

NOTIFICATIONS UNDER SUB-SECTION (2) OF SECTION 11 OF THE SALARIES AND ALLOWANCES OF MINISTERS ACT, 1952.

THE DEPUTY MINISTER FOR HOME AFFAIRS (SHRI B. N. DATAR): Sir, I beg to lay on the Table, under sub-section (2) of section 11 of the Salaries and Allowances of Ministers Act, 1952 a copy of each of the following Notifications making certain amendments in the Ministers' Travelling and Daily Allowances Rules, 1952:—

(i) Notification S. R. O. No. 239, dated the 13th January 1954.

(ii) Notification S. R. O. No. 901, dated the 15th March 1954.

[Placed in Library, see No. S-310/54 for (i) and (ii)].

MANIPUR STATE HILL PEOPLES (ADMINISTRATION) REGULATION (AMENDMENT) BILL, 1954

THE MINISTER FOR HOME AFFAIRS AND STATES (DR. K. N. KATJU): Sir, I beg to move for leave to introduce a Bill to amend the Manipur State Hill Peoples (Administration) Regulation, 1947, for the purpose of making provision for elected village authorities and for matters connected therewith.

MR. DEPUTY CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to amend the Manipur State Hill Peoples (Administration) Regulation, 1947, for the purpose of making provision for elected village authorities and for matters connected therewith"

The motion was adopted.

DR. K. N. KATJU: Sir, I introduce the Bill.

MR. DEPUTY CHAIRMAN: The Bill is introduced.

RESOLUTION RE ENHANCEMENT OF EXPORT DUTY ON RICE

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): Sir, I beg to move the following Resolution:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934) the Rajya Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry S.R.O. No. 2454, dated the 24th July 1954, by which the export duty was enhanced from two annas and three pies per maund of 82 $\frac{2}{7}$ lbs. to 20 per cent. *ad valorem* on rice, husked and unhusked, including rice flour but excluding rice bran and rice dust, which are free, with effect from the date of the said notification."

Sir, I should say at the outset that it is with very great pleasure that I am moving this Resolution because apart from the fact of the increase of export duty—that question is arrived at by a simple formula that whenever we export any commodity we find that there is a disparity between the internal prices and the external prices and we take an opportunity to mop up the difference which is left over after making a reasonable allowance for the interests concerned and in this case we have calculated that the additional export duty will be a reasonable duty to be imposed on rice going out—that question is simple enough as I said because the internal rates are there and the foreign prices are there and it is so easy to calculate. I anticipate naturally that there might be some little discussion on the merits of the question itself because this question has not been debated in this Sabha and naturally, the propriety or otherwise of allowing the export of rice at this juncture is likely to crop up and therefore it is that I began by saying that it really gives me great pleasure to speak on this subject.

Sir, in a country like ours, which has seen fluctuations in matters of food

[Shri D. P. Karmarkar.]

supplies, it is natural that any attempt at export of a food commodity should raise in some minds sometimes a little apprehension, but, Sir, any study of the figures that we have got with us and which are here available to everyone interested should really make us satisfied with the present position. I find for instance, as hon. Members know, we have always been an importing country so far as rice is concerned. To a little extent so far as rice of finer varieties is concerned, we were also small exporters. Now, as I find from the figures, not delving back earlier than 1947-48, I find in 1948, for instance, we imported 867,000 tons of rice; in 1949, 767,000 tons; in 1950, 353,000 tons; in 1951 the figure rose again to 749,000 tons. So the average for the 5 years ending with 1951 was this, that we were net importers to the extent of 644.2 thousand tons. In 1952 our requirements were a little more than the average but less than in 1951 and that again was 722,000 tons. In these years owing to the G.M.F. campaign our food position was improving gradually and definitely and as against the import of 722,000 tons in 1952, we imported in 1953 a very small quantity, i.e., 175,000 tons, plus 15,000 tons on a replacement basis. So we see the difference in the food position, which has been improving. It is just likely that the recent floods may blur our vision. At the present moment, our position so far as rice is concerned, as regards production also, I should say, is quite satisfactory. During 1953-54 India had an all time record production of 27.1 million tons of rice as against 22.5 million tons in 1952-53 and 21.6 million tons which was the average of five years' production ending 1951-52. The production this year, therefore, was higher than last year by 46 lakh tons. The exportable surplus can be determined by the fact that last year when the production was only 22.5 million tons we imported only 1.9 lakh tons of rice.

As a result of the increased production Government have been able to

build up a sizeable reserve. On or about the 21st August 1954, 12.3 lakh tons of rice were held by the Government. Another 7 lakh tons were expected from Burma against the contract recently made with them for the purchase of 9 lakh tons of rice. In view of the comfortable supply position of rice, it has once again become possible to re-establish the old pattern of trade and permit some quantities for export. As my esteemed colleague has told the other House, we are organizing for the export of only about 200,000 tons of rice as against 19.3 lakh tons which we hold. We expect at best to be able to export about 2 lakh tons and no more. It is easy to exaggerate this. I will come to that later. The import of rice from Burma which is of the common variety has been arranged only in order to enable us to build up a central reserve and is not an indication of any shortage of supplies. In any case, the large proportion of our exports, if they materialized, would only be of the superior variety of rice.

Sir, as I said a moment ago, when announcing the export policy no ceiling has been announced, but it is intended to allow about 2 lakh tons of rice for export. This figure is based on our pre-war average export. In view of the fact that no ceiling has been announced, it is open to Government to stop further sales of rice for export, if that is considered necessary at any time. Exports are only permitted through the ports of Bombay and Calcutta. Our information was that Madras has not over-much surplus of rice. In view of the fact that only a limited quantity of superior variety of rice is available in the South, exports through the port of Madras and other ports in South India have not been permitted. It was apprehended that if exports were permitted, the consumer might be deprived even of this small quantity at present available.

So, as I said at the outset, the export duty is naturally calculated on the internal and external price. Prior to

the 24th July, export duty on rice was only two annas and three pies per maund

PROF G RANGA (Andhra) How much?

SHRI D P KARMARKAR Two annas and three pies—I thought the hon Member knew it. At the time this decision was taken to allow export, it was feared that any quantity released for export, when the gap between the internal and external price was wide, might set in train an inflationary movement in prices. It was therefore decided to release only a small quantity for export and at the same time mop up the difference between external and internal prices so that the internal price level does not rise unduly. The price of exportable fine rice, according to our information, excluding super-fine of Dehra Dun, etc., ranges between Rs 20 and Rs 30 per maund. That in terms of pounds sterling means £40 to £60 per ton. According to indications received from our Embassies abroad, our average fine variety of rice was expected to fetch only about £60 to £65 per ton f o b Indian ports, whereas it was possible that there may be some demand for the better varieties, such as, West Bengal Patnai raw super, even at £70 per ton. It was, therefore, considered that a duty of 20 per cent *ad valorem* was justified as that would leave only a reasonable margin of profit for the trader.

The internal price of coarse rice ranges between Rs 14 and Rs 17 per maund which would be equivalent to £28 to £34 per ton f o b Burma. Sir has been selling its rice at £50 per ton and Pakistan at one time had offered similar quality of rice at £40 per ton. The world prices are at present on the downgrade. It is therefore, considered that with the duty of 20 per cent *ad valorem* our coarse rice would just be able to compete with Burma, Thailand and Pakistan in the foreign markets.

I may also inform the House that though we have allowed these export quotas since 24th July 1954, exporters

have been asked to register their sales with Export Control Authorities so that no sooner the ceiling of 2 lakh tons is reached, further exports could be stopped. Up to the 31st of August 1954, the House may be interested to know, the sales registered at Calcutta amount to 37,330 tons and those at Bombay come to 5,500 tons. So it will be easily seen that there is no rush for export of this rice. Shipping bills had been passed for 50 tons at Calcutta and 201 tons at Bombay, but so far only 21 tons have actually been shipped through the port of Bombay.

So, Sir, this is the position underlying the Government's decision as also this Resolution. As I said a little earlier knowing the difficulties through which we have had to pass, the natural reaction is always to shrink from any possibility of a recurrence of what happened before. But the general trend of things will be better appreciated now. The world production of rice during the last two years has been on the increase. The position now is much easier and it is now a buyer's market more than a seller's market. We know of things as they existed a year or two ago. Now we know that some of the exporting countries are anxious to liquidate their stocks. In any case, in respect of a commodity like food it is always better to be progressive in the movement of that commodity, in the sense that it is no use hoarding or holding it back when there are indications that there might be an advantage in allowing it to move. We hold large stocks, as I said, for any possible deficit. Our needs are not large. My hon friend Mr Valiulla was asking questions about Bihar and other places. Well the Food Minister is a better authority on that point and I have learnt from the Food Minister his views and these he has also stated in public. He himself has visited all the areas of Bihar, Bengal and the other areas affected and he has stated recently that he is quite confident that with his resources at his disposal, he will satisfy all the requirements of the country and also something more.

SHRI S N DWIVEDY (Orissa). What about the drought areas?

SHRI D P KARMARKAR Drought areas also included Drought and floods, they are twin brothers. Sometimes there is drought and sometimes there are floods. My esteemed colleague the Food Minister, I might say, has

SHRI B M GUPTE (Bombay) What is the percentage of the production in those areas which are affected by the floods?

SHRI D P KARMARKAR Sir, I would require notice to answer that. I was on the point that the Food Minister who is the best informed on the matter and who is naturally anxious to see to it that the country does not suffer from any dearth of foodstuffs—and he is the best authority on the matter—has made this statement. The improvement in the food position in the country has resulted not only in the satisfaction of the country's needs, but it has done something more. Sir, in a country like India where food becomes a basic economic necessity, when the food position is easy, then the whole economy brightens up. We have not much industrial production which we can export, as countries like the United Kingdom can. In fact, the United Kingdom had to rely for a very long period of time for its food requirements on other countries and they could balance their imports of food by the huge exports which they could make. But we with our limited industrial production and for the time being limited possibility of the export of our industrial production cannot do that and we have, therefore, to look upon the food problem as a very important problem. We realised this and we can see what the country has been able to achieve in connection with the food position. Thanks to the farmers, thanks to the improved methods of production, thanks to the way in which action has been taken and the way in which the question has been handled so adequately by which hoarding is no longer fashionable nor profitable.

SHRI RAJAGOPAL NAIDU (Madras) Thanks to nature also.

SHRI D P KARMARKAR Yes, thanks to nature also, and thanks to the kindness of Members of Parliament also and thanks to everybody. Sir, I was not in a joking mood when I said that, for I do believe that public opinion can be a great buoyant as also a depressing factor.

I am prefacing this debate with these remarks because any sense of depression with regard to the food position will not only affect the food position but will also affect the general toning up which has resulted in our country in the general economic condition of the country as a result of our satisfactory food position.

SHRI S N DWIVEDY Complacency also is dangerous.

SHRI D P KARMARKAR Yes, complacency is dangerous and I would warn my hon friend against any sense of complacency about the truth of his own views or superstitions because that sort of complacency is the greatest evil as, in my opinion, it can hit our country very hard.

Well, I would only add that this need not cause any mood of depression, just because out of our 19 lakh tons of rice we are going to export a few lakhs and

SHRI BASAPPA SHETTY (Mysore) What are the countries to which our rice is exported?

SHRI D P KARMARKAR As I said, only 21 tons have actually been shipped.

SHRI BASAPPA SHETTY To what outside countries does it go?

SHRI D P KARMARKAR I would require notice to answer that, Sir.

SHRI GOVINDA REDDY (Mysore) What will be the position of the price of rice in India?

