

[Shri Brajamohan Mohanti]
and coastal region. The Government should provide necessary financial allocation and take all other steps to implement the project according to the schedule.

The Railway Division at Sambalpur is not being implemented according to the schedule for want of financial allocation. This project was inaugurated by the hon. Prime Minister and there was expectation that it will be right earnestly taken up and completed at the earliest. This local discontent is growing.

The Kanas Road Railway Station in District of Puri in Orissa although is attracting heavy passenger traffic, it remains undeveloped. The station is without platform shed, without adequate rest shed. The existing rest shed is at such low level that during flood, it is submerged with flood water. The station remains unclean as no sweeper is working. The phone connection in between Motary and Kanas is not there. All the developmental sanctions for the last two years have not yet been implemented. A rest shed for women already sanctioned needs to be constructed at a high level so that it can be used during rainy season.

The Delang and Motary Railway Stations in Puri District, Orissa also need platform sheds on both sides. This is for the attention of the Railway Minister.

(ix) Need to telecast the network programmes in regional language and increase the duration of Kannada Programmes on Bangalore Doordarshan.

SHRI V.S. KRISHNA IYER (Bangalore South) : The Government of India has taken various steps towards expansion in coverage of T.V. and it would be very useful and serve the purpose if the number of hours of transmission in regional languages are increased. In the case of Bangalore Doordarshan, except on Saturdays, the total number of hours of Kannada programmes is less than two

hours everyday. This is insufficient. If people have to benefit from television, then the duration of the use of regional languages will have to be increased. At present, even messages relating to the importance of heavy children vaccinated or immunisation programmes are not being telecast in Kannada. I request the Government to telecast network programmes in regional languages and increase the duration of Kannada programmes on Bangalore Doordarshan.

MR. DEPUTY SPEAKER : Now, we will take up item No. 13. Shri G.S. Dhillon.

—
12 31 hrs.

COTTON, COPRA AND VEGETABLE OILS CESS (ABOLITION) BILL, 1986

[English]

THE MINISTER OF AGRICULTURE (DR. G.S. DHILLON) : Sir, I beg to move :

"That the Bill further to amend the produce Cess Act, 1986 and the Coconut Development Board Act, 1979 and to repeal the Copra Cess Act, 1979 and the Vegetable Oils Cess Act, 1983, be taken into consideration."

Sir, the Finance Minister, in his Budget speech in February, 1986, had indicated that as an endeavour to reduce the number of cesses, it had been decided to dispense with the cess on Cotton, Copra and Vegetable Oils. The Cotton, Copra and Vegetable Oils Cess (Abolition) Bill, 1986 was introduced in the Lok Sabha on 8.12.1986 with a view to abolishing these cesses.

At present, cess on cotton is being levied under the Produce Cess Act, 1966. Cess on copra is being levied under the Copra Cess Act, 1979 and cess on vegetable oils is being levied under the Vegetable Oils Cess Act, 1983.

The proceeds of cess on cotton are to be utilised to meet the expenditure incurred in connection with the development of "produce" under the Produce Cess Act, 1966 which includes cotton. Cess on copra is the main source of finance for the Coconut Development Board and the cess on vegetable oils for the National Oilseeds and Vegetable Oils Development Board.

The requirements of funds for the development of cotton and the Coconut Development Board and the National Oilseeds and Vegetable Oils Development Board will be met through budgetary allocations and all steps will be taken to ensure that the plans and programmes of the National Oilseeds and Vegetable Oils Development Board, Coconut Development Board and for Cotton Development get adequate support.

For the abolition of cess on cotton, the Bill seeks to amend the produce Cess Act, 1966. For the abolition of cess on copra and vegetable oils, the Copra Cess Act, 1979 and the Vegetable Oils Cess Act, 1983 respectively are being repealed. The amendment proposed to be made to the Coconut Development Board Act, 1979 is of a purely consequential nature.

I may like to stress that the objective of the Bill is to do away with the multiplicity of the cesses and development of cotton, coconut and oilseeds and vegetable oils will continue to be provided all assistance and encouragement.

MR. DEPUTY SPEAKER : Motion moved :

"That the Bill further to amend the Produce Cess Act, 1966 and the Coconut Development Board Act, 1979 and to repeal the Copra Cess Act, 1979 and the Vegetable Oil Cess Act, 1983, be taken into consideration."

Now, for this Bill, one hour is allotted, including the Minister's reply. So, I request the Members who are participating, to be very brief.

Shri Sobhanadreeswara Rao to initiate the discussion.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : We have no objection to Cotton, Copra and Vegetable Oils Cess (Abolition) Bill, 1986, which is introduced to further amend the Produce Cess Act, 1966 and the Coconut Development Board Act, 1979 and to repeal the Copra Cess Act, 1979 and the Vegetable Oils Cess Act, 1983. We welcome this step.

In the Statement of Objects it is mentioned—"As an endeavour to reduce the number of cesses and multiplicity of taxes". With this object, this proposal has been pushed into the House. We welcome it.

