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**SHRI K. C. REDDY:** I would like to know from the hon. Member as to when the indication of the policy was given, in what circumstances, in what context, and by whom, before I can definitely answer that question. But as I said, it should be obvious to anyone and more so to Government that in the matter of such distribution arrangements if there are indigenous firms in the field, certainly they should get preference.

**SHRI B. C. GHOSE:** That was not the question. With a view to giving this work to Indian firms—as it is not difficult for Indian firms to undertake the work of distribution; I believe I read in the paper some time ago but I cannot quote at the moment the authority, the source and the date—I asked the Government whether they did not consider it as a policy that so far as distribution work was concerned, they should not avail of the services of foreign firms?

**SHRI K. C. REDDY:** As I said, broadly the policy is accepted and that policy is being followed but I may say for the information of the hon. Member that we invited tenders recently for the distribution of bottled penicillin—if I remember aright—about a year or so back, and the response was mostly from foreign firms. There was no response from indigenous firms. Perhaps if we had instituted a further enquiry or ourselves taken some interest in the matter and approached indigenous firms “Can’t you do it, will you not give a quotation etc.?” perhaps it might have been possible. It is very much in the mind of the Government and I can assure the hon. Member and the House that wherever we can help it, we shall not have recourse to foreign firms for distribution.

**SHRI B. C. GHOSE:** Do I take it that if a foreign firm wants to manufacture any article in this country, or

if the Government seeks the assistance of some foreign firms, they will not, as a matter of condition, give the distribution also to that foreign firm?

**SHRI K. C. REDDY:** The scope of the question is being enlarged. This refers to distribution of Sindri Fertiliser Company’s products through certain foreign firms. The hon. Member is taking up the general question. If he puts a separate question, I will answer it.

**SHRI H. C. MATHUR:** In what respect has the present system of distribution been found wanting, that fresh consideration has been thought to be necessary?

**SHRI K. C. REDDY:** We can never be complacent about these matters. The distribution system, whether the existing one or the one that may come into existence, is always capable of improvement. Our examination of the subject has disclosed to us that the present system is wanting in certain respects.

**SHRI H. C. MATHUR:** That is what we want to know.

**SHRI K. C. REDDY:** We have brought them to the notice of the several State Governments and they are trying to improve the distribution arrangements that they have at present. These are matters of detail and if the hon. Member puts a separate question, I shall be able to answer it.

#### FALL IN FOODGRAINS PRICES

**PROF. G. RANGA:** Will the Minister for FOOD AND AGRICULTURE be pleased to state:

(a) whether Government have been informed by Agriculture Ministers of certain States about the prospects of bumper food crops and the recent rapid fall in the prices of foodgrains;

(b) whether Government are aware that the price of a bag of paddy of 2 maunds has come down from

Rs. 29 to Rs. 15 in the Godavari and Kistna Deltas during November and December, and that the present price is much lower (nearly 20 per cent.) than the procurement price;

(c) whether Government are aware that peasants have spent liberally on manures and more on repairs during the last season, besides paying high wages to maximise the crop yields; and

(d) what steps are proposed to be taken to assure peasants at least the procurement prices for wheat and rice?

THE DEPUTY MINISTER FOR FOOD AND AGRICULTURE (SHRI M. V. KRISHNAPPA): (a) Yes, the kharif crops have been very good this year and there has also been substantial fall in prices.

(b) It is true that some time in June or July the price of a bag of paddy of 2 mds. was about Rs. 29 in Godavari and Kistna Deltas and according to reports recently prices have gone down in many places to the level of procurement price, and in many pockets they have gone even slightly below the procurement price.

(c) The Government have no detailed information, but it can generally be said that manures were used liberally for the cultivation of rice.

(d) All States surplus in rice are now engaged in extensive procurement of rice and the targets of procurement have been raised in almost all cases. The peasants are, therefore assured of the procurement price for their rice. So far as wheat is concerned, the question will be later considered when the new wheat comes in the market. The present prices of wheat have not, to the knowledge of Government, gone down below the procurement price level.

PROF. G. RANGA: Are Government encouraging voluntary offerings of paddy to the Government agents and if so, where the rice-mills and other agents of the Government are not in

a position to accept the supplies, what steps are Government taking or propose to take in order to take delivery of these voluntary offerings at procurement prices?

