jute, and (b) Pakistan jute for 1951-52 and 1952-53?

†22. How far has the system of regulation of production of jute goods affected the price and production of raw jute since 1949-50 and at any similar time in the past?

*†23. To what extent do you consider self-sufficiency can be attained in all qualities of raw jute in India? If not, to what extent do you consider importation of Pakistan jute necessary and in respect of what qualities?

24. Are the existing arrangements for storage in production centres like Calcutta, in mofussil areas and at baling presses adequate? If not, what improvements would you suggest?

*†25. Do you consider the existing system of grading of jute satisfactory? If not, what suggestions would you make to enforce a uniform system of grading and control for the market?

*†26. Are the existing arrangements for transport of raw jute satisfactory? If not, what improvements would you suggest and in what areas?

*†27. Do you consider the present freight for jute by alternative means of transport reasonable? Is the incidence of freight particularly burdensome in respect of any areas?

*†28. To what extent are the complaints true (a) that the trade has suffered from a shortage of wagons or delays by railways, (b) that there has been an inflated demand for wagons, (c) that the trade do not properly anticipate and programme their demands for wagons and (d) that there is no sufficient co-ordination between rail and river transport?

*†29. As the main production centre is Calcutta and mills have to buy jute on a competitive basis what suggestions would you make for (a) ensuring supplies to mills at fair prices and (b) ensuring fair prices to growers apart from the incidence of transport charges?

B—JUTE GOODS

†30. Please give for the jute years 1948-49 to 1952-53 your monthly production, monthly sales and closing stocks of goods at the end of the month under the following heads, (a) hessian, (b) sacking (c) other manufactures.

†31. Please give monthly figures of your purchases of raw jute for the above periods under the following heads, (a) white jute, (b) other varieties of Pakistan jute, (c) Pakistan jute cuttings

(d) Indian raw jute, (e) Indian jute cuttings, (f) Bimli and (g) mesta. If possible, indicate monthly average purchase prices of above.

†32. How far are purchases made (a) to cover specific orders received for finished goods, (b) for keeping up mill production, or (c) through the jute season as and when purchase can be made at favourable rates? Give figures for 1951-52 and 1952-53.

†33. What is the average book value and quantity of jute carried by you as stock and what percentage does it bear to your monthly production? Please give figures both by quantity and value for 1930-31, 1939-40, and 1950-51 to 1952-53.

†34. During 1949-50 to 1952-53, have large purchases had to be made on a forward basis to cover any large forward order for goods or due to any unfavourable market reactions or any other reason? The extent of such purchases and circumstances leading thereto may be briefly mentioned.

†35. Please indicate the system of cost accounting, if any, maintained by you. Is any standard costing method laid down and followed for different stages of manufacture and subject to check and review from time to time? Alternatively, are the product costs arrived at on the basis of actual statistical results of working? If neither procedure is followed, are costs estimated only on the basis of past working results of rates of competitors in the market?

†36. Please give the items of expenditure that enter into the following group heads of costs (a) direct expenditure, (b) works on costs, and (c) other overheads.

†37. On the basis of the above details, please give the complete breakdown of your costs for the years 1951-52 and 1952-53 for the following (a) hessians 40" x 10 oz. 100 yards. and (b) B. Twill 100 bags. (All information on these points will be treated as strictly confidential).

†38. To what extent is the mill production directly sold to (a) Central and State Governments, (b) other consumers, (c) shippers, (d) dealers and (e) own or associate foreign agencies overseas? Please give the figures of sales under each category for 1949-50, 1950-51 to 1952-53.

†39. Please indicate whether your sales of jute goods are generally on a forward basis or for ready delivery also. In the former case please indicate the usual period of forward delivery. Are in any cases forward delivery contracts covered by hedging in the raw jute markets?

†40. With reference to your production as indicated in reply to question No. 30, please give the quantity covered by the pucca delivery orders due for delivery each month and the deliveries made each month from your own production. How were the outstandings if any met?

†41. What is the system for financing of mill production? To what extent do the managing agencies provide finance for working of the mill and for trading including exports?

†42. How far do the prices of raw jute in the main govern the price of jute goods? Is the converse the case in any circumstances? Please indicate the reasons why prices of jute goods have diverged from trends of raw jute prices.

