

LOK SABHA

Tuesday, December 12, 1967/Agrahayana
21, 1889 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

MR. SPEAKER: The House will now take up questions. Shri Mrityunjaya Prasad. The hon. Member is absent. Now, next question.

SHRI BAL RAJ MADHOK: I had written to you about the obituary reference.

MR. SPEAKER: He should give me some time to decide what should be done. The moment it is written to me, it should not be taken as if it would immediately come up here.

RICE IMPORT DEAL

*602. SHRI MADHU LIMAYE: Will the Minister of FOOD AND AGRICULTURE be pleased to state:

(a) whether it is a fact that the Prime Minister had received information in regard to a rice import deal which was about to be finalised in the third week of August, 1967 throwing light on the foreign exchange loss involved;

(b) if so, whether the deal was cancelled on receipt of the above information by the Prime Minister;

(c) whether any inquiry has been made into this transaction; and

(d) if so, the result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (SHRI ANNASAHIB SHINDE): (a) Two communications, a telegram and a letter, containing such an allegation were received by the Prime Minister from the Hon'ble Member.

(b) No such deal was under consideration and the question of its cancellation does not, therefore, arise.

(c) and (d). Do not arise.

श्री मधु लिमये: मैं यह जानना चाहता हूँ कि पिछले दो-तीन साल में इस तरह के निजी लोगों के साथ चावल के आयात के बारे में कितने करार किये गए, इन करारों के तहत कितना चावल मंगाया गया और क्या दाम दिया गया। क्या मंत्री महोदय इस सम्बन्ध में सदन को पूरी तफ़्सील देंगे?

SHRI ANNASAHIB SHINDE: As far as the current year is concerned, a total of 29 contracts was entered into with the private parties, and I am prepared to lay a statement on the Table of the House mentioning the contracts which were entered into with the various parties.

In regard to the previous year, I would require notice. But I may say that before 1966, rice was not purchased from private parties, because so far as rice was available from Government sources from countries where Government agencies were in existence, we were not accepting offers from private parties. But owing to the difficult situation in 1966 and 1967, when large quantities were not available from Government sources, we had to resort to purchases from private parties.

श्री मधु लिमये: अध्यक्ष महोदय, कबीना के मंत्री ने इस सम्बन्ध में मुझे जो चिट्ठी लिखी है, उसमें से एक वाक्य में सदन के सामने रखना चाहता हूँ:

"I may mention that the maximum price which has been paid for rice so far is \$ 182 per metric tonne c.i.f. and that also in respect of some quantities of rice which we wanted positively to arrive in the country before a certain deadline, dictated by the extreme urgency of the requirement and to prevent a complete breakdown in the distribution system."

मैं मंत्री महोदय से यह जानना चाहता हूँ कि जब इस तरह का दाम इस चावल के आयात के लिए दिया गया, तो क्या सरकार ने यह जानने की कोशिश की कि अन्तर्राष्ट्रीय मंडी में ऐसे चावल के दाम क्या हैं; यदि हाँ, तो क्या मंत्री महोदय इस सम्बन्ध में तुलनात्मक आंकड़े देंगे। क्या मंत्री महोदय यह भी बतायेंगे कि जब इस तरह के करार किये जाते हैं, तो कमीशन आदि के बारे में क्या इन्तज़ाम होता है ?

SHRI ANNASAHIB SHINDE : I may try to explain the procedure which is followed in regard to the purchases of rice from private parties from other countries. There is a committee of Secretaries; actually it is at the joint secretaries' level; the financial adviser is there; one of the representatives of the Finance Ministry is there, and the Director-General of Food is also there. General ceiling limits are laid down by the Finance Ministry with the approval of the Deputy Prime Minister, and a general yard-stick was laid down that beyond a particular limit offers should not be accepted. In the initial period, the general yard-stick that was laid down was that no offer beyond £60 should be accepted; then, as the prices in the international market went up, the limit was raised to £63 first, then to £65 and then to £66.

The Committee of Secretaries was not authorised to accept any offer exceeding this limit. This is the position.

As far as the international prevailing prices are concerned, I will have to consolidate the information; it is not with me at present. But it is well known that in the pre-harvesting period, prices in the international market tend to go up. This is a general phenomenon.