It will also eliminate a lot of paper work and administrative procedures which sometimes lead to redtapism also. After all the amounts that are involved are not very much—only Rs. 64 lakhs in respect of cotton, Rs. 70 lakhs in respect of Copra and Rs. 7 crores in respect of Vegetable Oils. In fact, much of the money may have to be spent on the collecting machinery also. However, in this connection I would like to make a few suggestions to the Government.

These cesses were levied earlier with an object to spend these amounts for taking measures to promote the improvement, development and marketing of produce. Now, with abolition of these cesses on these items the Government should continue to help those measures which are aimed at improvements development and marketing to these produce. This amount hitherto being collected by way of cess in the States was not much. So, I suggest that the Government should provide more and more funds in order to achieve all those objectives.

I do not say the Government has not at all taken any steps, but I do say that it has not taken adequate steps. I would like to quote an instance of the prevailing danger of white fly on cotton in Andhra Pradesh and Karnataka which has caused immense danger to the cotton crop.

[Shri V. Sobhanadreeswara Rao]

Several thousand cotton farmers are thereby economically ruined. Many people committed suicide and as a result of it to-day the total cotton production in Andhra Pradesh and Karnataka has gone down. It might have come to the notice of the Government. I would suggest that the Government should spend more money, encourage the research to evolve white fly resistance variety cotton without which our comfortable position in respect of cotton will not last long.

You are aware that the farmers are not quite happy with the minimum support prices that have been announced and in several parts of the country the farmers have expressed their resentment, especially in Maharashtra and other States. I request the Government for development and improvement of cotton as this is the basic thing that is necessary, Government should come forward with quite remunerative prices actually after taking into consideration the cost of cultivation. I also suggest, the Government as has since decided to export 4 lakh bales of cotton for export purposes, can export more. There are enough stocks in the country. With the export of more cotton, there will be higher domestic market demand for the indigenous cotton. It will increase the market price and the farmer will get higher, better and satisfactory price. On the marketing front, the farmers are exploited by the middlemen as well as sometime by the CCI Purchasing Agents also. The buyers, the agents fix the quality of the cotton according to which the farmer will get the price for his produce. Invariably he gets much below the support price. Now for the fair average quality cotton, he is fixing much lower price. For the sake of criticism, I am not mentioning this point. But there are rumours that many a time, for reasons known to only themselves they are fixing lower prices for fair average quality of cotton. Sometime they also fix more prices for little inferior quality cotton. I would therefore suggest to the Government kindly to evolve a scientific procedure, with a rational for fixing reasonable price to be given to the farmers which will go a long way in safeguarding their interests.

Sir, there are many electronic machine devices which have been in use in many fields. There are electronic machines to find out moisture content and microner aspects of cotton. After all, they may cost a few thousands of rupees. You are taking so many steps for giving incentives in several fields. I would request the Government to come forward with a proposal to help the regulated marketing yards to acquire these electronic machines so that they may use these machines at these places. Some element of subsidy should be involved from the Government of India side in the acquisition of these machines so that the process at the marketing centres will be speeded up and it will also eliminate the middlemen and other unscrupulous persons. This will also safeguard the interests of the farmers.

Sir, in respect of vegetable oils, I would like to mention a word of caution. The import of vegetable oils should not lead to certain malpractices being adopted against the interests of the farmers. I suggest to the Government that instead of spending several hundreds of crores of rupees for import of oils from abroad, the Government should give remunerative prices to the farmers who are quite competent enough to produce vegetable oil-seeds to meet our demands. In this context, I may submit that here also the middlemen are exploiting the farmers. I will give one instance from the latest magazine dealing with agricultural position, in which it is clearly stated that between October 31, 1986 and November 28, 1986—say in a period of one month—the price of groundnut with shell has reduced from Rs. 516 to Rs. 435 per quintal. But during the same period, the price of groundnut oil per quintal has increased from Rs. 176 to Rs. 1820, that is, Rs. 45 is an increase. The farmers, the producers, were very much agitated that they were denied their due price for their produce. I would request the Government to take such steps that are necessary to curb exploitation by the middlemen.

Sir, in regard to copra, it is learnt that the Government has allowed certain people to import coconut. I am sorry to state that this has got serious impact on the

domestic market and the coconut oil prices are falling continuously. The farmers are experiencing agony and they are not able to get remunerative prices. This has put further strain on the farmers. I would therefore request the Government to take such steps as to safeguard the interests of the coconut producing farmers by withdrawing the licence for import of coconut oil and copra. In our country the production of coconut has increased manifold and still there is ample scope for further increase in the production with more helpful attitude by the Government. There is a lot of scope in the coastal areas in the Southern States for increasing the production of coconut and I hope the Government will do its best for development and increase the yield of coconut.

Lastly, I am happy that the Prime Minister has accepted the proposal for abolishing the minimum export price on cotton and also a proposal to grant subsidy an cotton export is being considered. I believe it is a step in the right direction and the Government should take more steps to safeguard the interests of the cotton farmers in this country.

With these words, I think you very much.

