

come almost to a stop. It is feared that 4,000 employees working in H.A.L., Kanpur might lose their jobs or they may be transferred.

Sir, the then Minister of Defence Production, Shri Vidya Charan Shukla had assured that nobody would be retrenched. I have seen a press news that the Minister has also made a statement in the other House. Since this matter relates to the future of 4,000 employees and their family members in Kanpur, it is necessary that the Minister of Defence Production makes a statement allaying the fears in the minds of 4,000 employees. May I request Shri K. Raghu Ramiah who was also once the Minister of Defence Production to convey it to Shri Mirdha or Shri Swaran Singh to make a statement at the earliest opportunity?

श्री जनेश्वर मिश्र (इलाहाबाद) :  
उपाध्यक्ष महोदय, पिछले दो हफ्तों में चौथी बार निवेदन कर रहा हूँ कि इस समय न केवल उत्तर प्रदेश में, बल्कि उत्तर प्रदेश में इलाहाबाद, लखनऊ, गोरखपुर, बनारस, सब जगह और उस के बाहर भी, मद्रास में लेकर पञ्जाब और हरियाणा तक शिक्षण संस्थाओं में एक भ्रष्टाचार की हलचल है, सब जगह हड़ताल है। लखनऊ यूनीवर्सिटी की तो आज ही एक खबर पढ़ रहा था—शाम का भ्रष्टाकारी इतना खबराये कि उन्होंने पुलिस को खबर दे दी। उस के बाद वहाँ पुलिस पहुँची किन्तु वहाँ कुछ नहीं था। उन भ्रष्टाचारियों ने कहा कि हम लोगों को लगा कि कुछ हो रहा है, ऐसा लग रहा था। शिक्षण संस्थाओं के अधिकारी लोग सपने देख रहे हैं और खबर रहे हैं। पूरे देश में शिक्षण संस्थाओं में आमूल परिवर्तन की जबरदस्त मांग है। यह केवल राज्यों का मामला नहीं है, इस में बनारस यूनीवर्सिटी भी आ जाती है जो सेंट्रल यूनीवर्सिटी है। मैं कई बार मांग कर चुका हूँ कि शिक्षा मंत्री यहाँ आ कर—इस समय जो शिक्षा व्यवस्था में पूरे परिवर्तन की मांग चल रही है, उस पर बतव्य दें, क्योंकि इलाहाबाद यूनीवर्सिटी में तो 12-13 लड़के

निकाल दिये गये हैं—परमानन्द मिश्र, अविनाश शुक्ल, आदि, जो हम लोगों के कार्यकर्ता थे। यह हालत क्यों पैदा हो रही है? मैं चौथी बार निवेदन कर रहा हूँ, मैं समझता हूँ कि अब शिक्षा मंत्री यहाँ आ कर बतव्य देंगे।

14.13 hrs.

# CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

## SITUATION CREATED IN CASHW INDUSTRY: FOLLOWING KERALA HIGH COURT JUDGEMENT

SHRI C. M. STEPHEN (Muvatu-puzha): Sir, I call the attention of the Minister of Commerce to the following matter of urgent public importance and I request that he may make a statement thereon:—

Situation created on the cashew industry as a result of judgment of Kerala High Court on 3rd December, 1974 annulling Public Notice which regulates distribution of imported raw cashewnuts.

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH): Mr. Speaker, Sir, the raw cashew nuts required for processing leading to export of cashew kernels are largely supplied by imports. The import of raw cashew nuts was canalised through Cashew Corporation of India from 1-9-1970. The policy governing the distribution of imported raw cashew nuts has been laid down in the Public Notice No. 183/73-ITC/PN/29, dated 3rd November, 1973.

Briefly speaking under this Public Notice, the Cashew Corporation of India is the distributing agency to the eligible actual users. The actual users are those processors who had participated in the import and export trading of cashew nuts and operated cashew processing factories in any of

[Shri Vishwanath Pratap Singh]

the calendar years 1968, 1969 and upto 31st August, 1970. The allocation of imported nuts is on the following considerations—

(a) Allocations are made only to factories which have filed a declaration as actual users in the prescribed proforma with the Cashew Corporation of India and are accepted by Cashew Corporation of India after the date of canalisation.

(b) Any factory closed down for a continuous period of two years or more after 1st September, 1970 is not eligible for allotment.

(c) Any factory which does not conform to provisions of law relating to safety, conditions of service or fixation and payment of wages to the workmen is also not eligible

(d) The actual quantum of allocation to each factory is determined by Cashew Corporation of India on the basis of labour strength ascertained from the muster rolls maintained by the factory and verified by the Corporation

(e) The raw cashew nuts allotted must be processed in the factory to which the allotment has been made and transfer to other factories is not permitted

Another important condition is that cashew kernels equivalent of 120 per cent in terms of yield of raw nuts allotted must be exported and proof of this furnished to the Corporation. This condition is to make the processing units use a minimum amount of indigenous nuts.

