

SHRI M. MISRA: May I ask, Madam, whether any minimum price has been fixed?

SHRI D. R. CHAVAN: That has been mentioned in the Statement.

SHRI N. SRI RAMA REDDY: May I know, Madam, if the Food Corporation is carrying on its operations, particularly etc. there?

SHRI D. R. CHAVAN: No.

SHRI M. MISRA: Madam, in the Statement there is no minimum price mentioned.

SHRI D. R. CHAVAN: The minimum price is mentioned at the bottom. That is the producer's price or what is called the support price which is one rupee below or less than the maximum price statutorily fixed.

SHRI M. M. DHARIA: May we know what are the principles that are adopted while fixing the maximum and minimum prices, and whether some care is taken in order to see that the cultivator gets a remunerative price?

SHRI C. SUBRAMANIAN: As Members are aware, Madam, these prices are fixed on the basis of the recommendations of the Jha Committee appointed to make *ad hoc* recommendations for the purpose of being adopted during the last season. Just now we have appointed the Agricultural Prices Commission also which will go into this matter in detail and make recommendations with regard to the coming season.

SHRI M. M. DHARIA: How long will the Price Commission take in order to bring out its report?

SHRI C. SUBRAMANIAN: I am hoping that for the next *khariff* season before the sowing, it should be possible for us to announce the prices.

SUPPLY OF WHEAT FROM U.S.A.

*571. SHRI SURJIT SINGH ATWAL: Will the Minister of FOOD AND AGRICULTURE be pleased to state:

(a) whether it is a fact that the Government of the United States of America

announced the issuance of a PL 480 authorisation for supply of wheat to the Government of India;

(b) if so, what is the total tonnage of wheat to be supplied; and

(c) what are the terms and conditions of the agreement?

I am the DEPUTY MINISTER in charge of the MINISTRY of AGRICULTURE AND ANIMALS. (SHRI D. R. CHAVAN): (a) Yes, Madam, under PL 480 agreement of 30th September, 1964 as amended on 11-12-64.

(b) The agreement provided funds for the import of about 4 million tons of wheat during the period July 1964—June 1965,

(c) the following are the main terms and conditions:—

(i) The cost of the commodity payable wholly in rupees.

(ii) Freight for 50 percent of the commodity required to be shipped in U.S. flag vessels is payable in rupees at the freight rate applicable to non-U.S. flag vessels.

(iii) The rupee funds accruing on above account are to be used. Broadly speaking, towards:

(a) U.S. expenditure in India.

(b) Loans to the Government of India, for economic development purposes etc.

SHRI SURJIT SINGH ATWAL: May I know the price of this wheat in India, the total cost for importing into this country and the price at which it is sold to the consumers here?

SHRI C. SUBRAMANIAN: Madam, recently we have announced that Rs. 48 would be the issue price for the consumer. I am sorry I do not have the figures immediately with regard to the actual cost at the port of arrival.

SHRI GOPIKRISHNA VIJAYARATNAM: In answer to part (c) of the

question it is said that the funds could be utilised for expenditure by the United States of America in India. Can the Government have any knowledge of the type of expenditure, secret or open, incurred by these people?

SHRI C. SUBRAMANIAM: They can spend only on the basis of agreements which exist already.

SHRI C. D. PANDE: Since we have made an agreement for the import of four million tons of wheat from the United States of America under PL-480, it means that the price will be paid in rupee currency. As we need more wheat. May I know whether it was not possible for us to negotiate with the United States of America to give us more wheat so that we may be spared the necessity of having to pay for wheat imports in sterling or in other currency?

SHRI C. SUBRAMANIAM: It is not possible because this agreement also contemplates the usual commercial transactions which we were having before. That is a condition precedent before wheat is given under PL-480. We cannot therefore avoid purchases in the open market to a certain extent by paying sterling or other currency in which such purchases are made.

With regard to the further quantities, this agreement is only for the period July 1964 to June 1965 for four million tons. We had a balance of 7.5 million tons under the previous agreement and so now we would be importing not four million but 6.5 million tons.