SHRI M. V. KRISHNAPPA: In many States, e.g., in Mysore, they have announced voluntary procurement. If the merchants refuse to purchase at the procurement price, then the agriculturists are at liberty to sell to Government. The Government have given the various treasuries, Taluqudars, Tehsildars and Collectors sufficient money to purchase any amount of grain that is offered. In Andhra for instance just now the Government has undertaken to supply 2 lakh tons of rice through Government sources for Madras and one lakh tons for Travancore. All these 3 lakh tons of rice Andhra wants to procure through Government and that means they will have to purchase from the merchants or agriculturists there.

SHRI K. S. HEGDE: Am I to understand that Government is assuring a minimum price to the ryots?

SHRI M. V. KRISHNAPPA: Yes. Our procurement price is supposed to be the minimum price.

SHRI RAJAGOPAL NAIDU: May I know whether the fall in price is mostly due to abolition of the zonal system?

SHRI M. V. KRISHNAPPA: No. In fact the abolition of the zonal system had some effect in raising up the prices in Madras. Recently when they abolished the zonal system, in the Madras market the prices went up because from Andhra there used to be a free flow of rice and the Madras market prices were at lower levels. When they changed the zonal system, when they did not allow rice from Andhra to flow down to Madras, the Madras market went up.

SHRI M. MANJURAN: What is the proportion of increase in the crop expected?

SHRI M. V. KRISHNAPPA: The first acreage forecast we have already got. Actually we have three forecasts of the acreage and between the first and the final forecasts there will be a difference of 10 per cent. According to the first forecast this year of the acreage under paddy, the increase is 21 lakh acres.

SHRI M. MANJURAN: But I want to know the proportion of the increase in the crop, the proportion of the increase in production that is envisaged.

SHRI M. V. KRISHNAPPA: The hon. Member means the increase in the total production?

SHRI M. MANJURAN: Yes.

SHRI M. V. KRISHNAPPA: That we cannot say now, it may be some million tons.

SHRI M. MANJURAN: What will it be approximately?

SHRI M. V. KRISHNAPPA: Sir, the harvest has just commenced and we will be able to know it only after the final forecast comes, that is to say, by the end of December or in January. We will know it finally in February. According to the first forecast, the acreage has increased. Regarding the production, we will be able to say only by the end of February; but I can confidently say that this year it will be an increase in million tons and not in lakh tons.

SHRI B. C. GHOSE: With reference to part (a) of the question, may I know from the hon. Deputy Minister from which States the Government of India have received representations that prices of agricultural commodities were going down?

SHRI M. V. KRISHNAPPA: I could not catch the question, Sir.

MR. CHAIRMAN: "Which are the Governments which reported that the prices of agricultural commodities were going down?"

SHRI M. V. KRISHNAPPA: Sir, we will be in touch with the various markets in the country. And added to this, the State Governments also give us figures. For example, from Bengal.....

MR. CHAIRMAN: He wants to know which State reported to you.

SHRI M. V. KRISHNAPPA: Sir, all the State Governments will be sending their fortnightly reports and we are also in close touch with every State Government and the.....

MR. CHAIRMAN: But which of them have reported a fall in prices?

SHRI M. V. KRISHNAPPA: Andhra has reported. Some pockets of Bengal have also reported. And prices have gone down in some surplus pockets of Tamilnad.

PROF. G. RANGA: And Orissa?

SHRI M. V. KRISHNAPPA: No, because there is monopoly procurement in Orissa. There is no free market.

## WRITTEN ANSWERS TO QUESTIONS

### INVESTMENTS IN PRIVATE SECTOR

224. SHRI B. RATH: Will the Minister for PLANNING be pleased to state:

(a) the total amount which the private sector was expected to invest in each of the industries concerned under the Five Year Plan;

(b) the amount actually invested by the private sector in each of these industries; and

(c) the amount invested by (i) Indian firms and (ii) foreign firms, in each of these industries?

THE DEPUTY MINISTER FOR IRRIGATION AND POWER (SHRI J. S. L. HATHI): (a) A statement is laid on