SHRI D P KARMARKAR That is a rather relevant question put by my hon friend Shri Govinda Reddy who

always puts relevant questions. Certainly that is a very relevant point. But what do we propose to do? Out of the stock that we hold, we would export the superior variety of rice. The superior or the finer quality of rice will be exported and that will not affect the price of the other qualities of rice in the country. And after all, it is in the interest of the country itself to see to it that the prices are neither too much depressed nor are they raised too high. Let us judge this proposition from the broad principles. Suppose, as an individual, I hoard 19 lakh tons of rice with which I do not know what to do. For the time being, say for this year, it is quite sufficient, maybe for the next year also it is a good provision. But I know also that the world is producing more and more rice. Countries like Spain and Italy are producing more and more rice. We know the conditions in Burma. We know the conditions in Thailand. Knowing all this and knowing that they are anxious to sell their rice, will I be a prudent man if I clutch to that rice I have, for which I have no use? Or shall I put it out in the market and make the life-blood of the country flow freer and establish conditions of normality especially when it will not have the least effect on the country's food position? I feel it will tone up the general feeling in the country, for they will say, "Look here. Our position is like this. We need not be nervous about our food position. We need not be nervous about our rice supplies. We need not get imports and we have every reason to face the future with courage and confidence." It is in that view that I want the House to consider this question, not from any small point as to whether a particular district or a particular tehsil is lacking in rice, but whether, by and large, there is any reason for diffidence in connection with this proposition.

Sir, I have indulged in these remarks because I thought this might help to clarify the position with regard to the merits of the proposition.

As regards the duties, I think there will be no difference of opinion on that, for ultimately, it is a matter of mere calculation.

Sir, I move.

MR. DEPUTY CHAIRMAN: Resolution moved:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Rajya Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry S.R.O. No. 2454, dated the 24th July 1954, by which the export duty was enhanced from two annas and three pies per maund of 82 2/7 lbs. to 20 per cent. *ad valorem* on rice, husked and unhusked, including rice flour but excluding rice bran and rice dust, which are free, with effect from the date of the said notification"

PROF. G. RANGA: Mr. Deputy Chairman, this Resolution has come as a very great surprise to me. For some time past some of us have been wondering what the Government was going to do to protect our farmers from any undue or sudden or uneconomic fall in prices of rice and wheat, in view of the fact that production has gone up and is likely to go up further. Some time ago we were told by the hon. Food Minister that Government were busy considering ways and means by which they could stabilise the prices of agricultural products, especially food products. They have not given us any information on that count, either today or in the past. On the other hand, as soon as there is some prospect of some demand from other countries for our rice, the Government, through the Ministry of Commerce and Industry hastens to bring forward this Resolution for the ostensible purpose, as my hon. friend has himself stated today, of preventing any prospect of our internal price level going up in the light of the possibility of exports to other countries. My hon. friend is very eloquent—and he may be very

[Prof. G. Ranga.]

eloquent also even when the case of the Government is very weak; only he makes it a little more palatable than what many other Ministers are able to do—but he has not disguised this fact that there might possibly be a gap between the export price parity for rice and the internal price parity. If there were to be that gap and if it were to be allowed to go on growing then there is the likelihood of our own consumers here suffering. Therefore, this Government has, primarily, before itself the interests of the consumers. I have no objection; no producer of food grains in this country has ever had objection to the consumers being benefited provided the farmers themselves are not injured thereby. What has been the policy of the Government and its conduct during the last seven years? Indeed, even while Mahatma Gandhi was alive, he had reason to protest against this tendency of the Government, a tendency, which they had themselves inherited from the previous Government, of always favouring the consumer, and especially the urban consumer, preferring his interests to those of the agriculturists and of the rural people. They might plead that they made no innovation and that they were only continuing an earlier policy but this Government is a different Government, run by a Party which is wedded, by its own manifesto and its own professions, to the policy of not doing any harm at all to any one interest first of all, and if it can possibly favour any class of people at all, it would favour the agriculturists and the rural interests. That has been their policy, avowed policy, but most unfortunately, in their practice they belie their own professions. This is how they behave by continuing the imposition of the controls which were initiated by the British during the War. My hon. friend wanted to distribute his meed of praise as between the various classes of people, including nature also, for the fortunate position we find ourselves in in regard to the supplies of food grains but he very ably—I would not use the word clever-

ly—skipped over this particular point of how this country was made to suffer during that prolonged period of controls, how it was, according to the Food Ministry—which according to him is the best informed authority so far as this Government goes—that we were suffering from terrible depression, terrible deficits in our food production. But suddenly, Sir, no sooner were these controls removed than the country is supposed now to be faced with surpluses. The surpluses are not entirely due only to the favourable season that we had last year. He admitted one other point also and that was the disgorging of all these hoards or the dispersal of these hoards. Why did these hoards of food grains take place at all? They took place directly because of these controls. Their own statistics also went wrong. The hon. Prime Minister himself had to admit here that no less an authority than Professor Mahalanobis made some enquiries and came to the conclusion that their own figures were wrong by nearly 20 per cent. and that, therefore, they suddenly came to the conclusion that there was a deficit in the country in food grains. For all these troubles, we have to thank my hon. friend and his predecessors. I am not prepared to condemn him now and then say that if there is to be nothing good here in this Resolution, this Government should be dismissed and that this Resolution should be thrown out. That is not my attitude but we have to see what is the motive power behind this, the very main motive behind this Resolution. Why have they hastened in this manner? Why were they so very quick to issue an Ordinance and then come to this House with this Resolution waxing eloquent? Why is it that this Government has been so very slow in coming to the rescue of our own agriculturists? What is it that my hon. friend wishes to assure today to our own agriculturists? If and when prices fall—and they have come down in recent months: in certain districts they came down by 40 per cent. and in certain areas they came down by 20 per cent. —what do they intend doing? In those

cases what did the Government of India do to come to their rescue? What do they propose to do today to stabilise the prices at least at the procurement level which they themselves have fixed and against which we had to agitate for so long because they were not economic and would not help our growers to realise remunerative prices?

Coming to the specific point which my hon. friend has mentioned, that these exports would be allowed only from Bombay and Calcutta and not from Madras, I would like to know to what extent this has been due to the fact that his Ministry has suddenly become aware of the special needs of Madras. I would have expected that they would have been careful and conscientious and would have seen to it that no charge of discrimination could ever possibly be laid at their door merely because they happen to be in charge of this Ministry. They seem to be entirely careless; I do not know the reason—they know the reasons best—but one thing I do know. If there are to be surpluses, surpluses are there in the South as well as in the North; and, indeed, in the South to a greater extent than in the North. As everybody knows, Bihar, at best, may possibly be able to feed itself—and no more—so far as rice is concerned, in view of the present circumstances, most lamentable as they are; so is the unfortunate position of West Bengal. In U.P., the position cannot possibly be any better than in the other two States. There cannot possibly be much scope for exports from these areas, and all that the Government of India can possibly do in a constructive manner, with the aid of their own resourceful Food Minister, is to help these three or four States including Assam, to be self-sufficient in the matter of rice. Wherefrom are they going to get this rice to be exported through Calcutta? Possibly from a portion of Orissa but another portion of Orissa is nearer to Vizag.

SHRI D. P. KARMAKAR: 'Nothing can come from Orissa': that is what he says.

SHRI GOVINDA REDDY: They may take it from Orissa to Calcutta.

PROF. G. RANGA: Yes, but then there is the question of freight charges, my hon. friend, which is just what my hon. friend has very cleverly calculated so that it would not be possible for Guntur rice or Srikakulam rice or Vizag rice to be sent all the way by road or by train to Calcutta and then shipped. I am told, and it is true, that Tamilnad is not self-sufficient in rice.

THE MINISTER FOR FOOD AND AGRICULTURE (SHRI RAFI AHMAD KIDWAI): Who said that?

PROF. G. RANGA: You said so; your Government said so and that is why you have allowed exports from Andhra to Tamilnad.

SHRI RAFI AHMAD KIDWAI: Then what?

PROF. G. RANGA: What? You allow export from Andhra to Tamilnad merely because.....

SHRI RAFI AHMAD KIDWAI: I think the hon. Member knows that export from Tamilnad is also allowed today to Andhra.

PROF. G. RANGA: It will be allowed; of course, anything is possible provided there is surplus to be handed over to Andhra; actually, there is surplus in Andhra and that is being handed over to Tamilnad.

SHRI RAFI AHMAD KIDWAI: Yes.

PROF. G. RANGA: And Tamilnad will have to be thankful to my hon. friend for getting it at a cheap rate. I have no objection to that but they have to remember this that by preventing any export from Madras even to the extent of this ceiling of two lakhs of tons—it is only a symbolic thing—they would not be doing a good turn either by the consumers of Tamilnad or by the producers, particularly the producers of Andhra.

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Now, I am not feeling satisfied on this particular point. If there have to be exports, let there be; I am not so much opposed to export. My hon. friend Mr. Karmarkar was arguing at length about the duties on exports, and the need for exports. Who objects if there are other countries who are willing to purchase our rice and we are able to spare it? We would certainly allow it to go. We do not want that it should not be exported and it should rot here. We are agreed on that point and if there were to be exports—and according to him we hold more than 21 lakhs on our hands and there is no risk at all in this country and we can afford to export—very well, if that is so, then include Madras also.

SHRI RAFI AHMAD KIDWAI:
Why?

PROF. G. RANGA: Why should it be excluded? Don't be so pedantic as all that. The Government has got to be reasonable. Now why have they included Bombay? Is it a surplus State in rice or in wheat? Then why have you included Bombay? I want to know. Wherefrom do you expect rice to go to Bombay? Not from the Bombay State. Possibly from Madhya Pradesh. That is...

SHRI RAFI AHMAD KIDWAI: And also from Andhra.

PROF. G. RANGA: That is very problematical. Surely not from Rajasthan anyhow. There seems to be no reason behind it. My hon. friend said, "And also from Andhra". Let him calculate the railway freight. I would challenge him to prove that it pays to purchase rice there in Andhra and then sent it to Bombay and then from there export it. This is a childlike manner in which this thing is sought to be tackled, which does not do any credit to my able colleague and friend here who is sitting on the other side of the House.

In conclusion I want to put in a very strong plea in favour of what my friend, Mr. Kidwai, himself is credited with having said, that there should be stabilisation of prices for these food products. I do not know, he is so quixotic in his ways that he might possibly say now, "No, I have not said so". Anyhow I want confirmation. Therefore he was in favour of stabilisation of prices and I take it that he is in favour of stabilisation of prices and it would have been quite a good case if he had come forward along with this Resolution with a definite proposal, with a definite assurance to this House that he has got such a proposal, and a practicable one, which is going to be implemented very soon without any delay at all, a proposal as to how he seeks to stabilise the prices for our own agricultural produce of this country so that the interest of the agriculturists would be safe and they would have no fear at all on that score and they can go ahead with their main business of producing more and more of foodgrains as well as other things, oil-seeds and other agricultural produce. Until and unless the Government comes forward with such an assurance of such a proposal the agriculturists will be in constant fear, and I am sure, Sir, if any Minister were capable of taking a bold step in that direction in that manner, I feel sufficient confidence that Mr. Rafi Ahmad Kidwai alone is capable of doing it. But just to displease me, he may say, "I am not capable of doing it. Therefore I am not going to do it". He is that sort of a person. Nevertheless I would request him to take it up and thus make good the confidence that people like me have come to feel in the manner in which he has been administering this Ministry and tackling this problem.

PANDIT S. S. N. TANKHA (Uttar Pradesh): Mr. Deputy Chairman, I support the Resolution before the House, but I do not do so on the grounds which the hon. Minister for Commerce and Industry has advanced, but on entirely different grounds.

