

[Shri Gian Chand Totu]

I have never said that nothing has been done. It is my misfortune that there have been some misunderstandings. Likewise, I never said that new schools and colleges should be opened only for Scheduled Castes. On that also, the wording is very clear. It is:

"...by providing new schools and colleges near their homes".

Likewise, my Resolution never suggested that the Commissioner's office should be abolished. My simple aim was to draw the attention of the House to the unproductive expenditure. We take up so many schemes, but most of the money goes towards the establishment charges. My only purpose was that whatever our activities, we know that we have the limited resources. Then, Mr. Om Mehta has said that in the fourth Five Year Plan the allocation was Rs. 450 crores and in the fifth Five Year Plan the allocation is Rs. 455 crores. So there is a sizeable increase. My only point was that if they are diverted in one activity, they will have the desired impact.

Anyway, on account of the sentiments expressed by my friend, I have pleasure in withdrawing my Resolution.

[The Vice-Chairman (Shri V. B. Raju) in the Chair].

THE VICE-CHAIRMAN (SHRI V. B. RAJU): The question is:

"That leave be granted to Shri Gian Chand Totu to withdraw his Resolution."

The motion was adopted.

The Resolution was, by leave, withdrawn.

Resolution re. Ensuring remunerative Prices for Agricultural produce and maintaining parity in prices between agricultural produce and industrial goods

SHRI INDRADEEP SINHA (Bihar): Mr. Vice-Chairman, Sir, with your permission, I move the following Resolution:—

In view of the growing disparity between the prices of agricultural commodities and those of industrial products; between the prices paid to agricultural producers with these paid by the consumers and in the context of the present phenomenon of falling prices of agricultural produce at a time when the cost of agricultural inputs, agricultural taxes, including water rates, electricity charges are rising, this House is of opinion that Government should take immediate steps to—

(i) ensure remunerative prices for agricultural produce and parity in prices between agricultural and industrial goods;

(ii) reduce the margin between purchase and sale price of agricultural commodities to 15 per cent;

(iii) accord priority to poor and middle level peasants in any scheme of State purchases as price support measures;

(iv) levy lower rates of land revenue, water rates, electricity charges, and cess on commercial crops in the case of small and marginal peasants;

(v) take over the wholesale trade in foodgrains and expand state trading in all major commercial crops; and

(vi) nationalise the major agriculture base consumer industries like Sugar, Textile, Jute and Vanaspati.

Sir, while moving this Resolution I wish to make a few preliminary

remarks. The phenomenon of agricultural prices often getting depressed is fairly well known. The agriculturist community, though very vast in numbers comprising nearly 70 to 75 per cent of the total population, is dispersed in lakhs of villages. It is also educationally backward. It is economically backward. It is culturally backward. So, in a country like India, the grievances of this community do not get easily ventilated. On the other hand, the small sector of industrialist class, though it is very small in number, is highly organised. It is settled in the main cities and towns. It has all the levers of propaganda in its hand. It has big money power at its disposal. It wields considerable political importance. So, the grievances of this class are always propagated on an exaggerated scale whereas even the genuine grievances of the poor agriculturist class are not being properly ventilated. So, I would request you, Sir, and through you I will request the House to start with a certain bias in favour of the poor agriculturist, the small and the marginal farmer and the middle level peasants who constitute an overwhelming majority of the population and about whom Gandhi Ji used to say that they are 'Daridra Narain'. Gandhi Ji also used to say that India lives in the villages. So, I would request the House to start with a certain bias in favour of the poor peasant and the middle peasant because they are scattered, they are dispersed, they are not well educated, they are not properly organised and even their genuine grievances do not get aired. Let us not, for the time being, be taken in by the propaganda of the highly organised and vastly powerful industrialist and financial class which controls all the levers of the press and which controls all the organs of propaganda.

