CHAPTER IX

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

1. The total requirements of jute and mesta during the First Plan period 1951-52 to 1955-56 varied widely but on the whole the consumption requirements of raw jute and mesta increased by about 40% during the First Plan period. The total requirements of raw jute and mesta in 1955-56 amounted to 70.9 lakh bales. (Para 2.2).

2. The word export demand for jute goods during the Second Plan period is expected to go up by about 15 to 20% over that of 1955-56. India has kept pace with the rate of increase in the world trade since 1950-51. Though the word markets have become increasingly competitive and Pakistan is coming up as India's keen competitor our share in the world trade during the Second Plan period may not decrease. We, therefore, think that our exports of jute goods in 1960-61 would increase at least by about 15% over those in 1955-56. (Para 2.5).

3. In view of the increase in population and rise in the standard of living which is expected to take place during the Second Plan period, the internal consumption of jute goods is likely to increase by at least 25% by 1960-61 as compared to 1955-56 (Para 2.6).

4. Assuming that the domestic consumption of raw jute remain the same *i.e.* 2.3 lakh bales, during the Second Plan period, the total consumption requirement of raw jute and mesta at the end of 1960-61 may be of the order of 80 lakh bales. Allowing for the likely increase in stocks of raw jute and jute goods during the Second Plan period, the total requirements of raw jute may be assumed at 82 lakh bales. (Para 2.8).

5. On the basis of the data available at present it is not possible to work out variety-wise requirements of raw jute and mesta during the Second Plan period. Roughly, however, the break-up of the future requirements of different varieties of the fibre may be taken as 50% white jute, 25% mesta, 15% tossa jute and 10% cuttings. (Para 2.13).

6. Requirements of the various grades of the fibre during the Second Plan period may be taken as 34% middles, 54% bottoms and 12% X-bottoms. (Para 2.15).

7. For manufacturing Bright Hessian for U.S.A. markets about 50,000 to 1 lakh bales of superior Jat variety of jute are required. This variety of Jute is not being produced in the country at present in any appreciable quantity. (Para 2.17).

8. The target of jute production has been fixed at 55.4 lakh bales in the Second Five Year Plan. No target of mesta production has, however, been fixed. Judging from the rate at which mesta production has been increasing in recent years, we think that the total production of mesta by the end of 1960-61 would at least be about 20 lakh bales. The total internal supply of jute and mesta would thus be about 75.4 lakh bales at the end of the Second Plan period. (Para 3.5).

9. Though no regular data are collected at present about the variety-wise production of raw jute, the information received from the State Governments shows that the total production of jute (excluding mesta) roughly about 70% is white jute and 30% is tossa jute. (Para 3.8).

10. The tentative consumption demand and supply position of raw jute during the Second Plan period shows that the country would be short of about 4.4 lakh bales of raw jute at the end of 1960-61. Of this the shortage of white jute would be about 1.2 lakh bales while that of tossa jute and cuttings would be about 3.2 lakh bales. Allowing for the increase in the stocks of raw jute and jute-goods (in terms of raw jute) with the mills which is likely to take place during the coming years, the over-all deficiency of the fibre at the end of 1960-61 may be estimated at about 6.4 lakh bales. (Para 3.9).

11. The deficiency of raw jute and mesta according to various grades may be broadly indicated by the imports from Pakistan. Of the white jute imported from Pakistan about 25% is of middle grade, 60% is of bottom grade and 15% is of X-bottom grade. About 80% of the cuttings imported from Pakistan are of white jute while the remaining 20% are of tossa jute. Our basic deficiency is thus of better grades of white jute *viz.*, tops and middles. (Para 3.12).

12. There is no doubt about the fact that the country can produce almost all the good quality jute required for maintaining our competitive position in world markets, except perhaps the Jat variety of White Jute, a small quantity of which—about 50 thousand to one lakh bales—is required for manufacturing Bright Hessian for U.S. markets. (Para 3.13).

13. For meeting the deficiency in the supply of the fibre it does not seem advisable to continue to rely on imports from Pakistan to any large extent. (Para 3.15).

14. To be self-sufficient in the supply of the fibre it is necessary to increase the internal production during the Second Five Year Plan period. There may be little scope for increasing further the target of production of jute which has already been raised from 50 lakh bales to 55.4 lakh bales. We have, therefore, to look mainly to the increase in the production of the substitute for jute *i.e.*, mesta for meeting the deficiency. (Para 3:16).