The hon. Minister for Commerce and Industry in asking for the approval of the House for raising the export duty on rice from two annas three pies per maund to 20 per cent. *ad valorem* has stated that it is the desire of the Government to promote export of 2 lakh tons of rice from the ports of Bombay and Calcutta in order to re-establish old contacts with the foreign markets which had been disrupted because of the last world war and later because of the shortage of rice in the country. The hon. the Commerce Minister has further informed us that during the year 1953-54 there was a record production of 27·1 million tons of rice as compared to 21·6 million tons which was the average for the five years ending 1951-52 and 22·5 million tons in 1952-53. The hon. Minister has also informed us that the stock of rice with the Government of India as on 21st August 1954 is 12·33 lakh tons excluding the 9 lakh tons contracted to be taken from the Government of Burma which thus makes the total of reserves with the Government as 21·33 lakh tons, after the receipt of the Burma rice. But, Sir, it must be noted in this connection that the hon. Minister has not informed us as to what is the average annual consumption of rice in the country and unless we know that figure it is not possible for us to come to the conclusion whether or not it would be safe for us to allow any export outside the country. And, Sir, in the absence of that information it is difficult for us to assess as to whether the interest of the security of our food position in the country allows us to export the quantity asked for by the Government.

The hon. the Food Minister, Sir, for whom I have the greatest respect and who has undoubtedly done marvels in the matter of food position in our country and to whom we are deeply indebted for having removed the food controls in our country, has assured the other House some days back that the stock of rice in the country to meet our internal demands is adequate. And, Sir, I have full faith in his word,

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but looking to the magnitude of the disaster through which the country is passing at this moment it is difficult for me to think that the Government of India is in a position at present to assess the actual food loss which has occurred in the country and what would be our food position in the year to come, and as such I am definitely of the view that no export of rice should be allowed outside the country until we have had a clearer picture of the whole food situation, not only for the current year but also for the year to come, because the season of rice has already passed and the next rice season will only come in January next, and as we all know, Sir, it is mainly the rice-producing areas of our country which have suffered the disaster and devastation by floods at this moment—Assam, West Bengal, Bihar and part of Uttar Pradesh. It is therefore, Sir, primarily from this point of view, mainly in order to prevent the flow of rice outside our country that I support this Resolution.

The hon. the Commerce Minister has informed us, Sir, that the price of exportable fine rice from India is Rs. 20 to Rs. 30 per maund or £40 to £60 per ton whereas the expected price which that rice would fetch in the foreign markets would be about £60 to £65, f.o.b. Indian ports. He has also told us that the internal price of coarse rice is between Rs. 14 to Rs. 17 per maund and that of the finer quality about Rs. 30 per maund. These figures, Sir, seem considerably surprising to me and I do not know from where he has got these figures because as far as I am aware the ordinary medium quality rice which is being supplied to us even in Delhi is at Re. 1 a seer and if we take finer quality rice it is at Re. 1-4-0 a seer; that is to say, the rate is between Rs. 40 and Rs. 50 a maund. This is so not only in Delhi but in Lucknow also to which city I belong, and it is certainly not Rs. 30 anywhere, so far as rice is concerned.

SHRI H. P. SAKSENA (Uttar Pradesh): There is a disparity between wholesale and retail price.

PANDIT S. S. N. TANKHA: Yes, yes, but not so much. Sir, in reply to what my hon. friend has just said I shall tell him that I am one of those persons who has been obtaining my family's annual consumption of rice from Dehra Dun each year in bulk and not in small quantities. I obtain my supplies every year at the time of the rice season, mainly soon after the harvest is ready.

SHRI RAJAGOPAL NAIDU: Not during controls?

PANDIT S. S. N. TANKHA: Yes, even during controls I used to obtain it on a permit from the Government. And I find, Sir, that the rate of medium quality rice per maund even this year at season time was Rs. 40 per maund and I obtained it at that rate only a few months back.

SHRI D. P. KARMARKAR: Where?

PANDIT S. S. N. TANKHA: At Dehra Dun, and at Rs. 40 per maund. If the rice is one year or two years old the rate is Rs. 50 to Rs. 60 per maund f.o.r. Dehra Dun, which excludes all cost of taking it from Dehra Dun to Lucknow or elsewhere. Therefore, Sir, if the rate of rice for our internal consumption is what I have stated, then I do not see what the difference is between the rate current in the markets in India and that in the foreign markets and as such why we should allow this rice to go outside our country in order to give a little margin of profit for the businessmen in India or the businessmen outside. Moreover, Sir, I am definitely of the opinion that the present prices of rice in India are too high and our population generally cannot afford to pay. It is therefore absolutely necessary, Sir, that efforts should be made to bring down the price of rice in India and as long as we allow.....

PROF. G. RANGA: Bring down wages, salaries and everything; why not?

PANDIT S. S. N. TANKHA:.....export of rice outside our country, there

is no possibility of our being in a position to bring down the level of prices in India.

It is therefore with a view to prevent the flow of rice outside our country that I support the measure for increase of export duty. I would in fact have liked the hon. Minister to increase the duty even higher than what he is proposing to do, because that would still further check and minimize the chances of any export of rice outside the country. With these words, Sir, I support the Resolution before the House.

10 A.M.

SHRI RAJENDRA PRATAP SINHA (Bihar): Mr. Deputy Chairman, so far as I understand, the Government case is that there has been an increase in the production of rice in the year 1953-54, that it was a record increase and that the prospects for the coming year are also bright and therefore they will be in a position to export rice. Secondly, their stand is that they have a good stock of rice. As stated by the hon. Minister, on 21st August they had a stock of about 12·3 lakh tons and they will also import rice from Burma to the tune of 7 or 9 lakh tons which will mean a stock of about 20 lakh tons. Therefore they feel safe to allow export of rice from this country. Their point is that, in view of these stocks and in view of the fact that we have got bright prospects of a good crop in the coming year we could export fine and superfine rice and in order to mop off the difference in the prices prevailing in the country and the outside world, they propose this enhanced duty. This is what I understand so far as the Government case is concerned.

Now, they have based their policies on certain premises. We should examine those premises to see if there are any fallacies in them. Firstly, I would like to examine their presumption that we have bright prospects of the crop in the future. 1953 was a very bright year for the production of rice not only in this country but all over the

world where rice is produced. We find in the F.A.O. Commodity Report on Rice that in 1953 there was an over-all increase of six per cent., that is to say, 8½ million metric tons of rice all over the world over the 1951 and 1952 production. In the deficit areas alone which import rice—and India is one of them—there was an increase of 11 per cent. in the production of rice. They have examined the factors which led to the increase in the year 1953 and they give three main factors which were responsible for the increase, and those factors govern our production during 1953 as well. Firstly, they say that the price was so high in the years 1951 and 1952 that it was a great inducement for the agriculturists to put in all their efforts to grow more rice. Secondly, they concede that the Governments in all the deficit areas have been straining their nerves to give all facilities for more and more production of rice. But their contention is this that the main factor responsible for the record production in 1953 including India is favourable weather condition. The hon. the Food Minister was very lucky; nature helped him and we had a record production. What is the position for the year 1954?

SHRI RAFI AHMAD KIDWAI: It is better.

SHRI RAJENDRA PRATAP SINHA: We beg to differ from him. We are entitled to have our own opinion and so is the hon. Minister. His conjectures are based not on facts. My hon. friend Prof. Ranga has given the conditions in different areas. Sir, I come from a State which is a very good rice producing State. Now, in North Bihar all the paddy crop was washed away by the floods.

SHRI RAFI AHMAD KIDWAI: Not at all.

SHRI RAJENDRA PRATAP SINHA: Yes. The hon. Minister will say that replantation has taken place, but I will remind him of last year. What was the position last year? We visited and many hon. Members visited—Prof. Malkani also visited along with us. The

position was that there was replantation twice or thrice. On all the three occasions, the crop was washed away. We went there some time in October or November. We all saw vast paddy fields dried up. There was no paddy to be seen at all. So, to say that there will be no floods again tomorrow to wash away the present plantation is a very, very hazardous thing to do.

Then, Sir, last year North Bihar was compensated by a greater production in South Bihar, because we had very good rains. Now, what is the position this year? There is absolute drought in South Bihar. In the Gaya district, Purnea district, Ranchi district, Hazaribagh district and in so many other districts all the paddy crops have dried up.

SHRI RAFI AHMAD KIDWAI: Not all.

SHRI RAJENDRA PRATAP SINHA: About 75 per cent. because there are no irrigation facilities there. In my district of Shahabad, Sir, where there are good irrigation facilities, I concede that the crop is there. But in all those areas in South Bihar where there are no irrigation facilities—and the majority of the area has got no irrigation facilities—there is no crop, except where they can irrigate by *Rehat* pumps and lift irrigation works. Now, what is the condition in the canal area as well? This is a very important fact that the hon. Minister must bear in mind. We have introduced the Japanese method of cultivation. The important factor in the Japanese method of cultivation is manuring, and use of fertilizers; they advise very heavy doses of manures. Now, it is all very good and we are grateful to the Government that they have allowed the cultivators to take fertilizers on credit. But I am telling from my personal experience, Sir, that the cultivators have refused to lift the fertilizers even in the canal irrigated areas. Because if you use a lot of manure, you need a lot of irrigation, and they are not certain whether all the water required for irrigation in a fully manured plot

[Shri Rajendra Pratap Sinha.] will be forthcoming even from the canals. The result is this, Sir, that in this tract also, where we have canal irrigation, we are not going to have a bumper crop as we had last year. This fact cannot be ignored. The Government of Bihar have also stated the fact that paddy crop has suffered to a very large extent by drought in South Bihar and by floods in North Bihar.

Now, take the case of Orissa. I am told that the Chief Minister of Orissa has said that this year we will not have more than 25 per cent. of the production of rice that Orissa usually has. Seventy five per cent. of the production is lost. This is a statement made by the Chief Minister of Orissa. There are two crops. In the autumn crop he says three lakh tons have been destroyed. So, these two big rice producing States

SHRI RAFI AHMAD KIDWAI: What crop has been destroyed?

SHRI RAJENDRA PRATAP SINHA: I said, the autumn paddy crop in Orissa.

SHRI RAFI AHMAD KIDWAI: It has already been harvested.

SHRI RAJENDRA PRATAP SINHA: But three lakh tons have been destroyed, lost, and only the balance has been harvested.

SHRI RAFI AHMAD KIDWAI: Always the balance is harvested—it is a good balance.

SHRI RAJENDRA PRATAP SINHA: I am quoting, Sir, the statement of the Chief Minister, that three lakh tons of the autumn crop has been lost and he says that not more than 25 per cent. of the paddy crop will be recovered this year because of drought conditions.

Sir, we have floods, also, in the eastern part of U.P., which is also a rice producing area. There, I do not know what are the estimates. The hon. Minister will be in a better position to say what quantities have been lost in West Bengal and in eastern U.P.

SHRI RAFI AHMAD KIDWAI: In U.P. the crop is very good.

SHRI RAJENDRA PRATAP SINHA: Well, I do not know, Sir. We have floods in Assam also. We have to take into account Rajasthan. There is drought in Punjab, western U.P. and Rajasthan. It will have its repercussions not on rice production, but it will have its repercussions on wheat production, because there is likelihood of a fall in production of wheat this year in these areas because of scanty rains. The point that I am emphasizing is this:

I do not, many of us do not, hold the same view as the hon. Minister that the production in the year 1954 will be as good as in the year 1953. Sir, it is a matter of conjecture. All that we can say is that we hope for the better—we wish that there will be good rains from now on and we will harvest a good crop. But my submission, Sir, is: "Discretion is the better part of valour". As the hon. Minister has already stated, we hope that he will not permit export of rice whenever he sees that there is rising tendency in the prices or when the conditions do not warrant it and I hope, Sir, that he will stick to that and will not permit export which is not beneficial to our country.