A number of writs challenging the aforesaid public notice were filed in the Kerala High Court and were defended by the Government of India and the Cashew Corporation of India. We have been informed by the Cashew Corporation of India and their Counsel in Cochin that the Kerala High Court on 3rd December, 1974 has pronounced the judgement on the

several writs. It is reported that the Kerala High Court has held this public notice *ultra vires* and has directed the Cashew Corporation of India to make an *ad-hoc* allotment of 250 tons of imported cashew nuts to each of the petitioners. We have sought a copy of the judgement which has not been received yet. While it would be necessary to see the judgement of the Kerala High Court and to examine its findings, yet from the information that we have upto now we may have to file an appeal against this judgement and seek a stay order. The Cashew Corporation of India has however, already issued instructions to its Counsel to approach the Division Bench of the Kerala High Court to obtain a stay of the operation of the order.

SHRI C M STEPHEN: A very, very extraordinary situation has arisen. This is a matter which concerns a very large number of workers in Kerala Ever since canalisation, the position has been like this. The import figures are: 1970-71 64,000 tonnes; 1971-72 1,57,000 tonnes; 1972-73, two lakh tonnes; 1973-74, 1,57,000 tonnes The export figures also have been going up: it was Rs. 52 crores in 1970-71. Rs. 62 crores in 1971-72; Rs. 69 crores in 1972-73; Rs. 75 crores in 1973-74; and the figure in 1974-75 is expected to be Rs. 111 crores. Therefore here is a real gold mine as far as our country is concerned. So far as processing is concerned, about 60 per cent is done from raw imported raw nuts and the rest from our country. These raw nuts are being imported here only for one reason; unlike in Africa, trained workers are available here. Now, the position is that as against 1,57,000 tonnes, the total labour strength of the approved factories as on date is about 1,37,000 of which 1,07,000 are in Kerala and 25,300 and odd are from Tamil Nadu. The problem here is that the total available quantity of nuts, both imported nuts and the locally available nuts, is not enough to provide work to all the workers throughout the year. It is estimated that three tonnes of raw

nuts are necessary if one worker must have work for the full year. Calculated on that basis, we find that the workers cannot have work throughout the year. Even if the supply is restricted to the labour strength of approved factories, the workers will have work only for a maximum period of eight months in a year. That is the position.

Now, this has got to be improved. It is in order to safeguard these rights of the workers that canalising was resorted to and progressively steps were being taken whereby now there is a procedure we are in a position to guarantee the wages of the workers and the workers have started getting wages regularly. There is a public sector industry which has 34 factories employing about 37,000 workers and which has now assumed a commanding position. The whole question is that this public notice has now been struck down. This is a major event that has taken place. The result will be total anarchy in the cashew industry. Factories which are genuine are coming to a close. Those factories which were not facing any risk and which have not been taken over, have also been remaining completely closed now. After this judgment, these people will go on with their demand for a share of the raw nuts which means that to that extent, articles supplied to the approved, and regular factories will be reduced. That means that in place of even 7 to 8 months' work the workers are getting, that will progressively come down to 1 month or 2 months' work. That will be the position. The result will be that the workers will lose interest and this important and major foreign-exchange earning source will gradually dry up. Along with the developments that are taking place in Africa we are facing a situation of national proportions and national importance. Here is an industry, small-scale in nature, labour-intensive and catering to 1,37,000 workers and earning for you valuable foreign exchange of about Rs. 100 crores per annum, which is going to be hit.

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The purpose of my calling attention to the Minister is to make the Minister to comprehend, visualise and understand the immensity, the depth and the gravity of the problem of the situation that has arisen. There is a real anarchical position in the subconscious mind of the workers. Anything can happen. That is the present position which has got to be interfered.

I am really pained to read the statement of the Minister wherein he says, "We have been informed by the Counsel of the Cashew Corporation of India in Cochin, that the Kerala High Court has on 3rd December, 1974 pronounced a judgement on the several writs." This happened on 3rd December, 1974 and we are to-day on the 12th December. Nine days have gone by and the Government of India had to get information from the Counsel of the Cashew Corporation of India. The Government of India happen to be the counter-petitioner No. 1 in these petitions. It is the notification of the Government of India that was attacked. It was not a CCI notification that was attacked. A Government of India's notification was attacked. The CCI is only the executing agency. The CCI has nothing-else to do. Your notification was attacked. You are represented there. Your Counsel has not passed on any information to you. You had to resort to the second-hand information from a Counsel; or somebody else and you say, 'We have not received any information from our man.' Well I do not want to Comment upon your Counsel. Yet, kindly enquire who this grooming gentleman is, who did not care to pass on the information to you by which the entire sub-structure of an industrial super-structure is sought to be knocked down by one single stroke of a single Judge's decision. He cannot tell us. They understand that the CCI is seeking to file an appeal before the Division Bench. Is the Government of India only a silent spectator? Has the Government of India nothing to do with this? It is your order that has been struck down.