SHRI B. K. GAIKWAD: May we know the purchase price per ton in the United States, the sale price per ton here and the freight charges per ton, approximately?'

SHRI C. SUBRAMANIAM: I said I would not be able to give these figures immediately but I can give them later on.

SHRI B. K. GAIKWAD: It may be difficult to give the transport charges which may be given later on but at least he must be in a position to let us know tin-

purchase price per ton in the United States of America and the selling price per ton in India.

SHRI C. SUBRAMANIAM: That is what I said. These figures I can give later on if hon. Members are interested. I do not have them immediately.

SHRI BHUPESH GUPTA: When the agreement was signed, we were told that it would not be repeated and that we would overcome the dependence on imports under PL-480. May I know. Madam, whether Government have reviewed this whole matter in order to reduce import instead of increasing it, and secondly, may I know what they are going to do with regard to the rupee counterpart funds that are accumulating—whether any revision is being sought by the Government in order to see that these funds are not used exactly in the manner in which they are being used?

SHRI C. SUBRAMANIAM: No doubt we expected that it would be possible for us to decrease or to give up imports under PL-480 during the coming years when we signed the first agreement. That depended on agricultural production here. For the last three years, there was stagnation and hence greater requirements and that is why we had to step up imports instead of decreasing imports. For the future years also, it would depend upon the tempo of agricultural production. We are hoping to increase the tempo of agricultural production so that our dependence on imported wheat may be less.

With regard to the other point about the rupee-counterpart funds, he should put a question to the hon. Finance Minister.

SHRI A. D. MANI: Arising out of this question, Madam, may I ask whether there is any possibility in the next two or three years of reducing this humiliating dependence on the United States of America for our daily food or does the Minister expect that the import of food-grains under PL-480 will continue beyond this term and for more than this quantity of four million tons?

SHRI C. SUBRAMANIAM: We are just now negotiating for the next two years and I am afraid we will have to import larger quantities during the next two years.

SHRI BHUPESH GUPTA: That is what we thought.

SHRIMATI SHAKUNTALA PARANJPYE: Madam, I would like to know whether the Government keeps any surveillance at all to see that land under foodgrains is not taken over by the cash crops?

SHRI C. SUBRAMANIAM: That is a completely different question.

SHRI SITARAM JAIPURIA: Certain quantities of wheat to be imported under PL-480 could not be imported due to the port strike in the United States of America. May I know the exact quantity that we have thus lost because of the port strike in the United States of America?

SHRI C. SUBRAMANIAM: There has been no loss. There has been delay in arrival, that is all.

SHRI BHUPESH GUPTA: I should like to know from the hon. Minister whether he is consciously aware of the fact that these large imports under PL-480 and the availability of such imports from the United States of America have resulted in or have contributed to stagnation in production because Government themselves, instead of carrying out land reforms and improving agricultural production to the extent it is desired, always rely on these imports. I want to know whether the negative consequences, economic and otherwise, especially in regard to production, have been taken into account while considering proposals for fresh agreements and so on.

SHRI C. SUBRAMANIAM: If the hon. Member thinks that hunger and starvation would be the motive force for greater production . . .

SHRI BHUPESH GUPTA: No. no.

SHRI C. SUBRAMANIAM: ... he may be right. Perhaps from the Communist

point of view, that may be the motive (*Interruption*) but from . . . Let me answer the question.

SHRI D. L. SEN GUPTA: I have one question. Madam.

SHRI C. SUBRAMANIAM: As far as we are concerned, we do not think the import of wheat is likely to depress production. As a matter of fact, production this year is estimated to be of the order of eighty to eightyseven million tons in spite of the increased tempo of imports from the United States of America.

SHRI D. L. SEN GUPTA: May I know whether it is a fact that in the first deal with America under PL-480 we did not bear any charges for freight? If that is so, why is it that now we are to bear fifty per cent, of the freight charges? If the answer is in the negative, does it indicate that we are really bargaining from a point of disadvantage and that the American Government is taking advantage of our helplessness?