[Translation]

SHRI MOOL CHAND DAGA (Pali) : Mr. Deputy Speaker, Sir, when this Bill was introduced, it struck my mind that a deficit Budget to the tune of Rs 2000 crores to Rs. 4000 crores is presented every year. Now the Government is doing a new thing. They are going to dispense with cess amounting to at least eight crore rupees. I do not know why this is being withdrawn and why it was levied. I think originally Shri Surjit Singh Barnala was to bring forward this proposal. But Shri Dhillon has got an opportunity to bring forward this Bill and he is withdrawing the cess. Shri C. Subrahmanyam, who belonged to Tamil Nadu, had also brought forward such a proposal. The reason is that cultivation of coconut is practised in Tamil Nadu, Kerala and Andhra Pradesh. This cess had been levied to boost the cultivation of coconut and to promote the technical knowledge concerning thereto. I

would like to know from Shri Dhillon as to who will bear the expenses of that Board ? You are getting Rs. 70 lakhs from the Copra Cess Act, Rs. 64 lakhs from the Produce Cess Act and Rs. 7 crores from the Vegetable Oil Cess. The agricultural policy which is being formulated will adversely affect the cultivators because their lands are being ruined and they are not being given any assistance to compensate the loss. The Government have explained :

[English]

"It is proposed to abolish the cess on cotton, copra and vegetable oil and provide necessary funds through budgetary allocations for the plants and programmes for the development of the produce."

[Translation]

My friend Shri Mahajan is sitting here. He is a renowned economist. He is working for the welfare of the country. They are presenting deficit Budgets for the last three years. Now the Government is taking a new step to earn praise for themselves. I want to know why did the Government remain silent all these years ? When it was in their knowledge that cess did not serve any purpose and instead caused harm, then why did they remain silent all these years ? Will the hon. Minister tell how much amount will be spent on its development and how much money has been provided in the Budget for this purpose ?

This Act was in force in 1966, 1979 and 1983 and onwards and your Board was also in existence all these years. You earned revenue through the cess. I would like to know how this revenue was utilised ? Earlier when the Bill was passed, it was written therein.

[English]

"This is meant for technical development".

[Translation]

We know that in Kerala the land under coconut cultivation is very small.

[*Shri Mool Chand Daga*]

Most of the people in Andhra Pradesh and Tamil Nadu make their livelihood through the cultivation of coconut. You want to give them some financial assistance and now the Government is saying that they are abolishing cess. Then how do they propose to give them assistance? You are saying that provision for it will be made in the Budget. Kindly tell us how much amount will be provided in the Budget for the development of coconut, vegetable oil, cotton, and how much is your expenditure on this score at present? Do they have so much amount for the development of these three commodities? May I know why the Government have proposed to abolish this cess?

There is no mention anywhere in the Statement of Objects and Reasons to the effect that so much amount will be provided by the Government. It says:

[*English*]

For the purpose of abolition of cess, it is proposed to amend this Act and the cess will be abolished.

[*Translation*]

But you have not mentioned in it how much amount will be earmarked for this purpose and how much amount is needed for it. You should have mentioned in the Statement of Objects and Reasons that so much amount is being spent for its development and so much financial aid is being given. Then one could have formed some idea about it.

We are not exporting these commodities, we are not in a position to produce vegetable oil but we want to propagate coconut to the maximum. We are importing vegetable oil worth at least Rs. 15 crores. Now the hon. Minister proposes to abolish cess and to make monetary provision for it in the Budget. The Budget will be passed by April. What anticipation you have made in this respect? How much amount will be spent for the development of these three com-

modities? The coconut crop is highly susceptible to diseases (*Interruptions*). I do not find any mention to any of these things in the Statement of Objects and Reasons. You are well aware of the pitiable condition of the farmers. How will we provide them technical knowledge and how will we popularise science among them? The opposition members have welcomed this step but I want to know wherefrom the money will be provided for this purpose?

***SHRI BAJU BAN RIYAN** (Tripura East): Mr. Deputy Speaker, Sir, the revenues of the Govt. are failing as a result of this amendment Bill which we are discussing. The Govt. will be earning Rs. 8 crores and 34 lakhs but I know that the administrative expenses of the Govt. in collecting this amount of tax will be much more than that. This income will be realised by the Govt. from the mill owners. The mill owners will surely be happy due to this legislation. Because before the introduction of this Bill, the mill owners had lot of arrears to pay. This has been stated in the 'objects and reasons' of this Bill. I hope the Govt. will recover those arrears at the earliest.

In this context I will like to say that the cotton that is produced in our country can meet the demand of our country to the full, if the farmers get adequate and remunerative price for their produce, and the Govt. takes responsibility for the various diseases from which cotton crops suffer and also for the marketing of cotton crop of the farmers. If the Govt. declared the price of cotton before the sowing season, that would have benefitted the farmers greatly, and they would have been encouraged to produce more cotton. But Sir, what is our common experiences. We see that the Cotton growing States are unable to sell their cotton crop at the right time and at the right price. As a result of that the farmers are forced to indulge in agitation and to raise their demands before the Govt. The poor farmers are having unsold stocks with them which they are compelled to sell to the middle-

*The speech was originally delivered in Bengali.