[Shri C. M. Stephen]

Are you satisfied that as the CCI is filing an appeal against this, you have nothing to do about this?

May I demand that the Government of India must come forward and not depend on the CCI? It is your business. It is your public notice that has been struck down. It is that after your public notice was struck down, a public sector unit is shaking and a major organized industry is going to smithereens. Kindly do not remain a passivist. I would request that a person of a high calibre from your legal luminaries in New Delhi must be deputed to Cochin to file an appeal and ask for stay. Please do not depend on your lawyer who did not even care to inform you. Top priority must be given to it. This is my request. Are you prepared to do it? That is my first question.

I do not think that a solution lies exclusively limited to this only. When a crisis developed in the coal industry, you went in. When a crisis developed in the textile industry, you went in. You go in only when a crisis develops. But there is a case of a labour-intensive industry employing 1,50,000 workers and where you spend not more than Rs. 100 per head. This is the type of employment here. It is earning you foreign exchange of the magnitude of Rs. 100 crores a year. You must examine immediately the legal provisions whereby you may, if the final decision goes against you, come out with a proper statute, so that this could be taken care of and distribution may not take place. Anarchy is looming large and a difficult situation has arisen and what has been built over a number of years is sought to be razed to the ground. So, I would request the Government to go ahead with all seriousness in this matter and do not depend on CCI. Send somebody from here to file the case and obtain stay orders.

A ship is now arriving in Cochin harbour with about 8,000 tonnes. The order of the court is that all these 27

petitioners be given 250 tonnes each and out of this 100 tonnes each immediately. So, if they are given 100 tonnes each there will remain only 5,000 tonnes. There are 240 factories and a large number of workers are looking to the arrival of the ship. You are satisfied to tell me that CCI lawyer has informed you and that you are satisfied that CCI will find some solicitor. As for you you will sit in the Chair and watch the game. Is that the attitude of the Government of India? Do you think the CCI will do the job? Government of India has a job to do? I want to know whether Government of India will do the job by amending the statute or, if necessary, come up with a statute which will take care of the future of these workers?

SHRI VISHWANATHI PRATAP SINGH: The hon. Member has very forcefully and in great depth analysed the situation. I very much agree with his analysis of the industry. It is very true that the imported raw cashew is in short supply and to the extent of about 1,60,000 tonnes per year, it does fall short of the installed capacity of the manufacturers, and consequently they are unable to run their factories for the full year. As he says, it is also a labour intensive industry. I will hike the figure of the hon. Member. Not 1,50,000 but 1,84,000 workers are engaged in this industry. It was in this background that the Government of India canalised the import of raw cashew. There was also the export aspect of it. So many buyers in the international market resulted in pushing up the prices of the raw cashew, and this had a crippling effect on the industry itself. It was in this context that the Government adopted the canalisation policy and it was enshrined in the public notice issued on 3rd November, 1973. That 12 per cent would be for export ensured the export angle. The interest of the labourers was ensured by saying that any factory which does not conform to the labour laws and give minimum wages shall not be entitled to import ed cashewnuts.

The two vital interests of the country—the labourers and also the export earnings—was taken care of in the public notice. This had a beneficial effect. And, for the first time, the Kerala Government could revise the minimum wages for the workers of the cashew industry. It also ensured the stability of this industry.

As mentioned by the hon. Member, the export earnings went up. I will not go into the details of the figures. There is no disagreement on this. The figures may a little bit differ. The judgment pronounced by the High Court on writs has left us in an unsettled condition in regard to the policy which we had adopted. The new steps that have to be taken are under way. At this juncture I may assure my hon. friend that there has been no laxity on the part of the Government. As soon as information was received telegrams were sent by Government of India for getting a certified copy of the judgment. While the pronouncement has been made by the court perhaps the actual signatures may not have been made. And we have not yet been able to get the certified copy of it. As soon as the certified copy of it was received, highest legal attention will be paid to it and Government will take steps to ensure that this commodity which is scarce is distributed on a rational basis on which the livelihood of lakhs of workers is based and also our country's export earnings depend. The hon. Member mentioned about the ships that are coming with the cashew. Already allotments had been made—about 5,400 tonnes to Kerala and about 1,350 tonnes to Tamil Nadu and 50 metric tonnes to Karnataka. As we view it, there is hardly any cashew which can be allotted to the petitioners. Since we have not actually received the judgment, we cannot say much further than this. We shall give it the highest legal attention that can be given by us.