Now, Sir, with regard to the very important point of the price factor. We all know that the prices have been falling very rapidly in the case of agricultural products, particularly rice. The Food Minister was kind enough to go to the help of the cultivators in Bengal to purchase rice at a price which may stabilise at a certain level. He had to do that because the prices were falling very steeply and there was every likelihood of the prices falling below the economic level. Now, my hon. friend, Prof. Ranga, has already said—and I endorse whatever he said—that we must assure a minimum price for our agricultural crops. The Government has not made any categorical announcement on this point. Sir, the production in 1953 was heavy because the cultivators got a very good price. Now,

in spite of all the caution that I have given—and we would, in fact, all be happy—if the rice production in 1954 is as good as that in 1953, then the prices are likely to fall further. We have to examine whether the price that the cultivator is getting for his rice is an economic price or not. Sir, I am myself a cultivator of rice and I know that the prices that we are now getting or we are likely to get will not really be an economic price based on the cost of production of rice. Our cost of manuring is very heavy; our cost of irrigation has gone tremendously high. And no account has been taken of these two factors—the cost of manuring and the cost of irrigating—while fixing the floor price of paddy or rice. Sir, the increase in the irrigation rates is telling very heavily and I am very sorry that the State Governments are doing nothing to revise their policies. Their main contention was that they, the cultivators, were getting a very high price in 1951 and 1952, which led them to increase the charges for irrigation. Now, when the prices have fallen, there is no justification for keeping the rates for irrigation at that high level and I appeal to the hon. Minister to look into this. And I appeal to the hon. Minister to see to it that the irrigation rates are reduced. I might here, Sir, cite an example. Some of us, in my district—and many of them were Congressmen—invited the hon. the Food Minister to come and see for himself the high charges that were being imposed for irrigation, and to listen to the grievances of the cultivators. I am talking of my own area. And the hon. the Food Minister agreed to come and examine things for himself. But he was advised by the State Government not to go over there. And I am very sorry to say that a Minister of the calibre of the Food Minister acceded to the request of the State Government and cancelled his programme, which had actually been fixed. And all the cultivators had to go away without getting a chance to place their grievances with regard to the irrigation rates. So, I would request him to use his good offices to see that the irriga-

tion rates, in the interest of food production in this country, are reduced at an early date. I do not see that there is going to be any further increase in the production of rice in the coming years, if these higher irrigation charges are continued.

Now, Sir, the other point that has been stated by the hon. Commerce Minister is this that we are carrying over the stock, and this stock is likely to be further augmented by imports from Burma. Therefore, he points out that we can permit certain quantities being exported from this country. Now I wonder if the hon. Food Minister has taken into account the deterioration that takes place while storing these goods. And we have seen, Sir, that stocks deteriorate even cent per cent, and are declared unfit for human consumption. It will be a great loss, and it will upset all our calculations, if it so happens. So, we want an assurance from the hon. Minister that he has devised ways and means to see that there is a good storage and no stocks will deteriorate while in Government godowns.

Sir, there is another point which strikes me. On the one hand, we have these big stocks of rice and other food commodities, and on the other, we find the starving millions, the people who are under-nourished. Sir, this is a great tragedy of our welfare State. Now, the Government's aim should not be merely to build the stocks. There is a purpose behind this building of the stocks, and that objective should be achieved. The objective is to see that our people are well-fed and well-nourished. Now, what is the position with regard to our nourishment? In this connection again, I would not say anything else, but quote from the F.A.O. Commodity Report on "Rice". It is very interesting. It says on page 4 as follows:

"Steps might have been taken to allow for an increase in the *per capita* consumption of rice. The statistics available indicate that the cereals which had been available in

[Shri Rajendra Pratap Sinha.]

1951-52 provided for each inhabitant of the Far East about 10 per cent. less nourishment than the average pre-war consumption, which had been regarded as anything but ample. The larger crops at the end of 1952 might, therefore, have been expected to have been absorbed in an expansion of consumption in this region during 1953. Such does not, however, appear to have been the case entirely. Other considerations prevailed with the various authorities, e.g., lower export earnings from other agricultural produce and the desire to use foreign exchange resources to foster development".

Sir, what is the position now? On the one hand, our production is going up, and on the other hand our purchasing capacity is going down and our consumption level is going down. That is the position. We have stocks of rice on the one hand, and on the other hand, we are starving. Now, take the case of sugar and cloth. We were very happy to find that our production of cloth and sugar had gone up. That is very good. We should increase our production. But we find, Sir, that our consumption of cloth is the lowest, even lower than what it was in the pre-war years. Our *per capita* consumption of cloth today is lower than what it was in the pre-war years. On the other hand, we have got big production, and there was every likelihood of the factories going off-production because of accumulated stocks. We have to come to the rescue of the producers by allowing exports and finding export markets for them. So, we find increased production of cloth, whereas there is no corresponding increase in the consumption of cloth. Take the case of sugar, Sir. A few years ago.....

SHRI D. P. KARMARKAR: If my friend permits me, I will say that actually the consumption of cloth has gone up. It was 10 yards when there was scarcity. Now, currently, it has been as much as 15 yards.

SHRI RAJENDRA PRATAP SINHA: Sir, we cannot say absolutely that 15 yards is quite enough.

SHRI RAFI AHMAD KIDWAI: It is more than 10.

SHRI RAJENDRA PRATAP SINHA: It is more than 10, but it is below the normal standard. You will admit that it is below the normal standard.

SHRI RAFI AHMAD KIDWAI: The standard has gone up by 50 per cent.

SHRI RAJENDRA PRATAP SINHA: Sir, then take the case of sugar.

SHRI RAFI AHMAD KIDWAI: It has also gone up by 50 per cent.

SHRI RAJENDRA PRATAP SINHA: The production went up, and then we had to curtail it. The production went down in spite of the fact that the consumption has increased, as the hon. Minister says. But the consumption has not increased so much as to consume all the production that was there. And, therefore, the production went down. And now, the Government is importing sugar. I would like the House to appreciate this point. We all made our efforts to increase the production of sugar. Then we faced the problem of overproduction because the stocks were not moving, and there was not enough consumption of all the sugar that was produced. This is a fact which nobody can challenge. The production went down.

SHRI RAFI AHMAD KIDWAI: And the consumption went up.

SHRI RAJENDRA PRATAP SINHA: The consumption stayed at a certain level, but it was not at a level where the production was. It was not at that level two years back because the production had fallen. Now we are importing sugar. The point that I want the House to appreciate is this that with the corresponding increase in the production, there is no equivalent increase in the consumption, because the

purchasing power of the people has not improved.

SHRI RAFI AHMAD KIDWAI: It has gone up.

SHRI RAJENDRA PRATAP SINHA: Their purchasing power has gone down, because there is more and more of unemployment. With the progress of the Plan we expected that it would generate more employment, that it would generate greater consumption power. That has not taken place. Sir, in other countries where there is planned economy, we have found that as the Plan progresses, it generates more and more of employment and gives more and more purchasing power to the people. That is not taking place here. And unless that takes place, I don't think that even the rice production that we have achieved will remain at that level. The fate of sugar will overtake rice also. I can assure the hon. the Food Minister that the cultivators are thinking in terms of lowering production, because of two factors: firstly because they think that they can get a better price if the production is lower and secondly because they cannot bear all the expenses at the prices that they get. Now, if the prices are higher and more and more purchasing power is pumped into the village side, consumption also will increase. This I would like the hon. Minister to appreciate.

SHRI RAFI AHMAD KIDWAI: Of course.

SHRI RAJENDRA PRATAP SINHA: Now, a word about exports again. My hon. friend, the Food Minister, has been trying during the last eight months, according to his own statement in the other House, to export rice, but he failed. He is a very resourceful person—I admire him for it—and he wants to try another method. He wants that the export should take place with the help of the private trade. That is very good, but the international situation is in favour of the opposite point of view. Our view is that we should not export rice.

SHRI RAFI AHMAD KIDWAI: Reason?

SHRI RAJENDRA PRATAP SINHA: I will explain to you how the position is. In the pre-war years, I find that the export of Indian rice fluctuated between 1,88,362 tons in the year 1935-36 and 3,78,568 in the year 1925-26. Now, we have got to examine where all this rice went. The Commerce Minister told us that they wanted to build up the old pattern of trade. The Food Minister wants to succeed in the matter of the export of rice, but the international situation is unfavourable to us. I will give you an example from the report of the Government of India. It says about pre-war export destinations:

"Ceylon is consistently the largest importer of Indian rice and on an average takes 37 per cent. of India's total exports. Mauritius and South Africa together account for 21 per cent. in about equal proportions. Aden and Muscat absorb 7 per cent. of India's rice export trade, the Bahrain Islands 5 per cent., the Straits Settlements 3 per cent. and the United Kingdom and the Netherlands 3 and 2 per cent. respectively. The remaining 22 per cent. is split up among a large number of countries, each of which takes small quantities only."

SHRI H. C. MATHUR (Rajasthan): May I invite your attention to the provisions of rule 142? Am I to understand that you will not enforce any time limit for speeches?

MR. DEPUTY CHAIRMAN: No. It applies to non-official resolutions only.

SHRI RAJENDRA PRATAP SINHA: Now, in regard to paddy, they say that 98 per cent. of the Indian paddy export went to Ceylon. Thus, we see that in the pre-war years, the bulk of our rice export went to Ceylon. But is Ceylon now likely to purchase any quantities from the so-called exportable surplus that we have? I find that Ceylon was importing during the period 1934—1938, 5,30,000 tons and during the period 1948—1951, 4,30,000 tons. That means that they have reduced their imports.

SHRI RAFI AHMAD KIDWAI: They have still further reduced it.

SHRI RAJENDRA PRATAP SINHA: Now, what is the position with regard to Ceylon. I find that they have already contracted for their entire requirements of rice.

SHRI RAFI AHMAD KIDWAI: Not for all time to come.

SHRI RAJENDRA PRATAP SINHA: They have made a contract with Burma till 1957 to purchase 2 lakh tons of rice from Burma at reduced rates every year, and they are going to take from China in 1954, 2,70,000 tons. And so, their requirements are completely met. We have no trade relations with South Africa. Thus Ceylon and South Africa are out of the picture and will not be taking any of our rice.

SHRI RAFI AHMAD KIDWAI: Let us hope not.

SHRI RAJENDRA PRATAP SINHA: They were the bulk purchasers of our rice in the pre-war years. Now, there are interesting figures given in the F.A.O. Commodity Report December 1953. It gives the exportable rice surpluses lying with the exporting countries. In December 1953 they say that Burma had an exportable surplus of 5 lakh tons; Thailand 4 lakh tons; Viet Nam 1,50,000 tons.

SHRI RAFI AHMAD KIDWAI: We will take over all the Burma rice.

SHRI RAJENDRA PRATAP SINHA: The hon. Minister may not require these figures, but I am sure the House would like to have them. Now, it is expected that by July 1954 these accumulations will further increase by over half of recent annual shipment. There is plenty of rice available with the other exporting countries who will compete with us in rice exports. Therefore, I feel that we will not be able to export our rice. This is also evidenced by the fact that, although

the registration of the export of rice was probably to the tune of 37,000 tons or something like that, the export was very little. It was only 2000 or 3000 tons. Therefore, I do not think that this method of the hon. the Food Minister will succeed.