men at a very low price. The farmers are suffering on this account and are incurring losses. As a result of that their enthusiasm is declining and they are feeling discouraged. In the same way the growers of coconut were able to get Rs. 2 or Rs. 2.50 per piece, during the last coconut season and a little earlier also. But in the current season they are forced to sell their coconut even at Rs. 1 a piece. So the growers of coconut got a low price for their produce, but the price of coconut oil has not gone down at all. Rather the consumers have to pay a higher and higher price for coconut oil and surprisingly coconut oil is even being imported from other countries at a great cost. This import could have been avoided by the Govt. All the demand of coconut in our country could be met with our own internal production if the growers were given a remunerative price for their produce. Similarly we are capable of meeting our entire demand of vegetable oil from our own available resources and capacity of production. But it is a matter of regret that the Govt. has no plans or schemes to achieve that. They are not making any efforts to increase production. Sir, oilseeds can be grown with the minimum requirement of water. It can be grown even with the help of rain water. No big irrigation schemes are required for increasing oil seeds production. They need very little water. Therefore we can grow oilseeds even on that land where no other crops can be grown. The basic question is, that the growers of oilseeds must be paid a remunerative price to encourage them to go in for oilseeds production. Is the Govt. able to give this guarantee to the growers? They are not going to give it. For the production of oilseeds and for taking effective steps to increase its production the Govt. has set up some machinery. There is a Board at the national level. But we do not see any work being done by this Board. In the statement of objects and reasons of this Bill it has been stated that the administrative expenses of this Board will be met from the amount collected by Govt. by way of cess. Now, this Board cannot function effectively on this small amount of funds. I hope the Govt. will pay adequate attention to these points in the

coming days. They should pay attention to increasing the production of oilseeds. They should have a representative of the oilseed farmers on the Board and a representative of the workers of the oil-mills should also be kept on this Board. Only then you can have first hand knowledge and guidance as to how the production of oilseeds and edible oils can be increased in the interest of the nation. Similarly a workers' representative of the cotton mills and a representative of the cotton growers should be kept on this Board so that they may get an opportunity to help the Govt. in their task.

13.00 hrs.

I believe that with a little effort and proper planning the Govt. will be able to achieve increase in production. They will also be able to ensure better and remunerative prices to the cultivators and at the same time meet all the requirements of our country from our own production. I hope the Govt. will do that in the coming days. With that hope, Sir, I conclude my speech.

MR. DEPUTY SPEAKER : We will adjourn for lunch now to re-assemble at 2 p.m.

13.01 hrs

The Lok Sabha then adjourned for Lunch till Fourteen of the clock

The Lok Sabha reassembled after Lunch at Seven minutes past Fourteen of the Clock.

[**MR. DEPUTY SPEAKER in the Chair**]

COTTON, COPRA AND VEGETABLE OILS CESS (ABOLITION) BILL 1986—contd.

MR. DEPUTY SPEAKER Shri Girdhari Lal Vyas

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Deputy Speaker, Sir, I welcome the Bill which has been introduced because the cess which had been levied, has proved to be infuctuous. All the Boards of the Government, whether it is the Tea Board, Coffee Board, Cotton Board or Cotton Component Board, are white elephants. They simply incur expenditure and do nothing to increase their revenue or to develop the commodity. The Government have abolished the cess but simultaneously they should also abolish these Boards which have proved to be of no use.

SHRI BAPULAL MALVIYA (Shajapur) : The elephant is nothing but elephant whether it is white or black.

SHRI GIRDHARI LAL VYAS : I think you get irritated by the sight of white elephant. White elephants are found in lesser number whereas black elephants are found in abundance.

I was saying that all the Development Boards had no utility. The aim of the cess which was levied is given in the Aims and Objects of the Bill. It says :

[English]

".....the proceeds of this cess are utilised to meet the expenditure incurred in connection with measures to promote the improvement development and marketing of produce under the Act, which includes cotton.....".

[Translation]

With this aim in view, the cess was levied, but nothing was done in this respect. This is a welcome step but it will benefit the capitalists and the businessmen only who purchase these commodities and then sell it. It will not benefit the agriculturist in any way. How will you proceed with the works taken up by your Department to benefit the poor farmer for whose sake the cess was levied and how will you work it out so as to increase the production of cotton, coconut and vegetable oil for the benefit of farmer

and the country ? I hope you will do something in this direction so that you may be able to fulfil the objective of the Bill and contribute the maximum for the development of the country. This is one point.

The another point which I want to raise is that as a number of hon. Members have said, the production of cotton has increased considerably due to the efforts of your Department or as a result of the policies of the Central Government. Have you ever seen whether cultivator is getting benefits commensurate to his hard work or not ? The price of cotton has increased to Rs. 70/- or 80/- per quintal during the last two years whereas the cultivators are getting Rs. 50/- per quintal at the maximum. Have you ever estimated as to how much expenditure a cultivator has to incur in growing one quintal of cotton and whether the price given to him is reasonable or not ? I would like to know as to what steps are being taken to give benefits to the cultivators ?