My second preliminary remark is that our country was a colony of

the British for over 200 years and we have a big legacy of the colonial past. Now, what was the policy of the British Government towards the rural sector? The British Government considered the rural sector as the potential producer of raw materials for British and Indian industries and potential consumer of factory-made goods primarily from England and secondary from India

So, the basic policy of the British Government was to keep the agricultural prices depressed so as to transfer the earnings of the rural sector to the urban industrial sector of not only this country but also of the metropolitan country, the United Kingdom. And I would plead, Sir, that when we discuss the question of agricultural prices and their relationship with the prices of industrial commodities, we should critically examine how far this legacy of the British rule has been overcome, how far during the post-independence years, a consistent policy, a conscious policy of rectifying the distortions that had taken place during the British rule has been followed and how far such a policy has succeeded.

Thirdly, Sir, I would like to bring to your notice a basic phenomenon of all capitalist societies. Our country is a society which is capitalist in its basic structure. Although we talk of socialism, and very soon, probably, the Parliament will be discussing the question of adding 'socialism' to the Preamble of our Constitution, there is no denying the fact that our country is still far, far away from socialism. What we are having today in India is not socialism but capitalism pure and simple. And, therefore, the laws of capitalist economics apply to our country as they apply to other countries of capitalism in the world. And what are these laws? One of these laws is that the surplus generated

[Shri Indradeep Sinha]
in the rural sector is extracted through the mechanism of trade, through the mechanism of commodity circulation and commodity exchange. This surplus in the rural sector is extracted and transferred to the industrial sector so that what the rural sector produces, the rural sector will not be able to use entirely but a part of the surplus of the rural sector is mobilised for industry for trade, for commerce and for the development of urban life and culture. Long long ago, at the dawn of capitalism, it was Adam Smith, the father of the bourgeois economics who laid down a sort of basic law that if agricultural prices rise, industrial investment will fall. Industrial investment will fall if the prices of agricultural commodities rise. This is an axiom of all the bourgeois economists even today. Even today all the bourgeois economists are of the opinion that rising agricultural prices are not good for the economy, not good for the country, and not good for industrial investment. It was only Karl Marx who laid down the basic economic law of capitalism, it was he who exposed how the bourgeoisie, how the capitalist class transfers the surplus in the agricultural sector to the industrial sector. Marx laid down the law of organic composition of capital. Sir, I do not want to go into the technicalities of this matter but the sum and substance of the Marxist formulation was this that a larger amount of surplus value is generated in agriculture than in industry. But this surplus value is not entirely appropriated by the agricultural capitalists rather a portion of it is transferred to the industrial and financial capitalists.

So, even if the agricultural capitalists are able to raise a large amount of surplus value, the major part of the surplus value is transferred to other sectors and that is done through the mechanism of the market, through the mechanism of commodity exchange.

Now, a fourth preliminary factor to which I would like to draw your attention, Sir, is that in the post-Independence period in our country a big change has taken place in our economy and that change is that monopoly has grown. There was monopoly in the pre-British period but that monopoly which had gripped India and the Indian economy was British monopoly capital, Indian monopoly capital was just beginning to raise its head. But in the post-Independence period Indian monopoly capital has grown enormously so much so that now two monopoly houses, the house of Tatas and the house of Birlas, control about two-fifths of the industrial capital in our country, and about 100 monopoly houses control more than 50 per cent of the entire capital of the country. But I am not talking of only this general monopoly development. In line with this general monopoly development, a monopoly development has taken place in the sphere of commodity exchange and in the sphere of marketing. The small agriculturist who due to his hard labour is able to raise his crop sells his crop to the nearest trader, possibly to the village trader or the trader in the mandi. He is not aware of what happens to his crop after he has sold it in the mandi. But after the peasant sells his crop in the mandi, the crop is in the vortex of capitalist circulation and it passes on from one trader to another and ultimately it is in the hands of the biggest traders or dealers in agricultural commodities, most of whom are hoarders, profiteers or speculators. Sometimes we are faced with peculiar situations. At the time of harvest there is a glut in the market and there are no purchasers for certain commodities and only a few months later when the peasants have sold their stocks there is a scarcity in the market and prices soar high. Take the case of potatoes. Only this year, Sir, in January and February potatoes were selling at anything