15. Every effort should be made to achieve the plan target of raw jute and to ensure that as large a proportion as possible of this is quality jute specially white jute of superior grades. There are certain areas which are already growing good quality jute and it is in these areas that efforts should be concentrated in future for increasing the production. It has not been possible for us to compile a comprehensive list of such areas but an illustrative list of these areas is given. (Para 3.18).

16. In areas where natural supply of slow-flowing good retting water is available the State Government should try to supply better seeds, fertilizers and encourage adoption of improved techniques such as line-sowing, wheel-hoeing, better retting techniques etc. Such areas may to some extent be available also in the neighbourhood of canals in Damodar Valley and Mayurakshi Projects areas in West Bengal. If timely irrigation is made available, it is possible to increase the acreage under jute from the existing 1 lakh acres to about 2 lakh acres in the D.V.C. zone. In the Mayurakshi

Project areas, if adequate amount of irrigation water is made available from April to July, the jute acreage can be increased considerably in Murshidabad, Burdwan and Birbhum districts. (Paras 3.19 and 3.20).

17. In those areas where the fibre grown is good and strong but retting water facilities are not adequate the primary work should be to renovate the existing retting tanks as well as to dig more tanks. (Para 3.21).

18. We feel that the Indian Central Jute Committee should investigate the complaint that water in the retting tanks gets spoilt after some jute has been steeped into it and subsequent steepings affect the colour and quality of the fibre. Research should be conducted in the matter and some chemical, biological or other process for improving the quality of the water in tanks, may be found out. (Para 3.24).

19. Since our efforts in the coming years would have to be confined to increasing the yield per acre in areas where good quality jute is already being grown, it is desirable, in our view, for the State Governments to undertake a detailed survey of the jute growing areas in their States. The Soil Survey recommended by the Expert Committee on the quality of Jute should be completed as early as possible. (Para 3.25).

20. There are ome possibilities in Assam, Orissa and U.P. for bringing in more area under jute without affecting the production of paddy. We suggest these possibilities may be explored by the State Governments. (Para 3.26).

21. The imports of raw jute in recent years has been of the order of about 14 to 15 lakh bales, these are mainly of those varieties which are already produced in India. Of the total imports from Pakistan about 60% are cuttings, 30% long jute and 10% Habi-jabis. (Para 4.5 and 4.6).

22. Of the expected deficiency of the fibre during the Second Plan period we feel that the basic shortage may be only in respect of Jat variety of white jute which at the most may be estimated at about 2 lakh bales. The balance of the deficiency, which should vary from year to year, may be met by imports of cuttings, preferably of superior grades of jutes. Barring these varieties, namely, jat variety of white jute and cuttings, no other variety of jute should in our view, be allowed to be imported. Inferior varieties of jute in particular should not be allowed to be imported. (Para 4.9).

23. We feel that staggering of imports is necessary for protecting the interests of the cultivators. In our view, the issue of import licences should be regulated in such a manner that the requisite quantity of long white jute *viz.*, 2 lakh bales is imported largely during the months of July, August and September. During the same period a small quota of cuttings, say 2 lakh bales, may also be allowed. The balance of the import requirements of cuttings in a year may be allowed to be imported only after December. (Para 4.10).

24. We suggest that, in future, import policy of raw jute should be decided every season by the Ministry of Commerce and Industry in consultation with the Ministry of Food and Agriculture once in July for the interim quota and again in September/October for the final quota in the light of supply position. (Para 4.12).

25. In order to enable the Government to make a proper assessment of the demand and supply position every year we consider it very necessary that variety-wise and, if possible, grade-wise production figures of jute and mesta should be collected on a regular basis. Similarly, the Jute Controller should maintain details of the variety-wise and grade-wise imports of jute and cuttings from Pakistan. It is also desirable to ask the mills to classify their stocks of jute into different grades. (Para 4.13).

26. While there is every reason to be watchful about India's competitive position in world markets particularly because of Pakistan's emergence as a formidable competitor in jute goods, we feel that there is no special reason at present to get alarmed at the admixture of mesta in the production of jute manufactures. We are inclined to agree with the view of the trade that the mill industry will be able to take care of the requirements of the foreign markets and the question of admixture of mesta with jute and the extent to which it should be done, should better be left to it. (Para 5.7).

27. The sacking manufactured by certain Indian mills suffer from some draw-backs and are sold at a small discount in world markets. These defects are not due to the admixture of mesta but are primarily due to a number of manufacturing defects *viz.*, lack of uniform weaving, bad seeming and under-weight. We feel that the Government should watch the situation and if the voluntary efforts of the Indian Jute Mills Association do not succeed, steps should be taken to ensure the quality of our sackings. (Para 5.9).