I would also like to say a few words about the Cotton Corporation of India. It is a Government Organisation but it is not under your charge. The Corporation does not purchase cotton when it starts arriving in the market. It starts purchasing when the cost of cotton goes up in the market. The middlemen purchase cotton at cheap rates and sell it to the Cotton Corporation of India at higher rates. You might have seen as to how much loss it causes to the Corporation. On the one hand, cultivators are in loss and on the other hand the Cotton Corporation of India is also incurring losses, because it enters the market late and purchases cotton at higher rates. I want that the Commerce Department should pay attention towards it and ensure that the Corporation purchases cotton at cheap rates as soon as it comes in the market so that cultivators may also get remunerative price for their produce from the Corporation. Such an arrangement is very necessary. Our Hon. Prime Minister has taken a welcome step in this regard. He has announced subsidy to be given to the cotton exporters. Since the entire stock of cotton bales which are

produced here are not exported, its price remains quite low. If the export of cotton is increased, its price will also go up and the cultivators will be benefited. Similarly, Rs. 7 crores are collected as cess on vegetable oils. As compared to last year, this year the prices have increased from Rs. 60 to Rs. 70 per 15 kg tin. It shows that there is no control over the prices. They are increasing the prices arbitrarily which causes heavy loss to the consumer. These things have not been taken into consideration and that is why no concrete steps have been taken to check the price rise and to provide relief to the consumer. If such an arrangement is made, it will not only stabilise the prices, but will also benefit the consumer. Our Consumer Price Index goes up and so does the Whole Sale Price Index. Therefore, you should pay attention towards it. Your developmental activities should go on increasing constantly. Agriculture is the mainstay of the people of our country and 80 per cent of the people depend on it. For this purpose, it is necessary to set up 'Krishi Gyan Kendras'. Bhilwara district is a well developed agricultural area but no *Krishi Gyan Kendra* has yet been set up there. Some 'Kendras' have been set up at such places where they are not needed, but no 'Kendra' has been set up in Bhilwara district. As a result of it, the necessary arrangements for providing information relating to agricultural development to the farmers are not available to them and it is causing loss to our farmers. I request you to kindly extend your cooperation in setting up a '*Krishi Gyan Kendra*' in Bhilwara district.

14.16 hrs

[*English*]

SHRI THAMPAN THOMAS (Maveliara) : Sir, the immediate beneficiaries of this amendment Bill seem to be the mill owners and intermediaries. I understand from the note that the Government is bringing this Bill perhaps because of the difficulties that they were facing in collecting the money. Now this abolition Bill is brought forward on account of the failure of the machinery to collect the cess. I am afraid, if the Government

does not take proper steps to see that the existing developmental activities to encourage the farmers are not maintained, it will affect the cultivators and farmers very seriously.

At present we are depending on the foreign market for our internal consumption. We are importing palm oil, sunflower oil and other edible oils for the purpose of the consumption of the public at large. In this context, if there is no proper machinery to encourage the farmers to see that they cultivate more and more coconut trees, oilseeds and so on, it will affect the internal market.

Of course, I welcome this Bill to the extent that it abolishes the cess. But at the same time, I would request the Government to bring forth very pragmatic and concrete measures to help the farmers who are growing cotton, coconut and oilseed crops. For this purpose, I would like to highlight some of the experiences which my State has gone through in this matter. As you know, Kerala is one of the States where coconut is grown in large quantities. A large part of the economy of our State depends on coconut growing. The farmers were very much affected last year when there was a decrease in the prices of coconut. Of course, there was some relief because certain steps were taken to see that palm oil etc. were not imported and distributed to the consumers and instead, coconut oil was distributed.

But here I have got a complaint. The Central Government is not making any efforts to see that coconut oil is used by other States in other parts of the country also. No encouragement is given in this regard. It is purely confined to Kerala alone. If an internal market is found for coconut oil naturally the coconut farmers and others who depend on activities related to coconut cultivation will be encouraged and they will be benefited. But instead of distributing coconut oil through the public distribution system, the Government is importing edible oils from foreign countries and distributing the same through the public distribution system.

[**Shri Thampan Thomas]**

While taking part in this discussion, I would like to suggest that coconut should be declared as an 'oilsseed' and encouragement should be given for its cultivation. Steps should also be taken to see that it is used in other parts of the country besides Kerala, as an edible oil. If this is done, the market can be regulated and the farmers will benefit.

Of course it is true that the cess is lifted only when it could not be collected by the Government properly and more money was being spent on administrative expenditure for collecting the cess and the only way out is to abolish the cess. I welcome the proposal to have budgetary provisions to encourage the Board and encourage other promotional activities. It is good that you are institutionalising promotional activities. But it should not affect the present promotional activities. We require more and more avenues for cultivation of more and more coconut trees and people should be encouraged to come forward to cultivate oilseeds, coconuts and cotton. In that respect the farmers are not getting any sort of help, in any manner, from any agency. Whatever the things are being done, it is only to help the intermediaries. Directly, the farmers are not getting the benefits unless and until, Government takes steps to encourage farmers directly, the situation will remain the same. This Cess Abolition Bill will not be of any help to them. So, ultimately there should be an objective to help the farmers and to see that the cultivation is encouraged.

In the matter of cotton also, the same is the case. The cotton growers are facing the same difficulties. The people who are involved in marketing of cotton always gain because they are the mill owners and also the intermediaries. The entrepreneurs of the textile industry, the middlemen and the brokers are one and the same. They are exploiting the situation there.