between Rs. 8 and Rs. 12 per maund. There were no customers in the market. There were no purchasers. But now potatoes are selling at anything between Rs. 120 and Rs. 150 per quintal. Same is the case with onions. Same is the case with foodgrains. I will come to the question of recent rise in the prices of foodgrains later on. But this general tendency of low prices at the time of the harvest and high prices at the time when the consumer purchases the same commodity is a product of the development of capitalism and growth of monopoly in rural marketing. Now, this leads to vast fluctuations. Agricultural commodities are the only commodities which suffer from such big fluctuations in prices.

Industrial goods have more or less a stable price and generally a rising price, because the capitalist class being better organised and having more powerful levers in its hand, does not allow the prices of these commodities to fall. But the agriculturist class being unorganised, small and dispersed is not able to control the prices of its own products. So, Sir, as I have stated in the Resolution, we are faced today with two types of disparities. Firstly, there is a disparity between the prices of agricultural commodities and the prices of industrial commodities. Secondly, Sir, there is a disparity between the price at which the agriculturist sells his products and the price at which the consumer buys the products. Sometimes the same agriculturist may buy the product as a consumer and he has to pay a higher price as a consumer than the price which he got when he sold his own product. So, our society today is faced with this problem of twin disparities.

Now, Sir, I would like to illustrate the extent of this disparity and how far it has affected our agricultural economy. Sir, according to the statistics of wholesale prices in India as given in the monthly bulletin

for March 1976—I am sorry I could not get the later figures—the prices of food articles fell by about 15 per cent in one year and the prices of foodgrains fell by 25 per cent; of cereals by 25 per cent and pulses by 23 per cent; of fruits and vegetables by 10 per cent and of edible oil, by 36 per cent. But, in the same period, the prices of industrial commodities rose by one to two per cent. So, the Government have been talking of achieving a great success in bringing down the prices. Well, we should be proud of this success if the success is real and if the success has not been achieved at the cost of one class, the majority class in the country, that is, the class of the agriculturists. But unfortunately, the fall in prices that has been brought about is largely at the cost of the agriculturist class, because it is the price of agricultural produce that has fallen whereas the prices of industrial goods are maintaining their old level and even rising a little. Prices of some of the commodities have risen tremendously. For example, electricity price has risen by 10 per cent, rectified spirit has risen by 334 per cent, coke has risen by 18 per cent, coal has risen by 35 per cent, fuel, power light and lubricants, this whole group has risen by 13 per cent. So, I need not go into the details. The essence of the situation is that while the prices of agricultural products have generally declined the prices of food articles have declined most. After that, the prices of raw materials also have declined.

While the prices of agricultural products have generally declined, the prices of industrial products have either not declined or increased a little and in a few cases, increased by a considerable amount. Sir, the hon. Minister, Shri Shinde, is here. I know he will come forward with the pet argument of his department. The pet argument of the Agriculture Ministry is this.

THE MINISTER OF STATE IN THE
MINISTRY OF AGRICULTURE AND

IRRIGATION (SHRI ANNASAHIB P. SHINDE): I will have my own argument.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Why do you anticipate.

SHRI INDRADEEP SINHA: I anticipate because I know his argument.

SHRI ANNASAHIB P. SHINDE: I hope you know the arguments of the Chair.