SHRI RAFI AHMAD KIDWAI: It will not succeed?

SHRI RAJENDRA PRATAP SINHA: So, there will be no exports. So, we cannot now revert back to the old pattern of trade as the hon. Minister said. We have got to diversify our exports if we really mean to export. My hon. friend from Lucknow who is accustomed to the kind of rice that is obtained from Dehra Dun and which we cannot get in other parts of the country, will not like the superfine and fine varieties of rice to be exported outside this country, but I am of the view—and I am in entire agreement in this with the hon. the Food Minister—that we should find out markets for our superfine rice and not for our fine rice. I am not of the view that we should export our fine rice. There is another reason why we should not export our fine rice. With the introduction of the Japanese method of cultivation, more and more of our production will be of the finer varieties of rice and not of the coarser varieties, because for the Japanese method our experts always advise us to use the finer varieties of rice. Therefore the people of this country will now be using more and more of the finer varieties if the Japanese method of cultivation succeeds. Therefore we should ban the exports of coarse and fine rice. I am in agreement with the Food Minister that we should export only our superfine rice. I am against allowing any quantity of our fine rice to be exported. It will not do to export our superfine rice to countries which were taking our rice in the pre-war years. We should try to build a market for it in the Middle East and the European countries particularly where they may require our superfine rice for table purposes and for making *polaw*. Therefore, if we are anxious to export our superfine rice, we have got to explore these mar-

kets in the Middle East and European countries and probably U.S.A. also who can afford to pay fancy prices for our good varieties of rice. Thank you.

SHRI H. P. SAKSENA: Sir, I rise to support the Resolution. I suspect that the hon. Minister for Commerce, finding that the situation was getting out of control, got an immediate and urgent wireless sent to the hon. Food Minister to be present in this House in order to save the situation, and I am glad that he has come running all the way from the Lok Sabha to the rescue of his friend, the hon. Commerce Minister. We welcome him at his proper post.

I very much deprecate the practice of running the administration by means of notifications. I don't understand why it is that when Parliament is in session the Government do not see or foresee the necessity of having to issue a notification. When Parliament is in session they should prepare a list of all their requirements and obtain the sanction of Parliament for doing their business instead of doing it by issuing notifications.

SHRI RAFI AHMAD KIDWAI: I think the hon. Member does not know the procedure. Even when Parliament is in session, the notification has to be issued because the discussion would have given an opportunity to make money by knowing it earlier.

SHRI H. P. SAKSENA: I don't know for whose benefit this system of issuing notification has been invented.....

SHRI D. P. KARMARKAR: It is provided for in the Constitution.

SHRI H. P. SAKSENA: It has been provided in the Constitution but the Constitution does not say that it is mandatory. Anyway I long for the day when there will be an agreement between myself and my very dear and hon. friend, Prof. Ranga. He always thinks that the Government is benefiting the urban people at the expense of the rural people and the food producers, which I deny. Accidentally I

happen to come from an urban area and without being an inveterate, declared and pronounced enemy of the urbanites like my friend, Mr. Ranga, I am in full sympathy with the needs and the requirements of the food producing people who reside in the rural areas, but then I cannot ignore the primary and the initial requirements of the urban people whose very existence depends upon the food that they get from the food producing centres in rural areas.

PROF. G. RANGA: I am sorry I cannot subscribe to what my hon. friend has said in describing me as an inveterate enemy of urban interests.

SHRI D. P. KARMARKAR: That is a fact.

PROF. G. RANGA: That is not a fact.

SHRI H. P. SAKSENA: That is my reading of him. If he wants to disprove my reading of him, he can correct his ways, he can mend his ways. Prof. Ranga also complained of hoarding-taking place, deducing from it the conclusion that as soon as the controls were removed, the food position was eased and the prices went down. With due respect to my friend, Mr. Ranga, I say that the greatest sinners in this business of hoarding are the food producers themselves.....

PROF. G. RANGA: Question.

SHRI H. P. SAKSENA: I say with all the emphasis at my command that the much maligned middle-man who is supposed to be the universal hoarder is not so much to blame as the food producers themselves. Remember, Sir, that counsellors like Prof. Ranga go and tell these food-producing hoarders and inform them of the trend the market is going to take, and warn them not to take out their grain unless the prices go very high. This is how this hoarding takes place and this piece of information will stand in good stead to hon. Food Min-

[Shri H. P. Saksena.]
ister, because, in his capacity as Food Minister, he has to tackle this problem.

Now having full faith as I do in the wizard Food Minister of the Indian Union, I cannot, for the very life of me, enter into a battle of figures with him because it is so easy for him to say that all the governmental figures are wrong, when it suits his convenience to say so and when it suits him, to quote the official figures and then he quotes them with the full faith and confidence in their correctness. So it is not right entering into a battle of figures with him as my friend, Mr. Sinha wanted to do and I am sure he came out vanquished. He never succeeded in establishing his point.

Now a word about the stability of prices. I have been watching and observing a tendency of a howl being raised for stabilizing the prices as soon as the prices go down. When the prices go up, when wheat is sold at a seer per rupee, there is no howl. There is no cry but as soon as the price of foodgrain goes down, a little bit, there is a hue and cry that there should be stabilizing of prices and all the State Governments should come to the rescue of the food producers and the prices should in no way go down below a certain limit. Having a limit so arbitrarily fixed our Chief Ministers of States also fall an easy prey and victim to this sort of advice and they actually.

PROF. G. RANGA: They are nearer to your constituents.

SHRI H. C. DASAPPA (Mysore): He does not want the Chief Ministers to remain long in their places.

SHRI H. P. SAKSENA: I want the Chief Ministers to remain there as long as they are alive or so long as they are not defeated in a certain election.

Sir, we have long tried the economy of high prices and high wages. My

humble opinion is that that experiment has failed totally, miserably and completely. Now I would advise the Government to revert to the old economy of low prices and low wages and I can assure the Government that it will succeed and it will give greater comfort to the greater number of people without harming and injuring anybody's interest

With these words, Sir, I support the Resolution that was so shakily moved by the hon. Minister for Commerce.

SHRIMATI LILAVATI MUNSHI (Bombay): Sir, when this Resolution was moved I thought it was a simple Resolution which the House would probably finish off soon and then pass on to the next item. Therefore I had really no idea of taking part in this debate on the Resolution. Indeed I thought that it was a matter about which the officials know best. But it seems as if hon. Members take a delight in believing that we are short of food. That is rather surprising. The Food Minister himself says that we are not short of food, that we have surplus in our godowns and we do not know what to do with it. Probably the rats would eat it up, or the beavers would consume the food. And we have not got sufficient godowns to keep the stocks. In spite of all assurances that the hon. Minister has given, in spite of these facts, in spite of the figures that are in our hands, when we know that we have more than 12 lakh tons in our godowns, I don't know why anybody should feel that there is food shortage. We do not know what exactly to do with the stocks that we have on hand; and still somehow people go on saying that we are deficit in food and we should not do this and we should not do that and so on and so forth. Well, the Food Minister and the Minister for Commerce and Industry are both responsible Ministers of the State and if there is a food shortage, there will be a howl against them and so in order to safeguard their own position, they would not take this step if the country had any shortage of food.

After all these years, we have at last reached a position when we can feel that we have a safe food position, that we need not starve, that we have got such and such stocks in our godowns. We are getting rice from Burma. We have got the contract with Burma. I think the Ministers will not be so foolish as to suggest a step by which the country would again be facing a shortage in food. They know that the people would surely start howling about it.

Sir, ours is a large country and there is bound to be some part somewhere where there are floods or drought. That has always been the case in the past and it may happen again. But we have to look at the over-all position, whether the overall position is a comfortable one or not. That should be the criterion in deciding the matter about which we are discussing.

Sir, this was really a legacy of the past. You know how the controls were introduced. They were there for a long number of years and so the people went on believing that we were short of food. Gandhiji himself, I think, once fasted—I do not exactly remember—and he himself compelled the Government to introduce decontrol. But as soon as he passed away, again the psychological fear was operating so much in the minds of the Ministers as well as the people that again they started imposing controls. And so they made the country suffer immensely. This kind of psychology or fear has made us suffer in every possible way. There were so many connected evils. There was hoarding and people got short supplies. But all the same there was so much food. How was it that so much of it came out as soon as there was decontrol? As soon as there was a suggestion of decontrol in former years, everybody was up in arms against the Minister and so the Government dared not do it. Now, luckily there is a Minister who has dared to do it and he has proved that we have self-sufficiency in this country, that we have got ample food in this country. Therefore, let us get rid of this psychology of fear. Instead of that, we say,

"Oh! because there is flood here or drought there, we should not do this or that." Well, we cannot shut our eyes to these floods and droughts. But at the same time, we should see what is the overall position. What is the surplus that we have? Sir, when the prices fall, there is complaint. If the prices rise, then also there is complaint. If the prices go up, then they say, the cost of living is going up and so you must have more dearness allowances. You must have more of this and that. And if the prices fall, and sometimes even before they begin to fall, they shout about it and ask the question, "Why are not the prices going up?" I really did not understand the artificial rise in prices. I feel it was caused by the controls and I also feel that if these controls had not been there, the prices would not have gone up so much. If the prices come down, there is nothing to be alarmed at. It is like water finding its own level. Level of prices has come down. So what is the use of hoarding? What is the use of raising this kind of artificial cry, "Oh, what is going to happen? This thing may happen, or that thing may happen?" And, so what? We should allow our food to rot in our government godowns, allow it to be eaten by the rats. We should not part with it, we should not sell it to someone else to be consumed. That really is a wrong policy.

Sir, hon. Members travelled far beyond this Resolution. They dealt with food production, price levels and something else also. They referred to the tragedy of a welfare State where you had a surplus of food when the people had not even enough purchasing power to buy and use that food. But, Sir, these are two different things. Whether you have enough food production is a different question and whether you should have a rise in the purchasing power is a different question altogether. To raise the purchasing power of the people, our Government is doing its best. Also to raise the standard of living in the country, they are having so many schemes, so many social welfare schemes and so many river valley projects. They are all designed to

[Shrimati Lilavati Munshi.]

raise the standard of living of the people and to raise their purchasing power.

Well, we have the food, but why do not people consume it? That is not the fault of the Minister, because he has been able to build up a sufficient stock of it. Here also there is a fallacy. Formerly people consumed more. There are figures produced to show that previously they consumed more and now the consumption has gone down? Why is that? As I said there is a fallacy here. It is the same with cloth. Take the case of cloth for instance. I shall give my own experience. When there was the control on cloth, whenever and wherever I could get cloth I used to buy it, for I was always afraid lest there should be shortage of cloth in the house, and I wanted to put by something if there be any rainy day, so that the servants may not have to go naked or in torn clothes. Ordinarily as you know, in a house we require so many sheets, so many pieces of this and that kind of cloth. But in those days, I hoarded even *khadi*. You know there was control on this kind of cloth and that kind of cloth, and so people used to purchase more of whatever they could get. In the same way every housewife used to keep a little more surplus in the house for fear that some day Government may not give sufficient grain and suddenly they might have to go without it. Therefore, in every house there was a little more and if people kept even one pound more in each house the total would come to a fairly large quantity. But when there is no control, there is no such fear and people buy things only whenever they want them. Though we may be producing more, people will buy only when they want it. I think that is the reason why the purchases of cloth or even of food seem to be going down. But here again the Commerce Minister has said that the cloth sales are going up and not going down.