My submission is that the Government should pay sufficient attention to see that agriculture is promoted and more land is brought under the purview of the

cultivation and also the consumption of coconut oils and other oils is popularised in other areas also.

[*Translation*]

SHRI SHANTI DHARIWAL (Kota) : Mr. Deputy Speaker, Sir, I welcome the Cotton, Copra and Vegetable oils Cess (Abolition) Bill. The policy of the Government to gradually abolish the cess completely is a welcome step. It will reduce the problem of multiplicity of taxes. Whatever the Government collected through these taxes, was being spent on their collection and on the establishment cost. The Government have been making all efforts since quite sometime, which is a welcome step.

Several Members have expressed their views on cotton. I would also like to submit, through you, that it has come to our notice that traditional growers of cotton are shifting to other crops. The Government should try to go into root of the problem to find out its solution. In Rajasthan, the area covered by the first phase of Indira Gandhi Canal was cotton producing area but now the position is quite reverse. The Agriculture Department looks towards Irrigation Department and Irrigation Department looks towards the other Departments. There is no coordination among these Departments. In addition to it, see page or water-logging problem is also there. Due to these reasons, the cotton cultivation in these areas is almost finished. The Government should find out its root cause and solve the problem.

The Government have taken a good step in abolishing cess but it will benefit the mill-owners only and not the farmers. If we want to make our country strong, we should improve the lot of our farmers. As of now, the position is that even cotton seeds are not available to the growers in time. If sometimes it is made available in time, it is of sub-standard quality and helplessly, the farmers have to sow the substandard seeds. Several times it has been seen that even the seeds supplied by the National Seed Corporation are of very poor quality and no action is taken if any complaint is lodged with them. I have such an instance in which the cotton

seeds did not sprout at all. The people lodged a complaint and kept on taking rounds of the complaint offices but to no avail. Therefore, I request the hon. Minister, through you, that the Agriculture Department should do something directly to benefit the cotton growers so that they may get improved quality of seeds in time and they may not have to wait for it for a long time. If seeds are made available to the farmers at the time of sowing, only then they will heare a sigh of relief. Besides, they are facing a lot of problems in marketing also. Government fixes the procurement price of cotton at a time which it is about to reach the market. The Government should fix the price of cotton at the time of sowing, so that the farmers could become hopeful of their produce and its good return. At present, the economic condition of the cotton growers is weaker than the other farmers. Middlemen swindle them. The Government should themselves come forward to purchase their entire produce so as to improve their condition and should spend more and more funds on the development of cotton. Today, so many farmers are shifting from cotton cultivation. So, we shall have to check this trend.

Similarly, Rs. 5 per quintal cess was levied on coconut and Rs. 70 lakhs were being collected every year from it. The Government has done well by abolishing it. I would like to say that it should be ensured that the working of the Coconut Development Board, on which this cess was being spent, is not affected. The Coconut Development Board has done a remarkable job. It has created much awareness among the farmers for cultivating coconut crop in 4 or 5 Southern States. It has been imparting technical know-how and providing improved quality seeds to the farmers from time to time. It has also provided sufficient marketing facilities to the farmers. I would like to say, through you, that the hon. Minister should assure the House that the abolition of cess would not affect the coconut development work in any way. It has to be seen that development work goes on smoothly and an adequate provision is made in the Budget for the Board.

Similarly, cess on vegetable oils has also been abolished, which is also a welcome step. This cess used to yield Rs. 7 crores every year which were being spent on National Oil Seeds and Vegetable Oil Development Board. The development works which the Board used to undertake for the benefit of oil seed producers should continue uninterrupted. Now-a-days, it is generally seen that there is constant gap between demand and supply of indigenous edible oils, and as a result of that large quantity of oils have to be imported. The prices of oils should be stabilised. The Government should try its level best to encourage the oilseeds production and all sorts of assistance should be given to the oilseeds producers. They should be encouraged by giving them loans, fertilisers and subsidy; only then we can march towards self-reliance.

We have seen in the case of edible oils that in January, 1986, the price index of oilseeds was 299.6 whereas in January 1987 it rose to 408.2 Similarly, the percentage of variation between the period January, 1986 and January, 1987 has increased to 36.2. It is a deplorable condition indeed. If we cannot become self-sufficient in oilseeds, what other self-sufficiency we can achieve? Therefore, special attention should be paid towards these things and top priority should be given to rendering all possible help to the farmers who totally depend on cultivation of oilseed crops. The Board should see whether the farmers are helped or not, whether awareness is being created among them or not, whether improved quality of seeds are provided to them or not and whether other facilities are provided to them or not. If such facilities are not provided, these Boards should better be abolished and we should look for some other alternative arrangement to strengthen the economic condition of the farmers and to encourage the oilseeds production.

[English]

SHRI KADAMBUR JANARTHANAN
(Tirunelveli) : Mr. Deputy Speaker, Sir. I welcome this Bill. Whether the abolition brings benefit to the farmers or not,

[Shri Kadambur Janarthanan]

it will benefit people in trade and industry, and help in the movement of goods also.

Regarding cotton, we have to admit that because of cotton seed oil being widely used in Tamil Nadu and other places, inspite of groundnut production being less, we are able to cope with the situation.