SHRI INDRADEEP SINHA: The argument is that during the last few years, agricultural prices have risen out of all proportions, that there was a disparity between agricultural and industrial prices and, therefore, this distortion in prices is being corrected. I would agree that there was this distortion. This distortion was not due so much to the agriculturists as to the speculators and the hoarders. I am coming to the point which I have advocated in my resolution that the wholesale trade in foodgrains should be taken over so that hoarders and speculators do not find a suitable soil to operate. There was this distortion; no doubt about it. Due to this distortion, prices of agricultural commodities, particularly in the scarcity years, rose high. But let us take a long-term view. Shri Shinde will say that taking a long-term view, compared to 1961-62, the prices of agricultural commodities show a better term of trade today in relation to the prices of industrial commodities. I will contest this statement for two reasons. Firstly, the, the year 1961-62, which has been selected as a base, was an year when the prices of agricultural commodities declined. There was a slump in the prices of agricultural commodities. In 1958, our Government decided to go in for a massive import of foodgrains under the PL-480 programme. From 1958 onwards, there was a massive import of foodgrains and under the impact of these imports, the prices of agricultural commodities in India

went down. This fact was admitted by an American official, Dr. Louis Herrmann, an official of the Department of Agriculture of the USA, whom Government of India invited to study the whole question of the prices of agricultural commodities in the context of PL-480 imports. Dr. Herrmann came to the conclusion that because of the heavy import of American foodgrains, the prices of agricultural commodities were depressed and agriculture suffered a setback. He said that if these imports had not taken place or if these imports had been only moderate, agricultural production would have increased faster. Sir, this is the opinion, not of a communist or of a kisan sabha worker, but of an American, who is a capitalist to the core, an official of the American Government who was invited by the Government of India themselves to study the impact of PL-480 imports on Indian agriculture. This year, 1961-62, which has been taken as the base year for all the current indices, was an year of depression so far as the prices of agricultural commodities were concerned. This base year distorts all the subsequent indices which the before us. These indices, which the hon. Minister, Shri Shinde, may quote would not disprove my point. They will only show that compared to the depressed prices of 1961-62, subsequent behaviour of agricultural prices was that they showed an upward trend. Beyond that nothing much can be proved. If we really want to go into the question of parity between agricultural and industrial prices, then Government will have to adopt other methods, employ other tools for coming to a correct conclusion.

Now, Sir, I will refer to certain studies that have been recently made in Bihar by a Sub-Committee appointed by the Bihar Government consisting of economists who are teachers in the Patna University.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): You have only five

minutes more. So you may plan your speech.

SHRI INDRADEEP SINHA: I want to continue till five O' clock.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Thirty minutes are given to the Mover; it is actually stipulated.

SHRI INDRADEEP SINHA: Mr. Vice-Chairman, probably I am the only speaker today and this is a vast subject.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): There is another speaker.

SHRI INDRADEEP SINHA: I would request my hon. friend to reserve his speech for the second day. This is a very important subject and I would like a full House debate on this.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): You will have an opportunity to reply also.

SHRI INDRADEEP SINHA: But, Sir, I have to cover more than half the subject.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): That is why I have cautioned you.

SHRI INDRADEEP SINHA: Thank you very much for the caution, Sir. According to a study made by Shri Diwakar Jha, Member, Bihar State Planning Board and a Professor of Patna University—he has gone into the whole question of inputs of agriculture and the cost of living of the agriculturist:—

“With 1971 as 100, prices of pumping sets have increased by 50 per cent, that of tractors by 48.2 per cent, trailers by 41.1 per cent, threshers by 48.2 per cent the overall index for the prices of items of permanent improvement in agriculture has increased by 40.9 per cent.

Overall increase in the prices of agricultural inputs has been 48.1 per cent.”

Similarly, if we go into the cost of the manufactured commodities which the peasant consumes, we get a similar picture.

“Taking 1971 as 100, the price of cloth has gone to 170.3, that is, by 70 per cent, edible oils by 7 per cent, washing soap by 27 per cent, kerosene oil by 48 per cent, sugar by 42 per cent, fruits by 27 per cent. Only salt has declined by 20 per cent but the overall situation is that the cost of commodities which constitute the cost of living of the peasant has increased by 42.8 per cent.”