There are other factors also for cloth. We had the overseas markets and so many other factors come in in our relations with different countries. They wanted a particular variety at a parti-

cular time and so on. If we go on producing more than what we want in our country and if we cannot find markets, there is bound to be surplus; it is like a cat going round its own tail. If you produce more, you must consume more; if you cannot consume, then there must be some defect; if you consume more you must produce more and so on. In regard to sugar also ...

MR. DEPUTY CHAIRMAN: I think the hon. Member need not go into sugar and all that.

SHRIMATI LILAVATI MUNSHI: So many people talked about these things and I want to just reply to them.

MR. DEPUTY CHAIRMAN: The hon. Member need confine herself to the Resolution.

SHRIMATI LILAVATI MUNSHI: There are different reasons why sugar production went up and down. I need not go into them, according to your suggestion. Instead of taking all those facts into consideration, if hon. Members say—whenever any measure is brought before this House—that there must be some snag or some defect that the Minister must have juggled this or that, that is not a very right attitude, and I should say, an attitude which a responsible House like ours should adopt. I support the Resolution.

MR. DEPUTY CHAIRMAN: Yes, Mr. Kidwai.

SHRI S. N. MAZUMDAR (West Bengal): I was trying to catch your eye, Sir.

SHRI RAFI AHMAD KIDWAI: I have already caught his eye.

MR. DEPUTY CHAIRMAN: I am not closing the debate. It will be continued.

SHRI RAFI AHMAD KIDWAI: Sir, I have listened with great interest to the different speeches but I think most of them did not appreciate the point that we tried to make out in the Resolution. We have allowed export of rice for some time but we wanted that if there is any export that should not lead to any rise in the price for con-

sumers in this country. Therefore, we have proposed a rise in the export duty from Re. 0-2-3 to 20 per cent. *ad valorem* which would mean at least five or six rupees. That is a high duty and the people who criticise this Resolution and who thought that we would not be in a position to export should have welcomed this Resolution instead of criticising it. A Member from U.P. said that prices here are very high and that, therefore, we should not export anything. I hope that the hon. Member knows that the price of U.P. rice has always been very high and in the period when we supplied U.P. rice to States like Madras or any other deficit State, they always protested that the prices that were being demanded by the U.P. Government were exorbitant. The price of rice in U.P. has always been very high; the merchants in Kanpur hold a large stock; they have been trying to sell it to other parts where rice is supposed to be in short supply but they have not succeeded in selling anywhere. Rice prices in Madras and in other areas is lower compared to U.P. The Madras Government has been selling rice from its stock through the fair price shops at Rs. 17-8 per maund and because the prices outside are lower, few people are patronising these shops. Similarly, rice in the ration shops in West Bengal was being sold, before decontrol, at Rs. 17-8 per maund but from the date free markets were allowed, the off-take from these shops has gone down. As an hon. Member has already referred, in the last season procurement was stopped in Bengal and the

paddy price went down from 11 A.M. Rs. 18 to Rs. 6 and even below. To see that the fall is not precipitated, Government entered the market and made some purchases and those purchases were much more in quantity than what Government used to procure under monopoly procurement. The West Bengal Government has today got a stock of more than 240,000 tons which it never possessed before during the time of procurement. We are sure that a little export would not raise the prices in India and side by side with

this export with a heavy duty, we have allowed imports also without any import duty. Today the Controller of Exports and Imports has got a large number of applications for import. Even the Travancore-Cochin Government has negotiated the purchase of 6,000 tons of rice at a price which it thinks is sufficiently low to allow that rice to be sold through the fair price shops without any subsidy which the State Government is spending now.

SHRI RAJAGOPAL NAIDU: From which country?

SHRI RAFI AHMAD KIDWAI: Travancore-Cochin Government.

SHRI RAJENDRA PRATAP SINHA: From which country are they getting this rice?

SHRI RAFI AHMAD KIDWAI: From Pakistan. Similarly, there are many applications for import from Thailand and Burma because the prices there are coming down.

SHRI RAJENDRA PRATAP SINHA: Will the prices that the merchants are quoting now be lower than the price at which Government is buying rice from Burma Government?

SHRI RAFI AHMAD KIDWAI: Merchants are quoting mostly from other places and they are attractive. I hope that the next year's import will be at a lower price than the prices that have been paid so far. Ours is the cheapest price; in South India prices are cheaper than anywhere else in the world and that is why we hope that a small quantity of our fine rice may be exported to countries which used to get our rice before. In 1939, India imported 80 lakhs of tons of rice, mostly from Burma and a little from Thailand and exported about 2½ lakhs of tons, mostly to Ceylon. The South Indian rice went mostly to Ceylon and some rice went from Bengal to European countries. In spite of giving permission for free exports, only 250 tons have been exported while permission to import a few thousand tons has been given. By

[Shri Rafi Ahmad Kidwai.]

this device we will not run short of rice here and we will maintain good stocks by imports at prices which will be fair for the poorer people in this country.

Now, something has been said about the floods and the scarcity of rains in some areas. I hope the situation is not as bad as some Members are trying to paint it. I myself had gone to some flood affected areas; I went to West Bengal, flew over Cooch Behar and my estimate was that at least in Cooch Behar the crop has not suffered much.

SHRI S. N. MAZUMDAR: In Jalpaiguri it has suffered much.

SHRI RAFI AHMAD KIDWAI: I am coming to that.

Mr. DEPUTY CHAIRMAN: He is talking about Cooch Behar.

SHRI RAFI AHMAD KIDWAI: In Cooch Behar I found that there was no water even in the streams which had caused the floods and which had washed away railway bridges. (*Interruption*). I say what I have seen and not what hon. Member has seen or can see. There the crop had not suffered. In Jalpaiguri there was still water but I saw paddy just above the water. I hope it will not also suffer as much as some Members, who do not know how the cultivation is done, think about it. And when I said this in Calcutta some people criticised me for underestimating the damage, but before I left Calcutta reports from the different areas, from the agricultural departments there were received by Government and they more or less supported my estimate. It is true that in Bengal and Assam paddy crop has suffered but there our cultivators were again trying to replant it and in some areas they have replanted it and in those areas where the water had receded the paddy crop may yield better than it would otherwise have yielded. And then we should remember that last year when we were supposed to have suffered also in Bihar and Bengal and Assam from floods, we did not

have full crop there as we will not have full crop this year and it is true that we will lose some crop in the flood affected areas and perhaps we will suffer more in South Bihar, in South Bengal and in Rajasthan from scarcity of rains. But, as Mrs. Munshi has just said, this is a vast country and we will always have floods in some parts and scarcity of rains in other parts. But I still hope that if from now on we have normal rains, our rice crop this year will not be lower than the rice crop we had last year and therefore we should not be afraid of accepting this Resolution. As I said, the price of rice outside India, although it is high, is going down and I have reasons to hope that when the new crop comes, when it is harvested in Burma and Thailand, they are going to revise their prices to bring them in conformity with the prices in other parts of the rice-producing world. Then this duty will be a check and we may have to consider lowering the duty if we want to export, but for the present it has been purposely put high so that only high quality rice may be exported and there may be no shortage in this country, and even though we have put a limit on exports of two lakh tons it is a fantastic limit because even if 20,000 tons, is exported I will be surprised.

With these words I hope the House will accept this Resolution.

SHRI H. C. DASAPPA: May I know, Sir, why exports are confined only to two ports, Calcutta and Bombay, and not extended to Madras and Cochin? What exactly is the motive behind it?

SHRI RAFI AHMAD KIDWAI: I hope the Commerce Minister will be able to explain it.

SHRI S. N. MAZUMDAR: Mr. Deputy Chairman, I have listened to what the hon. the Food Minister has said but I cannot agree with him and I hope he will listen patiently to what I have got to say about Jalpaiguri and Cooch Behar. I had occasion to travel on ground wading knee-deep in mud and sand and there are some areas still in the district of Jalpaiguri which

are completely isolated and inaccessible due to these floods. People from outside have not been able to reach there. So the proper extent of damage has not yet been assessed. That is the first thing. Secondly, Sir, it is true that in some of the rivers there was no water, at least no high level of water, when the hon. the Food Minister flew over that area because that is a sub-mountain region and the floods come with a sudden onrush, create havoc, destroy everything before it and the waters flow away. But the damage is done and there were three successive floods. Transplanted crop was damaged. Then again the cultivators tried to transplant something but then again the floods came. So their seeds and crops were destroyed and it was the problem there that as cultivation takes place late in that part of the country, if they were supplied with seeds or seedlings in time something could have been done. But that was not done by the Government. Of course the failures of the Government about provision of relief to the flood victims is outside the scope of this debate but then it is true that in some portions of the cultivable area, the standing crop was destroyed. There was heavy deposit of sand. Now the engineers make a distinction between sand and alluvial soil. So I distinguish between the two. Some portions of the cultivable area were deposited heavily with alluvial soil. If something had been done to replant them in time, then those areas might have yielded some good crop, but that was not done, and the third flood came and actually destroyed whatever little was done by the peasants themselves. But there are equally large sections of the cultivable area which have a heavy deposit of sand. That area is not going to be cultivable for years to come. That is the opinion of the engineers. So when a large portion of cultivated area is becoming unusable for a large number of years to come, how the Food Minister hopes that the problem will not be very serious I fail to understand. There have been floods; there have been droughts. Those factors have been mentioned, so I do not like to

dilate upon those. But what I like to impress upon the hon. the Food Minister, the hon. the Commerce Minister and the Government is that simply flying over these flood areas does not give a real picture of the whole thing.

[THE VICE-CHAIRMAN (SHRI R. C. GUPTA) in the Chair.]

I had occasion to make an aerial survey and I had an idea of the damage and devastation caused. I had an idea from aerial observations but I had also made the occasion to visit some parts earlier, particularly in Jalpaiguri and in Darjeeling, to travel on the ground and particularly, Sir, I shall say about north Bengal that aerial observation does not give a clear idea of the extent of damage because the flood waters there are not constant. Those are hill torrents. Suddenly the floods come with an onrush and then they go down. All the same damage is done. In Bihar a vast area is under water and then when the level of the Ganges will subside and when the water which is blocked in the flooded areas will come down it will affect new areas. It will affect new areas besides the areas already affected. So that should be calculated. In Assam there is no knowing in what course the Brahmaputra will be flowing now. It is changing its course creating havoc and ruin. It is a sad tale of ruin and havoc and disaster. There also the proper extent of damage has not been assessed. So, Sir, I fail to understand how the hon. the Food Minister is so optimistic or so sure that damage will not be done to our food production. This year food production has suffered. Secondly because of heavy deposit of sand on a large portion of cultivable area, those areas will remain uncultivated for a large number of years to come. It is not possible to rehabilitate those areas very soon. Then about the peasants who will sow these areas. They require help for rehabilitating themselves, about which proper attention is not being given by the Government. So, Sir, I, from my personal observations of these places cannot join with the hon. the Food Minister in being

[Shri S. N. Mazumdar.]

optimistic and, Sir, I express my disagreement with the recipe of psychological cure which was advanced here as regards the food problem both by Mr. Karmarkar and Mrs. Munshi. It is a question of facing the reality. It is not a question of psychological cure for fear, or of optimism and that reality is not, I find, properly faced by the Government. Now, Sir, I know that the true picture of the reality is also disputed. The hon. the Food Minister is not here but he may come with a mass of statistics and he may try to prove that his picture is the truer picture of the reality.