28. We feel that it is not necessary to regulate the production of mesta in general. On the other hand, it appears desirable and necessary to give more attention to the production of mesta than has been done hitherto especially in areas other than West Bengal. It is also desirable to fix a separate target of mesta production. (Para 5.10).

29. The problem of replacement of jute by mesta, however, deserves consideration. This problem at present can be said to have assumed some significance in West Bengal. We are already short of jute and any encroachment of mesta on jute land should not ordinarily be encouraged. (Para 5.11).

30. The State Governments should encourage the production of mesta in those areas where the question of replacement of either paddy or jute does not arise. An illustrative list of such areas has been given by us but a complete list will have to be prepared by each State Government separately. (Para 5.12).

31. If the quality of Bimli grown in Andhra Pradesh can be improved by better retting techniques control of plant diseases etc., its production, in our view, may be further encouraged in the State of Andhra, particularly in Visakhapatnam, Srikakulam and Guntur areas. (Para 5.13).

32. As the transpourt cost to Calcutta from Mysore and Madras is high it will serve little purpose in increasing further the production of Bimlipatam jute in these States unless the mill industry expands there. (Para 5.14).

33. The production of mesta in Madhya Pradesh and Bombay can be increased only in those areas from where the fibre can be conveniently and

economically transported to Calcutta. Any large scale production of mesta in these States does not seem to us to be economically feasible or desirable. (Para 5.15).

34. Adequate plant protection measures must be taken to protect *Hibiscus Cannabinus*, a variety of mesta, which is more susceptible to plant diseases. The Indian Central Jute Committee should intensify their plant protection measures for protecting the *Hibiscus Cannabinus* variety of Mesta from plant diseases and side by side improve the quality and strength of *Hibiscus Sabdariffa* variety of Mesta. (Para 5:16).

35. We feel that the problem of jute prices is fundamental to the question of increasing the production and improving the quality of raw jute produced in the country. (Para 6.1).

36. For the fixation of minimum price of jute all the three criteria, *viz.*, the cost of production of jute, the parity between prices of jute and paddy and the relationship between the prices of raw jute and jute goods need to be considered. (Para 6.7).

37. As far as the cost of production factor is concerned we think that the minimum price should cover the cost of production of jute in West Bengal as the bulk of jute is grown in this State and it is also proximate to the main consuming centre, Calcutta. (Para 6.9).

38. The reasonable parity between the prices of jute and paddy would, according to our calculations, be 2.7 to 1 or in other words 1.8 to 1 between jute and rice. (Para 6.11).

39. The fair price indicated by the Jute Enquiry Commission on the basis of relationship between raw jute and jute goods prices was, in our view, an under-estimate to the extent of Rs. 4 to Rs. 6. The industry has in fact, been paying a higher price of raw jute, than indicated by the Jute Enquiry Commission's formula, and has been able to export more jute goods in recent years. (Para 6.16).

40. Besides the three main factors to be taken into account of determining the minimum price of jute to be guaranteed to the growers, the cost of transport from the up-country centres in a State to the main consuming centre Calcutta will also have to be considered and adjustments made accordingly. (Para 6.19).

41. In our view the mere announcement of the minimum prices should tone up the market and keep prices well above the minimum. In practice therefore, the possibility of the Government being required to enter into the market for supporting the price is not likely to arise in the present circumstances. (Para 6.21).

42. The most effective method of supporting prices is through 'Buffer Stock Operations'. In case, it becomes necessary for the Government to support prices and a buffer stock is built up, we think that not more than 2% of the raw jute and mesta will have to be bought by the Government at any time. This will require a working capital of about Rs. 2 crores. (Para 6.22).

43. There is very little possibility of incurring a loss in 'Buffer Stock Operations'. Even if some loss is incurred by way of storage charges,

administrative expenses, wastage etc., the amount involved is unlikely to be more than Rs. 4 lakhs. This is not a large amount and can be treated as subsidy by the Government to the grower of jute. (Para 6.22).

44. The work relating to buffer stock operations can also be entrusted to a Cooperative Marketing Board or a Marketing Organisation of Trade or of Mills. The State can exercise supervision over such a body and if need arises may make good the loss it may suffer in the process. (Para 6.23).

45. An indirect method of ensuring minimum price is to lay down a Buying Programme for the Mills. In our view voluntary efforts of the Indian Jute Mills Association would serve this purpose and it may not be necessary for the Government to prescribe a buying programme statutorily. (Para 6.24).