Therefore, if the government's intention really is to improve the lot of the cotton growers, then they must think only on those lines. Previously, the cotton lint was the only speculative product, but, today, cotton lint as well as cotton seeds have become the speculative product in the market. Last year, the *kapas* price was Rs. 400 to Rs. 415/- At that time, the seeds price was Rs. 300; but this year, owing to less crop, the *kapas* price has gone upto Rs. 600 to Rs. 700, but the cotton seeds price remains the same as Rs. 300 to Rs. 330/-. This occurs mainly due to our Policy of fixing the basic price, the support price of the cotton during the months of September-October.

Cotton crop inspection is more important. The estimation of crop should be done only after the cotton crop inspection is over. But I want to bring to your notice that crop estimation is being done in our country only on the acreage shown during the sowing season. This is a wrong procedure which always gives rise to the speculative business in the months of December-January. Naturally, the basic price this year is Rs. 530 whereas the market price, the lowest price is Rs. 650/-. Therefore, the traders and the industrialists are able to procure more cotton whereas the CCI and the federation people are restricted to do it. Therefore, the fixing of the basic price of cotton particularly if it is not for coconut and other things, should be done only after the crop inspection is over. That was the procedure followed till 1960. But I do not know why it has not been followed now. For that, as far as the

Cotton Board is concerned, it must be represented by Tamil Nadu, Andhra Pradesh, Maharashtra, Punjab and Karnataka. They are the real cotton growing farmers and those farmers should only be represented on that Board; only that Board should tour and inspect the crop and then they must estimate the crop. If all this is done, then only it will be a useful Board. Otherwise, it will be for the sake of name-helping others and helping none.

Regarding the quality of seeds, as one hon. member had mentioned, in Egypt and Sudan, growers are given seeds entirely for sowing from the government departments. But in our country alone seeds are purchased by anybody and everybody. It should be abolished and the cotton growers should be supplied seeds which are foolproof seeds through the government departments. That is a very essential point for the welfare of the cotton growers.

Oil production seeds help our country by 80 per cent today and mostly in Madras when we see things prepared by the hotels we find that they are not using groundnut oil; they are not using any oil except cotton seeds oil; this has become a common use in the country. Therefore, I request the hon. to pay more attention to it and see that at least by 1990 all the private people selling sowing seeds to the farmers should be stopped and sowing seeds should be supplied to the farmers entirely through the government departments alone. Then not only improvement of the crop can be effected but also insurance of the crop can be estimated.

In my village Kadambur, the purchasing centres of the Cotton Corporation of India have been abolished. This area has been 100 years old. This is the study of the Cotton Corporation working there, as far as Tamil Nadu is concerned. So, I request the hon. Minister through you to see that they purchase cotton from the real cotton selling centres.

[Translation]

*SHRI G.S. BASAVARAJU (Tumkur) : Mr. Deputy Speaker, Sir, I rise

*The speech was originally delivered in Kannada.

to support the Cotton, Copra and Vegetable Oils Cess (Abolition) Bill. I welcome this Bill and give some suggestions for the kind consideration of our hon. Minister for Agriculture.

Growers of cotton, coconut and vegetable oil are affected on account of low price for their produce. Import of edible oils has also discouraged the farmers. Added to these problems there is the burden of heavy cess. At this juncture our hon. Minister has come forward with this cess abolition Bill which is a great relief to the consumers and producers of cotton, copra and vegetable oils.

One of our elderly colleagues Shri Vyas called the coconut Board and other Boards as white elephants. I do not agree with his statement because it is these Boards which are working very hard for the welfare of the consumers and producers.

The production of spices, cotton and other commodities is on the increase but unfortunately the producers are not getting good prices. Our elderly leader Prof. N G. Ranga takes keen interest in the welfare of our farmers. He knows very well that the prices which the farmers are getting are not satisfactory. The growers are not getting remunerative prices. Unfortunately edible oils worth crores of rupees are being imported. If facilities are provided to our farmers we can attain self-sufficiency in edible oils also.

Karnataka Government has requested the Centre for help to complete the pending projects like Ghataprabha, Malaprabha Upper Krishna and others. Completion of these projects will help the farmers to bring lakhs of acres of land under oil seed cultivation. By this we can save foreign exchange worth 1000 to 1100 crores.

Sir, I am the Vice Chairman of the Coconut Board and I am fully aware of the difficulties faced by the Board. They do not get sufficient financial assistance. In the 5th Plan period only six crores of rupees have been allotted. Sometimes

the Board finds it difficult to pay salary to its employees. We have several plans of oilseed cultivation in vast areas in the States of Karnataka, Kerala, Maharashtra, Tamil Nadu and Orissa. But the coconut Board does not have sufficient funds. It should be provided with more and more financial assistance as it is in the case of Spice Board and Cardamom Board. The president and members of the Coconut Board do not have any powers. Even for spending a small amount of two thousand rupees the Board has to get permission from the department of Agriculture at the Centre. I therefore urge upon the hon. Minister for Agriculture to suitably amend the Coconut Board act at the earliest.

In Kerala State more than 25% of coconut trees are affected by root wilt disease. Such diseases have to be checked by using modern technology. There is a research Centre in Kasargod for checking such diseases but this is not sufficient. We have to take some more concrete steps to control these diseases completely.