But statistics can be used to hide reality if they are not related to proper facts. For example, a question was raised that cloth consumption had gone up but in reality we find a large number of people going ill-clad, under-clad, naked or half-naked. The malady (Interruption). Sir, I do not want any interruption. The malady of Indian economy today under the Congress dispensation is that whenever there is a slight increase in production, the Government has to rush for allowing exports. The whole policy of the Government does not take notice of the fact that the purchasing power of the people has precipitously fallen. In the matter of food also that is the position. Till recently we were in deficit. Now with slight increase in production there is a rush for export. About export also, after listening to the arguments of the hon. the Food Minister I am unable to understand his logic. He seems to be indulging in some sort of a tight rope walking. It reminds me of how the British prepare their well-known drink, punch. First they put something of some taste and then to counteract that taste they put something else and then again to counteract the taste of the second thing they put something else. In this way.....

SHRI D. P. KARMARKAR: You are talking about punch. Is it first-hand information or second-hand?

SHRI S. N. MAZUMDAR: However, I cannot indulge in all this talk.

SHRI D. P. KARMARKAR: Let us discuss it outside.

SHRI S. N. MAZUMDAR: Yes, thank you very much. First, he tries to show that the amount to be allowed to be exported is not very high. Then he says he is importing. I do not understand all this tight rope walking. In our country today the condition is that people go without food and the question of their purchasing power has to be taken into consideration. We cannot say that that question does not arise here as Mrs. Munshi said. Sir, many points were brought in here—for example the point about control—to show that there was no dearth of food but one point which I must bring to the notice of the House is that during the time when controls were in operation we were trying to impress upon the Government that they should take stern measures against hoarders and blackmarketeers, but that was not done. They were very indulgent with them and that is why they succeeded in hoarding a large stock of food. These things are not taken into consideration and they indulge in advancing certain figures without relation to reality.

Sir, the question of price going down or rising was also brought in, but the situation in all the places is not the same. I know from my personal experience how in some of the areas devastated by the floods the price went up; how the hon. the Food Minister went there, flew over the flooded area and he was satisfied that everything was not so bad as was made out to be. He did not care to investigate into the matter. Immediately after the flood the rice dealers started selling rice at a higher price. The price shot up immediately from Rs. 16/8/- or Rs. 17 to Rs. 22/8/-. The Deputy Commissioner of Jalpaiguri District went there and he seized the quantity of rice with them but what happened? The rice dealers said, "You do not seize the rice; we shall undertake free distribution of rice and we shall provide relief." And the rice stock was handed over to them. They distributed about

50 maunds of rice as free relief and then the same price continued. These are their manoeuvres. When the Food Minister or the Commerce Minister tries to give us an optimistic or a **rosy** picture of the situation he should take all these things into consideration. If that is not done, if an idea is formed only from papers or from reports from distant places without considering all the relevant aspects of the situation, it will not really help.

Then the question of rising prices benefiting the growers or harming the consumers was also brought in. About that I should like to tell him that the whole question should be dealt with in a proper perspective. When there is a rise in price, it is not the agriculturists who generally benefit. In most of the cases the big hoarders and the middle men get all the benefit. The actual producers are not benefited. In order to ensure a real economic price to the producers, an adequate floor price should be fixed. At the same time there is another side of the picture. A large number of peasants, landless labourers, have to purchase their food or get it as on loan and they also should be guarded against any rise in prices. These are the facts that should be taken into consideration.

Something was said about the irrigation rates. That is also very relevant in this connection because the hardship which the peasants are facing today comes not so much from any slight fall in the price of rice but from these other things—these betterment levies, these enhanced irrigation rates etc. Sir, the Government of West Bengal have brought in legislation to make it compulsory for the peasants inhabiting the area irrigated by the Mayurakshi project to take canal water. They refused so long to take canal water because they could not pay the enhanced rates but the Government is trying to compel them to take this water and so this project which is undertaken in order to benefit the peasants is really going to work in quite a different way. Sir, I do not want to dilate much upon these points but I should like to make it clear that

I am opposed to export of rice under the present circumstances and I cannot agree with the arguments advanced by both the Ministers.

SHRI RAJAGOPAL NAIDU: Mr. Vice-Chairman, I shall be very brief on this Resolution. To me this Resolution is a great perplexity. It has been stated that we have an enormous surplus so far as rice is concerned and at the same time it is said that we have made an indent for nearly 9 lakh tons of rice from our neighbouring country, Burma, out of which nearly 7 lakh tons have been received so far, and that there is a stock of nearly 20 or 21 lakh tons in the Government godowns. I fail to understand when the situation is one of surplus in the country why we should have gone in for imports from Burma, especially when prices of rice had been falling enormously in the country. Why nearly 9 lakh tons had been indented from Burma at a price which is not commensurate with the present market price of rice. I do not know how much the Government of India is going to lose in subsidising this imported Burma rice in the matter of distribution to the consumers in the country. I am sure it will amount to some crores of rupees and the Government is going ultimately to lose several crores on this imported rice from Burma. If I may say so with a certain amount of knowledge, Sir, this Burma rice has been imported not with the idea of building up reserve stocks of rice in the country but with the idea of liquidating the debt that was due by the Burma Government and I am sure the hon. Minister will not deny the truth of my statement on the floor of this House that the Burma Government owed several crores of rupees to India and that the Government of India was not in a position to collect that amount from Burma Government and as a result of it the only go for the Government of India was to import these 9 lakh tons from Burma at a fabulously heavy price. Now, having been faced with that situation of getting 9 lakh tons with a view to liquidating a portion of the debt owed by Burma, the hon. the Food Minister thinks that the only

[Shri Rajagopal Naidu.]

way is to see that at least two lakh tons are exported. But what is the response which we have received from the importing countries? Nothing.

The second perplexity that I have not been able to understand is why only Bombay and Calcutta ports have been chosen and why Madras, Visakhapatnam and Cochin, the three important ports in South India have been neglected. My curiosity grew greater especially when the hon. the Food Minister stated that in Madras State the price of rice is the lowest in the world. When that is the case, when the price in Madras is lowest in the world, it is all the more reasonable that exports should be permitted from that particular area where the price of rice is the lowest in the world. The barriers between States with regard to movements of rice have been removed and when rice can flow from one State to another freely without any sort of hindrance, control or restriction, why only these two ports have been chosen and why have Madras, Visakhapatnam and Cochin ports been neglected?

Sir, I am sure the hon. Commerce Minister will consider this problem and see that the southern ports are also permitted to export rice to the other countries of the world. There is a sort of suspicion, Sir, amongst the Members from the South that the Calcutta and Bombay ports had been selected only for the purpose of seeing that the agriculturists from the North especially from Uttar Pradesh, are benefited. If rice is permitted to be exported from the southern ports also—of course from the southern States—then this doubt will be removed from the minds of the Members from the South.

Sir, my friend Mr Sinha, who is not here, had given certain figures as to the countries that were importing rice in the good old days namely, Ceylon and the other neighbouring countries, and from the figures that he had given, it looked to me that Ceylon was the greatest importer and consumer of Indian rice. I remember, Sir, in the good old days we were getting some

broken rice from Burma for the benefit of the labourers from Madras State. But with regard to the rice that is now imported, namely, the 7 lakh tons from Burma, I am sure that is not broken rice but some sort of rice which will not be for the benefit of the labour section in the Madras State.

Sir, I would like to raise another point, namely, why this finer variety of rice alone should be exported to the other countries and why the export duty also should be raised? If we want to develop the export trade what we have to do is we have to compete with the other surplus countries in the world with a view to establishing a market in the world. I am sure, Sir, that with the coming into being of these big river valley projects in our country, very soon—in the course of about three or four years—our country will not only be self-sufficient, but will also be in a position to export rice to the outside world. But the present policy of Government will be in no way helpful for the export and establishment of foreign markets for rice in the world. I am sure it is not going to be. What we have to do is that we must bring down the export duty, first of all; and we must try to export whatever kind of rice that is required by the other countries of the world. If we restrict the export of rice only to the finer varieties of rice—I am sure there is a demand in the outside world with regard to all sorts of rice—that will not be congenial to the consumers in our country. So, Sir, my submission would be that we should not restrict export only to a particular variety of rice, and if we want to establish a good foreign market, we must try to meet the demand from the other countries at a fairly competitive rate and we should be in a position to compete with Burma, Thailand and other rice producing countries in the world. But our present policy—I may say it, Sir, once again—will not be helpful. It may be helpful for the moment.

Now, coming to the figures, what was a deficit of nearly 7½ lakh tons in the year 1952 has suddenly become a surplus of nearly 21 lakh and odd

tons in the course of one or two years. Sir, I think there should be only two reasons for this: one reason is favourable monsoon conditions last year and this year; the second reason, in my opinion, is removal of controls. So long as there were controls, certainly we were not getting correct figures of the availability of rice in the country. People wanted to suppress the stock available just to create an artificial vacuum in the country. Once the controls were removed, we were getting the real picture of the situation in the country. Sir, this sudden surplus in the rice position of the country is primarily due to the removal of controls. That is one important thing. The second point is, as I have already submitted, favourable monsoon. I am sure, Sir, viewed in one sense establishing a foreign market for rice is good; viewed in the other sense, we must try to establish a foreign market only out of the rice that is grown in our country, and not this policy of importing from one country and, again, exporting the surplus. I am not in a position to understand the present policy of the Government. I will be very glad if at least this two lakh tons that is due from the Burma Government is stopped; and if there is any surplus left, try to export whatever quantity is available by reducing the export duty and at the same time try to send the particular variety of rice that is required by the outside world.

SHRI D. P. KARMARKAR: Sir, I appreciate the general way in which this question has been dealt with by the House. Regarding the quantum of the export duty and the desirability thereof, I find that there has been a general consensus of opinion. In fact, excepting one hon. Member no one has touched that point. That is the material point in the Resolution before us.

Then, Sir, regarding the other important point, which is a point of substance, about the advisability or otherwise of sending this quantum of rice, I should say, with respect, that rather than an attack on that, there has been a sense of diffidence—there has not

been a certainty as to whether it is wise to export at the present moment or not. Hon. Members appeared to be agreed, so far as I could gather, on the fairly good position of our food situation. That is to say, by and large—maybe favourable monsoon, maybe removal of controls, maybe a wise policy, or all these combined or improvement in the world rice position, or many other reasons—it has been conceded that so far as the general food position is concerned, it is quite satisfactory. Having conceded that, I think, much of the strength of the diffidence is broken, because even in normal conditions, pre-war conditions, we were importers as also exporters of rice. We used to import from Burma for instance, and we used to export fine rice even in those days.

AN HON. MEMBER: On balance, what was the position?

SHRI D. P. KARMARKAR: On balance we imported more than we exported.

SHRI RAJAGOPAL NAIDU: We were exporting Tanjore rice to Ceylon previously.

SHRI D. P. KARMARKAR: Then an hon. Member observed that it may be that the markets which were of a pre-war pattern may not be the same now. But the fact cannot be contradicted that even at a time when we used to import rice from Burma and other possible sources, we used to be an exporter of rice. I am grateful to my hon. friend Mr. Sinha for quoting certain figures regarding rice exported from India to outside countries. The quantity varied from one and a half lakh tons to about three lakh tons—subject to verification of these figures.