THE VICE-CHAIRMAN (SHRI V. B. RAJU): In which period?

SHRI INDRADEEP SINHA: Since 1971. Taking 1971 as the base, the cost of cultivation, the cost of agricultural inputs, has gone up by 48 per cent and the cost of living of the peasant has gone up by 42 per cent. So, when we consider the question of agricultural prices we should go into the question of costs. Government have appointed a permanent mechanism—the Bureau of Industrial Costs—and whenever the question of any industrial commodity is raised, the Bureau is asked to study the problem and make a recommendation. Is there a similar bureau for agricultural costs? Honourable Shri Shinde will say that there is the Agricultural Prices Commission.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Five minutes more and that will make it thirty-five minutes.

SHRI INDRADEEP SINHA: Sir, I will request you to give me at least ten minutes so that I could give my proposals.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Other speakers are also there. All right, I give you nine minutes. You will have to complete your speech today because it cannot spill over to the next day.

SHRI INDRADEEP SINHA: All right, I will try.

So the cost of agricultural inputs as well as the cost of articles which constitute the cost of living of the agriculturist, both have gone up roughly by 40 to 50 per cent. Agricultural wages have also increased and we have welcomed the increase because it concerns the wages of the most down-trodden agricultural labourer, which is one point of the 20-point programme. But that has also increased the cost of the agriculturist. So, whereas the cost of the agriculturist has increased, his prices have gone down. And what has been the policy of the Government? On top of this rise in cost, the State Governments have come forward to increase taxes. Land revenue has been increased anything by 50 to 200 per cent in different States. In some States including my State it has been increased in the case of some by 100 per cent, in the case of others by 200 per cent. Electricity charges have been increased by 50 per cent to 100 per cent. Water rates have been increased by nearly 100 per cent. Cesses on commercial crops have been increased. According to a press release by Samachar published in the Financial Express, the total Five Year Plan target for additional taxation by the States was Rs. 2550 crores, i.e. Rs. 510 per year but during the first three years of the Fifth Five Year Plan the Annual taxation of Rs. 1260 crores has been imposed and mostly on the rural sector. So, Sir, while costs have increased, cost of living has increase, taxes have increased, the only thing that has not increased is the price of agricultural commodities. How is it fair? Is it fair that when the cost of everything else is rising only the price of the agricultural product should decline? So my Resolution says that there is growing disparity between the price of agricultural commodities and the price of industrial goods. Secondly, there is growing disparity between the price that the agriculturist

has to pay as a consumer and the common man has to pay as a consumer and the price that the agriculturist receives as a producer. Sir, this year there has been rise in prices, i.e. 6 to 7 per cent since March, but who is the beneficiary? This I want to know. It is not the agriculturist because the rise has come after the commodities were sold out. Take the example of groundnuts. There was a glut in the market. Groundnut prices slumped. Government even exported some quantity of groundnuts. And now there has been a rise in prices and the price of vanaspathi has risen by about 20 per cent during the last two months. I need not go into the details. There is hardly any time but this is the position. Even the Government admits that this rise is speculating and it has not benefited the agriculturist. It has only hit the consumer. So, Sir, I would come to the solution of the problem.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): You have already enunciated the solution in your Resolution. You can read it out.

SHRI INDRADEEP SINHA: I will just say a few words. Now we demand remunerative price for agricultural produce and parity in prices between agricultural and industrial goods. If the Government has no machinery, I would suggest that the machinery be created or the Agricultural Prices Commission may be expanded to include representatives of agriculturists, particularly of the working peasants. Then reduce the margin between the purchase price and the sale price of agricultural commodities to 15 per cent. What is the situation today? The margin between the sale and the purchase prices sometimes is 100 per cent. Wheat, for example, was sold by peasants in Uttar Pradesh at Rs. 80-85 per quintal. The same wheat is selling at Rs. 150 or Rs. 160 per quintal in Delhi today. There is a margin of about 100 per cent. Why should this gap exist?