SHRI C. SUBRAMANIAM: Madam, we have always borne the freight charges and whether they should be payable in dollars or in rupees is a matter for negotiation when we enter into fresh negotiations.

SHRI D. L. SEN GUPTA: I am on the question of freight charges.

SHRI C. SUBRAMANIAM: The answer to part (c)(ii) is:

"Freight for 50 per cent, of the commodity required to be shipped in U.S. flag vessels is payable in rupees at the freight rate applicable to non-U.S. flag vessels."

We pay the freight charges and the question is only this: In what currency is fifty per cent, of such charges to be paid and in what other currency is the other fifty per cent, to be paid. That is all. We have always been paying the freight charges.

SHRI G. RAMACHANDRAN: The question asked by Shrimati Shakuntala Paranjpye is very important, whether more and more land which till now grew food-

grains are not being covered into growing cash crops.

THE DEPUTY CHAIRMAN: What is the question?

SHRI G. RAMACHANDRAN: The Minister himself said somewhere, I do not remember where but he said somewhere that tobacco itself was taking away land from foodgrains. Is he paying any attention to this? Is he doing anything to stop this kind of thing happening more and more in this country?

SHRI C. SUBRAMANIAM: I am not denying the importance of this question but I said that this would not arise under this question because it relates to a completely different question altogether.

WHEAT PROCUREMENT POLICY

572. SMH M. C. SHAH: Will the Minister of FOOD AND AGRICULTURE be pleased to state:

(a) whether the Union Government's wheat procurement policy has been finalised;

(b) what is the target fixed for wheat procurement; and

(c) whether the wheat Zone system is to be continued?

THE DEPUTY MINISTER IN THE MINISTRY OF FOOD AND AGRICULTURE (SHRI D. R. CHAVAN): (a) to (c) The wheat policy to be followed by Government during the current crop year has been discussed between the Government of India and the Governments of the principal wheat producing and consuming States. A final decision in the matter has not yet been taken.

SHRI M. C. SHAH: In view of the fact that the Government is intending to store huge quantities of wheat and rice may I know whether the Union Government has Hiring facilities in the various States to keep the stocks in good order?'

SHRI D. R. CHAVAN: Yes, Sir.

SHRI BHUPESH GUPTA: When the Food Corporation was brought into existence we were promised that about three million tons would be bought by the Food Corporation and that wheat also would be included in it although there was no firm commitment. May I know the reason why the Government is not deciding as to the quantity of wheat they propose to buy through the mechanism of the Food Corporation and if a decision has not been taken, what are the reasons for the delay in this matter and is the Government aware that a quantity of three million tons of marketable surplus is there and that is falling into the hands of the profiteers and so on?

SHRI C. SUBRAMANIAM: Three million tons is with reference to rice. Madam. As far as wheat is concerned, the harvest is yet to come. We have had discussions with the Chief Ministers and very soon we intend to take a decision: before the end of this month or in early April I hope we will be able finally to take a decision.

SHRI M. C. SHAH: May I know on what basis the prices will be fixed for the various varieties of this crop and whether the State Governments will be consulted before the prices are decided upon?

SHRI C. SUBRAMANIAM: Even before the sowing season we have declared certain support prices with regard to the various varieties. Red variety Rs. 45—50 per quintal; common white Rs. 49—50 per quintal; superior variety Rs. 53—50 per quintal. In terms of maunds it will be Rs. 17, Rs. 19 and Rs. 20 per maund. This is only support price. What should be the maximum price and whether any maximum price should be fixed, is all under the consideration of the Government, and we hope to take a decision in regard to that very soon.

SHRI K. K. SHAH: May I know whether the zonal system is accepted as a temporary expedient or whether it is accepted as a policy?

SHRI C. SUBRAMANIAM: Madam, that matter is under consideration but I had