Now, Sir, the only point at the present moment is this, whether there is any reason for panic in respect of these exports. As I said in my preliminary observations, what we are trying to export is a finer type of rice. We are not at the present moment on an export drive of rice, just as we are on the export drive of, say, textiles or

[Shri D P Karmarkar]
 cottage industry products. We are not yet surplus to that extent. May be everything being favourable, we may be in a position some day or other, to achieve not only self-sufficiency, but also a surplus. It will then be possible for us to consider an export drive in that direction. What we want to do now is to establish a sort of normality, because we do think that in this sector it is possible to establish conditions of normality. And therefore it is that we have taken the greatest precaution possible to put up the export duty to such a figure as will not unnecessarily encourage exports beyond the level which we want to achieve. As I said, we have at the present moment a programme for the maximum of 2,00,000 tons, and as I said, about 37,000 tons have been licensed. Actually the shipments have been very small. But then what we are out to achieve is not an export drive in rice. We cannot afford to do that. Otherwise we would have tried to drive out all the rice that was there on our hands. We do not want to do that. What we want to do at the present moment is to achieve a sense of normality giving confidence to ourselves and confidence to the general public and not only that, Sir, but trying to re-establish our contacts wherever it is possible. And in trade, Sir, what we want to achieve is normality. Wherever there has been an abnormality the national cause is served by bringing those conditions to normality. So there is nothing of an ambition in this project. It is only letting out the conduit-pipe to such a small extent as we consider admissible. The only relevant point that I can find from the debate so far is whether we are running any unnecessary risk in doing so. And the facts that I gave at the commencement, I thought would persuade the House into a belief that we are doing nothing extraordinary at all. In fact, Sir, one fact is ignored. The House is well aware that conditions so far as rice is concerned are getting easier and easier, if we compare the world conditions of the production of rice 3 years back, 2 years back or one year back. As I said, it

is no longer a seller's market. It is going into a buyer's market. So, assuming for a moment that some of the stocks go out from the country, what happens? We shall be able to sell our rice at a proper price. Supposing we had 2 million tons of rice and we want to export 1½ million tons of rice, thus placing ourselves in jeopardy, I can well appreciate the point. But what we are doing is that we are trying to sell the finer type of rice to the highest possible limit for the time being about 2 lakh tons. And what is 2 lakh tons in a hoarded amount of a little more than 20 lakh tons? My friend, Mr. Mazumdar, who is normally very sober, is today unnecessarily panicky. Assuming that the worst happens we can import it. And it does not need a moment's argument, a moment's reflection, and even a careful observer will be able to tell us that it is just possible, and the probabilities are heavily in favour of getting rice at a little cheaper rate than we can get now. I mean to say that we are not going to consume the whole of that 20 lakh tons of rice in the near future. And supposing, this 2 lakh tons of rice goes out and we have to import it, other countries are doing very well with regard to rice. Burma is doing well, Thailand is doing well. If hon. Members will just give a moment's thought to the range of prices that are going down, they will find no cause for panic. So, ultimately I think, we should congratulate the Food Ministry which has advised us in this matter for devising a method by which there is a possibility of making rice available at cheaper prices. As a student of economics, I can well say that Government might well have gone in for even three lakh tons or four lakh tons being exported without bringing the country within the danger margin because we are likely to get rice, if the present trends are not disturbed at cheaper and cheaper rates. So, I really cannot understand the arguments put forward by my friends there. We are clinging to it, if I may be permitted to say so, in a spirit of unjustified miserliness, as if we stand or fall by it as if there is some great danger in exporting the rice

I really, Sir, with great respect, do not at all appreciate that point of view and the fears entertained by my friends. It is just like a patient who when out of the hospital does not like any activity, does not like any action, does not like any hazards. What I say is precisely to alleviate that sense of panic prevailing in the minds of my friends. I mean to say that people who do not like any hazards do not prosper. Anyway, I fail to see any hazards in this project. If at all, it will definitely stand in the interests of the country. So, Sir, having listened with all great respect to the observations made by my friends, I fail to see any cause for any diffidence whatever. Of course, Sir, the debate has to be there. In this connection, I am reminded of a saying by some distinguished Member of an Assembly in another country. He said, "Whenever the Government comes forward with a proposition, it is not good for the health of the Government that it should go unchallenged." I am therefore hoping that the observations made this morning are not made in the real sense, but they are made more with a view to keep our mental health in perfect order.

DR. SHRIMATI SEETA PARMANAND (Madhya Pradesh): A correct spirit.

SHRI D. P. KARMARKAR: I am very happy that for once my friend, Mrs. Parmanand agrees with me, and we can take her to be a sober judge. She has not participated in the debate, but she has listened to every one of us, and when we find an objective observation like this from one who is agreeing with us, we can take that as a safeguard, and my hon. friend, Mr. Mazumdar, can take Mrs. Parmanand as a safeguard in this matter. So, Sir, I really do not see any reason at all for apprehensions in this respect.

And having said that, I think, Prof. Ranga pleaded for the cause of growers. He calls for stabilisation of prices. We want that prices should be stabilised and the growers should have a

fair deal. That is a proposition to which we are wedded. But that is not the question here. With very great respect I say that that has no bearing here at all. I was almost saying that that has no relevance, but 'no relevance' is a strong term. So I will say that that has no bearing on the essential purposes of the debate.

And, Sir, there were some other observations made about Madras. I will quote the prices of one type of rice, what they call Coimbatore Chamba. My typist has typed it as Samba. But I hope it is Chamba. I accept the correction. I find, in January 1952, the price of rice per maund was Rs. 13/13, in 1953, it was Rs. 22 per maund, and in 1954, it was Rs. 23 per maund. Now, for Nellore Kesari, in 1952, the price was Rs. 12 9 per maund, in 1953, it rose to Rs. 18/15 per maund, and in 1954, the price is Rs. 17/8 per maund. So if prices are any index, they show that rice is not over-plentiful. Maybe in a particular district or taluk rice may be plenty. Take Kanpur, in 1952 the price was Rs. 23/10/- per maund; in 1953 it was Rs. 22/13; in 1954 it was Rs. 20 per maund. Then with regard to Samalpur mota the price is Rs. 13 per maund. We have to see the indications of the price level, and we are at present advised—and if my hon. friend Professor Ranga afterwards goes through all the figures that I have given, he will agree with us—that there is a likelihood of the prices even rising up again in the Madras State.

PROF. G. RANGA: Why do you say so? My hon. friend in his own eloquence forgets that the lowest price in Kanpur is more than the highest price in the South according to your own figures.

SHRI D. P. KARMARKAR: I am not carried away by my eloquence; I am a hard-headed, matter of fact man. We always consider in the Ministry all the observations made by hon. Members here and do not judge anything hastily. But the point is that

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one does not know whether Prof. Ranga is in agreement or in disagreement, but whether he agrees with us or disagrees with us, we have a duty to ourselves and we have to render it, agreement or no agreement.

A point was made by Mr. Mazumdar and also by some other friends that cloth may be consumed in plenty, that food may be consumed in plenty but that it is no index of the purchasing power of the people. It may be so or may not be so but it has nothing to do with the quantum of the export duty. Whenever we speak of any achievements made, whether it be of the achievements of the Planning Commission or anything else, the stock argument is, "What about the starving millions of the country? Has their purchasing power increased?" No doubt there is no question that the purchasing power of our countrymen, even though it might have risen lately, still requires to be improved, but that has nothing to do with the point here at all. We say that as compared with the position five years ago, food consumption has increased; cloth consumption has increased to about 15 yards *per capita*. That is a proposition which can be verified from the figures. Our statistics are there; our production is there, our exports are there, and production minus the export will give the consumption.

DR. SHRIMATI SEETA PARMA-
NAND: But is it sufficient?

SHRI D. P. KARMARKAR: That is another line of argument altogether. There is no point in fogging one clear issue by another foggy issue. Let us take another occasion when the Budget is discussed to dwell on the purchasing power of the people, whether the people are not economically better off than before, but that has no connection, in my opinion, with this Resolution on the export duty on rice. Sir, I do not intend to weary the House further. I have tried to answer all the points that have been raised.

DR. SHRIMATI SEETA PARMA-
NAND: Which are the countries that are anxious to buy our fine rice?

SHRI D. P. KARMARKAR: 37,000 tons have been licensed for. When that information is available, on notice I shall give the answer.

DR. SHRIMATI SEETA PARMA-
NAND: Only then can we know whether we can export?

PANDIT S. S. N. TANKHA: May we know the total consumption of rice in the country in order to enable us to decide whether we are or are not running any risks in allowing 2 lakh tons of rice to go out of our country?

SHRI D. P. KARMARKAR: My hon. friend knows that we are now getting into normal conditions from abnormal conditions of rationing. In two or three years' time we shall be able to gather the correct figures when conditions stabilise. Previously when rationing was there, we used to restrict consumption by the very system of rationing. It is now rising and even now nobody knows exactly what the exact quantum of the production is. But rice is easily available and even if we allow two lakh tons, we will not be taking any risks because we can import five lakh tons or ten lakh tons, whatever the quantity we want.

THE VICE-CHAIRMAN (SHRI R. C. GUPTA): The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Rajya Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry S.R.O. No. 2454, dated the 24th July 1954, by which the export duty was enhanced from two annas and three pies per maund of 82 2/7 lbs. to 20 per cent. *ad valorem* on rice, husked and unhusked, including rice flour but excluding rice bran and rice dust, which are free,

with effect from the date of the said notification."

The motion was adopted.

RESOLUTION RE EXPORT DUTY ON GROUNDNUT OIL

THE MINISTER FOR COMMERCE
(SHRI D. P. KARMARKAR): Sir, I move:

"That in pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Rajya Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry S.R.O. No. 2520, dated the 29th July 1954, by which an export duty of Rs. 350 per ton of 2,240 lbs. was levied on ground-nut oil with effect from the date of the said notification."

Sir, I should like to preface my formal motion with a few observations, because this matter has naturally attracted comment, and therefore I should like to invite the attention of the House, by way of preliminary observations, to the background of the decision that we took. As the House is aware, as a result of the Korean War boom, there was an unprecedented demand for oils and oilseeds for stock-piling and the prices of Indian oilseeds and oils also shot up considerably and added to the inflationary pressure and with a view to mop up a part of the excess profits earned by the exporters, an export duty of Rs. 300 per ton was imposed on all vegetable oils including ground-nut oil, with effect from the 30th June 1951. Thereafter, when the stock-piling ceased and conditions returned to normal, it was found that the export duty on ground-nut oil could not be sustained in view of the re-emergence of a buyers' market from a sellers' market. With a view, therefore to facilitate exports and retain our traditional markets for this major item of our export trade, it was decided to remove the export duty on this oil with effect from the 16th March 1952.

Exports of ground-nut oil have been permitted within an overall annual quota fixed for each exchange year (July to June) after taking into consideration the crop prospects, the probable internal requirements and the price trends. For the exchange year 1952-53 a quantity of 60,000 tons in terms of oil was released for export. Out of this, 20,000 tons were released during the period July to December 1952. A further quantity of 36,000 tons was released for the next half-year, January-June, 1953, keeping in reserve 4,000 tons for newcomers; but due to an unexpectedly poor crop of ground-nut, coupled with a general rise in the consumption of edible oils in the country, the prices of oils and oilseeds, especially ground-nut oil, began to shoot up. By the middle of 1953, the prices of ground-nut oil reached the highest level attained in recent times. In order to help the consumer and with a view to curtailing speculative activity, exports were suspended after August 1953. Thus, nearly half of the export quotas released remained unexported. In addition, imports of palm oil and cotton-seed oil were permitted to relieve the pressure on ground-nut oil at least from industrial users.

This policy had the intended effect on the market and the price level moved downwards and was held in check, although repeated rumours, regarding export releases, continued to revive speculative activity from time to time. By the beginning of June, the trade was convinced that Government was in no mood to permit unbridled price rises to the disadvantage of the consumer. The traders, therefore, were reconciled to a low level of prices. Then as the season advanced and crop conditions appeared to be favourable, stockists began to worry about the stocks on hand, with the result that prices tended to fall sharply in the month of July, touching the low figure of Rs. 1,118 on 24th July 1954—that is the latest figure we have. Just as previously, a ban on the export of ground-nut had been imposed in the interests of consumers, it was thought