†43. What are the factors which in your opinion govern fluctuations in prices of jute and jute goods? In particular please assess the relative importance of costs of production, market sentiment, fluctuations in overseas demands competition from other countries emergence of substitutes, speculation in the local markets, and Government tax policies.

†44. Have you any comments on the 'working time agreement' at present followed by the mills?

C—MARKETING AND MISCELLANEOUS

45. Please give your views on the functioning of the market at Calcutta for (a) raw jute, and (b) jute goods. Which are the main agencies operating the market and controlling it? How far do such organisations function under (a) published rules and regulations or (b) trade customs and usage?

46. To what extent do transactions taking place through these organisations provide for (a) registration of contracts, (b) a fixed procedure for settlement of differences on delivery dates, (c) carry forward on contracts, and (d) exercise of future options?

47. What in your opinion is the extent of operations in unrecognised markets, e.g., katni? What relation, if any, would the volume of such transactions for raw jute and jute goods bear to the actual supplies available either on a ready or forward basis?

48. Do you consider a futures market necessary or desirable for (a) raw jute and (b) jute goods? If so, indicate your reasons.

49. How far do the present arrangements satisfy the requirements of a proper futures market? If you consider a regulated futures market necessary for the stability of the industry, please indicate the defects in the system and point out in what respects the organisational forms, controls grading, forms of contract and arbitration arrangements should be improved.

50. Have you any comments on the market operations which rendered necessary the closing of the *fatka* market in December 1952? To what extent were operations in that market responsible for (a) undue depression of prices of raw jute and (b) manipulation in the prices of jute goods? Please indicate the types of such operations in the market.

51. Do you consider the standard forms of contracts for sale and purchase of jute and jute goods satisfactory, and in particular the I.J.M.A. contract form—Form A—for such transactions?

52. Do you consider the pucca delivery order system as obtaining at present to be satisfactory for transacting sale and purchase of jute goods? If not, please give your suggestions as to how it can be improved.

53. Is the jute market handicapped by the absence of proper standard specifications for jute and jute goods? Is this true (a) of

the home market, and (b) of the external markets with reference to their special needs? If remedial measures are necessary, what improvements would you suggest?

54. Having regard to the fact that the bulk of the trade in jute goods is connected with exports, do you consider the present marketing procedure and practice regarding shipment of goods satisfactory?

55. It has been contended that in overseas markets foreign mills have been able to sell at lower prices than Indian goods. Have you any comparative data as regards the manufacturing costs and sale price of such goods sold by foreign competitors?

56. What factors relating to trends in foreign markets have significant influence on prices in the Calcutta market? In particular, to what extent have prices offered by Dundee/Continental manufacturers for raw jute and prices fixed by them for jute goods influenced prices in India?

57. Do you consider that in regard to hessian prices U.S.A. market sentiment is the main determining factor? Are prices in the U.S.A. in any way influenced by Indian Dundee/Continental prices and if so, predominantly by which of them.

58. How far do the orders placed by purchasers from foreign markets follow a seasonal pattern? To what extent is the Indian market sensitive to changes in that pattern?

59. How far is it correct to say (a) that uneven demand of the main consuming countries is responsible for speculative trends in the jute goods market and (b) that the normal overseas demand is also affected by speculative operations in the Indian market?

60. Is the jute export trade in India in any way affected by frequent market manipulations of speculators? How far will such manipulations be checked by (a) price agreement among manufacturers, (b) direct export by manufacturers or (c) any form of state regulation and control? Have you any other suggestions to make?

61. In view of the fact that the Indian jute industry no longer commands a monopolistic position and there is need to secure consumer satisfaction, are the existing arrangements for inspection of goods before shipment or delivery satisfactory?

62. What is the procedure for settlement of disputes? What are the present agencies for arbitration? Please indicate their names and constitution if possible. In such arbitration bodies are all sections of the industry as well as those who trade in jute and jute goods fairly represented?

63. How far do the trade use the Government forecasts of jute crop and acreage? In case they use forecasts from other sources, the system of compilation and the methods to ensure their reliability may be indicated.

64. Are the statistics maintained by different organisations dealing with jute and jute goods, trade and marketing, adequate and satisfactorily publicised?

NOTE :—*These questions are intended in particular for the attention of State Governments and quasi-Government organisations.

†These questions are intended in particular for answer by Jute Mills and/or their Managing Agents.