SHRI VAYALAR RAVI (Chirayinkil): Mr. Deputy-Speaker, Sir, I fully endorse what my colleague, Shri Ste-

phen has just now said. Also I am glad that the Minister is very much aware of the problem of the cashew industry and the workers. I should pay a complement to the step taken by Central Government. The problem here is that because of the judgment of the Kerala High Court, the cashew workers may suffer and it may make a drain on our foreign exchange position. When everything is in proper shape and when the Central Government has taken steps to implement the new wage policy introduced by Kerala Government, this new problem has arisen. I would only say that Central Government has taken a very bold decision in implementing the minimum wage to the workers. This has benefited about 1,87,000 workers. A public sector corporation also came up and 36,000 workers are working with them. Unfortunately this judgment has come. I fully agree with Mr. Stephen that something should be done on the basis of a constitutional law. I would like the hon. Minister to contest in the court by the experts—Mr. Stephen is a very prominent labour leader in the cashew industry who may get very good awards for the cashew workers—about the public notices which have been declared ultra vires. Sir, now, the question is, whether the Government is in touch only with the CCI or are they in touch with Government lawyers also? But, I think, the Government solely depends on the CCI. The CCI engaged another lawyer. He is the Additional Advocate-General of Kerala. Yet they lost the case. But, my suggestion is, the Government should take the matter very seriously and send some senior lawyers from here. They should send either the Attorney General or the Additional Solicitor General. Some senior lawyers should go from here and defend the case. On this, I would like to have a categorical assurance from the Government. They should take this matter very seriously and send some senior lawyers from here, so that they will be able to argue the

[Shri Vayalar Ravi]

case and remedial measures can be found. Otherwise, this problem will become complicated. There will be a chaos, as Mr. Stephen said. Already, the Port Workers have threatened that they will not allow any ship to come to the Port, nowhere in the Kerala Ports. This will create more problems. The workers have threatened to go on strike. These writ petitions have been filed by a group of small people who are running a sort of a cottage industry, which is called Kudivaruppu in Malayalam—I do not know what is it called in English—where there is no wage, no labour law, no regulation. This is the problem. Anybody can say that he is the exporter and sell it in blackmarket. This leads to lots of malpractices. Government of India channels are importing lakhs of tonnes of cashew nut and giving it a proper shape. I would request the hon. Minister that he should take up this matter and send some senior lawyers. I would like to know from the hon. Minister what other measures he is going to take to regulate the whole thing.

**SHRI VISHWANATH PRATAP SINGH:** Sir, the hon. Member has expressed the same concern which the Government has and I may assure him that the Government does not propose to abdicate its responsibility in this issue. We will not consider this to be an affair of the CCI only. Government will shoulder the legal responsibility on this issue and will go into it in detail. As far as the suggestion of sending some senior lawyers or the Attorney General is concerned, this is a suggestion which will receive the serious attention of the Government and this will be seriously considered.

## COMMITTEE ON PETITIONS

### TWENTIETH REPORT

**SHRI JAGANNATH RAO (Chattrapur):** Sir, I beg to present the

Twentieth Report of the Committee on Petitions.

14.39 hrs.

### STATEMENT RE. ARREST OF MEMBERS

**THE MINISTER OF HOME AFFAIRS (SHRI K. BRAHMANANDA REDDY):** Sir, as directed by you, I seek your permission to state the factual position regarding points raised in this House on the 15th November, in connection with the arrest of Shri Digvijay Narain Singh, MP and Shri Satyendra Narayan Singh, MP. According to information received from the Government of Bihar, Shri Digvijay Narain Singh, MP, Shri Satyendra Narayan Singh, MP and 15 others were arrested at Boring Road, Patna on the 4th November, 1974 at about 12 noon, for violation of prohibitory orders u/s 144 Cr P.C and rule 69 of the Defence of India Rules. It has also been stated by the Government of Bihar that a telegram regarding the arrest of these two Members of Parliament was duly sent by the District Magistrate, Patna the same day i.e. on the 4th November, 1974, but owing to unsettled conditions in the town telegram was not despatched from the Telegraph Office on that day and it was transmitted on the next day. A detailed report about the arrest of these Members of Parliament was subsequently sent on the 6th November to the Hon'ble Speaker by the District Magistrate, Patna informing him that the aforesaid Members of Parliament had been arrested on the 4th November, 1974. The Government of Bihar have also stated that Shri Digvijay Narain Singh, MP, Shri Satyendra Narayan Singh, MP and other persons arrested along with them were produced before a Magistrate on the same day. They were remanded to jail custody and lodged at Phulwari Sharif Camp Jail on the night between the 4th and 5th November, 1974. They were released