46. If for various reasons it is not found feasible by the Government to fix statutorily minimum prices of jute, it is necessary, in our view, to calculate the minimum price every season and keep it in view so that if market prices fall below the minimum the Government may take one or more of the measures suggested by us. (Para 6.25).

47. We feel that if minimum price for rice is fixed in pursuance of the Government's announcement dated the 14th June, 1957, the fixation of minimum price for jute at a corresponding parity may become necessary. (Para 6.25).

48. The tendency of the mills to keep away from the market in India during the beginning of the season and to play between Indian and Pakistani markets in their own interest is borne out, to some extent, by the figures of purchases of raw jute by mills and stocks of raw jute with them. (Paras 7.2 and 7.3).

49. The reasonable level of stocks of raw jute to be maintained by mills should, in our view, be about 3 months requirements *i.e.*, roughly about 15 lakh bales while the maximum stocks to be held at any particular time might be about 4 to 5 months' requirements. (Para 7.5).

50. In our view the tendency of the mills to keep away from the market at a time which is crucial to the cultivator is undesirable We feel that about 2 to 3 months stocks. *i.e.*, roughly 10 to 15 lakh bales, ought to be built up by mills, particularly during the first five months of the season *i.e.*, from July to November when most of the produce is marketed by our cultivators. (Para 7.6).

51. The long-term and more permanent solution of the problem of price support would be provided only by setting up a Government organisation or Co-operative Marketing Organisation which would buy jute from the cultivators at a reasonable rate at the harvest season and sell to the mills later at a competitive price. (Para 7.8).

52. We feel that it will be useful to popularise the use of Tamadind-water treatment of raw jute for improving the colour of shyamla jute grown in some parts of the country. This should, however, be done only when it is proved by research that the strength of the fibre is not weakened by the tamarind-water treatment. To begin with, this process may be tried in a

few areas which grow *shyamla* jute. It will be useful if a pamphlet is prepared by the Indian Central Jute Committee giving the details of the Tamarind process and its advantages which may be distributed widely amongst cultivators growing *shyamla* or dark colour jute. (Para 8.3).

53. In our view the Ministry of Commerce and Industry should take up with the U.S. authorities the question of charging a higher import duty by U.S. on Hessian prepared out of bleached jute. It seems to involve unfair discrimination. In any case the tamarind water process should not be regarded as chemical treatment of the fabric and the goods prepared out of such jute should not be subjected to a higher customs duty. (Para 8.4).

54. Intensive cultivation of jute should be achieved by better manuring, improved seeds, improved cultural practices, control of pests and diseases. The efforts in this direction should be accelerated as much as possible. (Paras 8.5 & 8.6).

55. Top-dressing of jute, which offers the best potentialities for the increase in production, should be taken up in right earnest by the State Governments. (Para 8.7).

56. The State Governments may utilize the help offered by the Indian Jute Mills Association and other jute interests for distributing pamphlets and popularising the use of fertilizers amongst cultivators. (Para 8.8).

57. Attempts should be made to procure adequate number of seed drills and wheel-hoes and distribute them to the cultivators as widely as possible. (Para 8.9).

58. In our view there is urgent need for intensifying plant protection measures for saving the huge loss which is caused by plant pests and diseases. (Para 8.10).

59. We suggest that the possibilities of setting up cooperative jute pressing and baling machines in producing centres should be explored so that the cultivator is able to get a better price of his produce. (Para 8.12).

60. We can hardly over-emphasise the urgent need for proper grading and standardization of raw jute and mesta in order to protect the cultivators from exploitation by traders and middlemen. (Para 8.13).

61. The displaced persons from East Pakistan have long experience of growing better quality jute and they know better retting techniques. We feel that if the displaced skilled persons are rehabilitated in important jute growing areas the quality of our jute will improve considerably. (Para 8.15).

62. The apathy on the part of the cultivators to improve the quality of the fibre is partly due to the fact that the premium paid for better grades of the fibre is not commensurate with the time and labour involved. This state of affairs needs to be remedied. (Para 8.15).

63. We would suggest the establishment of Cooperative Marketing Societies which should go a long way in securing to the growers a fair price for their produce. (Para 8.16).

64. The importance of abundant supply of retting water for improving the quality of fibre is supreme. Every attempt should be made to renovate the existing retting tanks as well as to provide more retting tanks in important jute growing areas. (Para 8.17).

S. R. SEN, *Chairman.*
S. A. TECKCHANDANI*
A. P. MATHUR*
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S. B. L. NIGAM, *Member Secretary.*

NEW DELHI;
The 6th July, 1957.

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*Signed subject to the minute of dissent appended.