श्री मधु लिम्बे : अध्यक्ष महोदय, एक बात का खुलासा नहीं हुआ है। मंत्री महोदय ने कहा है कि एक मर्यादा है, जिसके ऊपर कोई दाम नहीं दिया जायेगा। लेकिन चावलों में बहुत फ़र्क रहता है: कुछ में टूटा हुआ ज्यादा रहता है और कुछ में कम रहता है। मैं चाहता हूँ कि

जब वह इस बारे में आंकड़े दें, तो इस बारे में भी जानकारी दें।

SHRI ANNASAHIB SHINDE : All these details are looked into by the Committee of Secretaries. They are expected to look into the question of broken percentage and all that. When offers are accepted, they specify particularly what is the broken percentage allowed in a particular contract and so on.

SHRI TENNETI VISWANATHAM : From how many countries have such private purchases been made and what is the difference in price between government to government purchase and purchase from private contractors ?

SHRI ANNASAHIB SHINDE : At the moment, I have not got that information, because there was a number of transactions. But if due notice is given, it should be possible for me to give the information to the House.

The main sources of supply are Burma, Thailand, Cambodia, UAR and sometimes the USA. But this time since a controversy has been raised, I may say for the information of the hon. Members, in order to remove any doubt on the point, that from the USA though 20 offers were received, only one was accepted, and even there that party backed out. So no rice on private account was imported from the USA.

SHRI CHINTAMANI PANIGRAHI : Was Government importing rice from those countries on government account beforehand ? I would like to know whether these private parties did not allow rice to be exported from those countries on government account and they agreed only to export on private account and we had therefore to enter into contracts with those private parties.

SHRI ANNASAHIB SHINDE : The position was like this. We normally approach the governments of the various countries in order to get rice. Our approach is through our embassies. When our embassies inform us that the Governments concerned are not in a position to supply rice to us on government account, only then, we try to find out from private parties. Till we get a firm indication from the governments concerned, we do not approach the private parties.

SHRI CHINTAMANI PANIGRAHI : What is the total quantity agreed to for import of rice on private account ?

SHRI ANNASAHIB SHINDE : On private account, the total quantity that was to be imported was 1,79,000 tonnes. Actually all the deals could not go through.

SHRI E. K. NAYANAR : Government know that they are unable to supply rice to Kerala. In the past, the Government of Kerala had asked the Central Government whether it was possible for the State Government to deal with private dealers and get the rice. A number of proposals came before the Kerala Government to import rice through this means. Last November, we placed these before the Prime Minister along with the Food Minister of Kerala and submitted a memorandum and appealed to the Central Government to allow us to get rice that way particularly when the Central Government was unable to send the allotted quota of rice to Kerala. It is distributing three ounces.

SHRI ANNASAHIB SHINDE : If any State Government or any Minister gets information about any offer from any part of the country, they can refer to us. We shall examine the possibilities and if the offers are competitive, we are prepared to examine it.

SHRI E. K. NAYANAR : Whether the Government will allow it ?

MR. SPEAKER : The hon. Member has not probably followed it. The Minister says that if any State Government has got any proposal to purchase from outside, if it is available, the Centre will examine it and find out what could be done.

SHRI E. K. NAYANAR : That proposal itself was submitted before the hon. Prime Minister. We do not know what happened afterwards : what was the attitude taken up later on.

श्री अटल बिहारी वाजपेयी : अध्यक्ष महोदय जब इस तरह की खरीद या बिक्री होती है तो जो पक्ष खरीदता है और जिसको बेचा जाता है, उसे कुछ कमीशन मिलती है। जिस चावल के बारे में चर्चा हो रही है, वह सरकार ने खरीदा, लेकिन प्राइवेट पार्टियों से खरीदा

गया तो प्राइवेट पार्टियों ने उस ट्रांजेक्शन में जरूर कुछ कमीशन दिया होगा। मैं जानना चाहता हूँ कि यह कमीशन कहाँ जाता है, यह सरकार के खजाने में जमा हो रहा है या जिन अफसरों ने यह समझौता किया है, उस का हिसाब जून्हीं के पास है।

SHRI ANNASAHIB SHINDE : The prices are quoted by the parties; whether there is some element of commission in the price quoted or not, I am not in a position to say. We approve the quotation, at what price the rice or that particular quantity is offered to us and on the basis of the approval of the quotation, we purchase the rice. As far as India is concerned, it is entirely on Government account.