Thirdly, when Government start purchases, they purchase from big growers only. Possibly, that is more convenient. Possibly, the biggest growers are able to please the officials or propitiate them. But the poor peasant, the middle peasant, the small agriculturist has to wait for days together and when he does not find the officials agreeable to purchase his commodity, he goes to the trader and sell his commodity at a distress price. So this situation should be ended. Whenever there are any purchases made by the Government, priority should be given to the small growers. First their grains should be purchased and only after their grains are exhausted should the grains from the big growers be purchased.

Then, Sir, all these enhancements in irrigation rates, electricity charges and land revenue are sought to be justified on the ground that the rural sector is under-taxed. I would plead, Sir, that this is a mis-statement. It is not the entire rural sector which is under taxed. It is the landlords and the rich peasants in the rural sector who are under-taxed. So far as the ordinary peasant is concerned, he is not undertaxed. Sir, there is an exemption limit in income-tax. But is there any exemption limit in land revenue? Is there any exemption limit in water rates? Is there any exemption limit in electricity charges? There is no such exemption limit. So it is wrong to say that the farm sector as a whole is under-taxed. Only the richest in the farm sector, the landlords and the big farmers, are under-taxed. Now they should be taxed by imposing graded land revenue and graded agricultural income-tax, but relief to the small agriculturists should be given by charging differential rates of land revenue, water rates, electricity charges and cess on commercial crops.

Finally, Sir, I would request the Government to consider again the question of take-over of wholesale

trade in foodgrains. Unless the wholesale trade in foodgrains is taken over, this fluctuation in the prices of agricultural commodities will never come to an end and the consumer will never be assured of a fair price and reasonable supply of commodities without any risk of going to the black-market. And, lastly, Sir, I would request that some of the agriculture-based industries like sugar, textile, jute and vanaspati should be nationalised. I need not go into the merits of this demand. This demand has been raised very often here in this House on various occasions on various grounds. Even recently, the National Jute Company of Calcutta was taken over by the Government. More than a hundred textile mills have already been taken over by the Government; and a number of sugar units have also been taken over. I would only draw your attention to the fact that it is these industries, sugar, jute, textile, vanaspati, which are largely sick. Why they are sick is because their owners are interested only in extracting maximum profits from these industries and thereafter leaving them to their fate. So, if we want to protect the interests of the consumer, if we want to protect the interests of the country as a whole if we want to protect the interests of the economy, it is necessary that these industries should be taken over and nationalised.

Thank you, Sir.

The question was proposed.

श्री रणवीर सिंह (हरियाणा) : उपाध्यक्ष जी, श्री इंद्रीप सिंह जी ने जो प्रस्ताव पेश किया है कि मैं उस का सोलहो आना समर्थन करता हूँ। . . .

उपसभाध्यक्ष (श्री बी० बी० राय) : आज कल तो पैदा है सोलह आना नहीं।

श्री रणवीर सिंह : मैं तो तो पैसे के बक्त के पक्षे पैदा हुआ हूँ। जो तो पैसे के बक्त में पैदा हुए हैं उन को तो पैसे काद

श्री रणबीर सिंह

रहेंगे। आप की आज्ञा से कहना चाहता हूँ
कि अब तो पांच बजने वाले हैं . . .

उपसभाध्यक्ष (श्री बी० बी० राजू) :

पांच बज चुके हैं।

श्री रणबीर सिंह : तो इस लिये अच्छा
हो कि मैं अपनी बात दूसरे दिन कहूँ।

THE VICE-CHAIRMAN (SHRI
V. B. RAJU.: The House stands
adjourned till 11.00 am. on Monday.
The Resolution will be taken up on
the next non-official day for Resolu-
tions.

The House then adjourned
at one minute past five of the
clock till eleven of the clock
on Monday, the 16th August,
1976.