SHRI S. M. BANERJEE : In the letter addressed to Shri Madhu Limaye, the hon. Minister has stated as follows :

"As you are aware, in the past years we have been importing rice generally on a Government to Government basis from our traditional suppliers like Burma, Thailand, UAR, etc. It is because one of these suppliers was unable to fulfil the contract and the supplies were not in a position to meet our urgent requirements, in the context of the world shortage of rice, that we were compelled to enter into contracts with private parties for the import of certain quantities of rice which were so essentially required in the country."

I would like to know who was "one of the suppliers" who was unable to fulfil the contract, whether this was done under compulsion—whether this contract to a particular firm was given under compulsion. Was there any compulsion, or because there was a shortage there was a breakdown? I want to know.

SHRI ANNASAHIB SHINDE : The party to which the hon. Member perhaps refers is Ajanta International Export House, Bombay. That party offered rice, f.a.s. at \$ 151.79 per metric tonne. That comes to about £61.42 C. & F. But that party backed out.

SHRI N. K. SOMANI : What is the total quantity of rice proposed to be imported in the current financial year and what is the price differential between the landed cost of rice and the price at which the consumer buys it in the ration shops ?

SHRI ANNASAHIB SHINDE : The hon. Member is aware that we subsidise actually the imported rice to a certain extent.

SHRI N. K. SOMANI : What is the price differential ?

THE MINISTER OF FOOD AND AGRICULTURE (SHRI JAGJIWAN RAM) : So far as next year's import is concerned, a final decision has not been taken yet.

SHRI PILOO MODY : What about last year ?

SHRI JAGJIWAN RAM : Last year, i.e. the current year, whatever was to be imported has been finished. So far as the next year is concerned, a final decision has not been taken yet.

श्री क० ना० तिवारी : चावल का डोमे-स्टिक प्राइस और फौरन प्राइस क्या है ? दोनों में कितना फर्क है ?

SHRI ANNASAHIB SHINDE : May I reply to that question ? The prices of imported rice are comparatively higher than the prices of indigenous rice.

MR. SPEAKER : Next question. Question No. 604.

श्री रवि राय : यह जो दूसरा सवाल है, इसको आप कल रख देते तो अच्छा होता। कल होम मिनिसट्री का दिन है, कल हो सकता है। सात दिन के लिये टाल देना ठीक नहीं है।

MR. SPEAKER : I am told that it is coming up on the 20th. That is what I am told. We will see.

SHRI JAGANNATH RAO JOSHI : I have also sent a question about hunger-strike in Bhopal. That has been transferred to the 22nd. I do not know why the question was transferred to 22nd.

MR. SPEAKER : I cannot say anything now. I myself do not know. This must have been done because perhaps the minister wanted that date. I will enquire into that.

SHRI S. M. BANERJEE : Question 603, which is an important question has been shifted to the 20th. I have no grouse against that, but will it secure the same place on that day ?

MR. SPEAKER : I will look into that. Next question.

SUGAR MILLS IN MADHYA PRADESH
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*604. **SHRI BHAGABAN DAS :**
SHRI B. K. MODAK :
SHRI K. ANIRUDHAN :

Will the Minister of FOOD AND AGRICULTURE be pleased to state :

(a) whether it is a fact that all the 5 Sugar Mills in Madhya Pradesh have decided to close down the mills during the coming crushing season;

(b) if so, the reasons thereof;

(c) the total number of workers likely to be affected by the closure; and

(d) the steps Government propose to take to stop closure of the mills ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (SHRI ANNASAHIB SHINDE) : (a) and (b). All the 5 Sugar Mills in Madhya Pradesh had put up closure notices on account of inadequate availability of sugarcane, but it is understood from the State Government that 2 of them propose to work during the season.

(c) If all the 5 Sugar Factories do not work the total number of workers likely to be affected is about 4,000.

(d) The Government of Madhya Pradesh has been making efforts to persuade the managements to run the sugar factories even for limited periods and as a result of these efforts the managements of two sugar factories have applied to them for declaration of reserved areas.