An amount of about 80 lakh of rupees is inadequate for the proper functioning of the Coconut Board. If you want to increase the production of coconut you have to allocate 25 to 35 crores of rupees for a plan period as it is being allocated to Coffee Board and Cardamom Board.

I request the hon. Minister to immediately stop the import of industrial oil. Unless the import of coconut oil is stopped there cannot be any relief for coconut growers. If you import coconut oil, it will benefit only the merchants and not the growers.

I hope the hon. Minister of Agriculture will consult the hon. Minister of Commerce and convince him the need to stop import of oils forthwith.

I thank you, Sir, for giving me this opportunity to speak and with these words I conclude my speech.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. Deputy Speaker, Sir, I would like to submit, through you, that the Bill brought forward by the hon. Minister has no propriety. It is so because the Budget is going to be presented on 28th and this Bill has been brought on 24th. What an irony ! When the summons are issued for the Session, you also promulgate an ordinance, which is against the rules.

You have introduced the Vegetable Oils Cess Bill, three to four times. Through this Bill, you are exempting cess worth Rs. 8.34 crores and thereby losing that much of revenue. But I have every doubt that the consumers of this commodity will be getting its benefits. I think the benefit of this exemption will ultimately be enjoyed by the affluent and the mill-owners. When you do not fix the price, the price of the cotton is bound to rise. You are also abolishing cess on Vegetable Oils amounting to Rs. 7 crores; who is going to be benefited by this ? The price of vegetable oil is increasing day by day and unless you control it, the general public is not going to get its benefit. Therefore, you should give it a thought to it.

Secondly, you are heading such a Department on which 75 per cent of our rural population depends. There are some States in our country where different types of crops are grown. Suppose, a State has only one major crop—coconut—and most of the people earn their livelihood through it. You have set up a Development Board for the development of coconut. I am a Member of the Committee on the Papers Laid on the Table of the House. I had an opportunity to go to Cochin and Trivandrum. There, I found that vast area was under coconut cultivation but all the plants there were disease-infested. Your Development Board has high ranking officials and doctors in its ranks. I asked them whether those plants could be saved and whether they had developed any insecticides for this purpose. I was told that there was no insecticide available for this purpose. They also informed me about developing an improved variety of

seedlings. I told them that it was of no use to develop an improved seedling if the disease persisted. The more important think was to protect the plants which they were unable to do. Thus, the condition of the farmers there is very bad. It is true that you spend Rs. 15 to 16 crores on oil imports. You can stop this import by producing oilseeds here, but you do not give any incentives to the oilseeds producers. There are certains areas where specially the oilseeds can be cultivated. I am saying all this because you import oil. Therefore, you should pay attention in this regard. By producing oilseeds here, you can save crores of rupees which are being spent on import and can utilize that money on other developmental works in the country. Why do you not think about it ? Ours is an agricultural country and you know pretty well that be it the farmers of Bihar, Haryana, Punjab or any other State, they have made our country self-sufficient in the field of foodgrains. They can do so in the field of oilseeds as well.

We talk of giving remunerative prices to the farmers for their agricultural produce. The remunerative price of the produce of the farmers is that by which they can buy the items of his necessity. If the farmer gets Rs. 150 for 40 kilograms of rice, he will have to pay more to purchase other items of his use. Today, he can buy only two bags of cement with this much amount, whereas 20 year's ago when the price of rice was Rs. 35 for 40 kilograms, he could buy 4 bags of cement. Therefore, I want to say that the prices of agricultural produce should be fixed on the basis of the prices of the commodities needed by the farmers. The prices should be fixed by taking into consideration the items of his necessity and his produce together. That price only can be called the remunerative price. Our present policy has rendered the farmers paupers.

With these words, I conclude.

SHRI C. JANGA REDDY (Hanamkonda) : Mr. Deputy Speaker, Sir, the Bill that has been introduced is not going to benefit the farmers except those who

produce cotton. What are you thinking about the cotton produced by the farmers? While fixing the cotton price, you speak of giving minimum support price, but we do not want minimum support price. We want that the farmers should get remunerative price. Why do you not announce a remunerative price to benefit them? You fix the price keeping in view the consumer. The farmer needs maximum remunerative price and not the minimum support price. Today, the farmers have to virtually beg before you. But they are not going to beg any more. Remunerative price is different from the minimum support price. This year, the cotton prices are higher by Rs. 100 to Rs. 200 per quintal than those in the last year but he wants remunerative price which should be at least Rs. 1000 per quintal. Today, we find that the prices of cloth either remain stable or increase whereas the price of cotton decreases. You tell me what is the reason behind it?

Likewise, when the groundnut was priced at Rs. 400 to Rs. 500 per quintal, the oil was selling at Rs. 25 per kilogram. Now when the price of groundnut has come down to Rs. 300 or 400 per quintal, the price of oil continues to be Rs. 25 per kilogram. Why there was an abrupt hike of Rs. 10 per kilogram in the price of oil? The farmers do a lot of hard work in producing their crops, but you put restrictions on them. Why groundnut from Andhra Pradesh, cannot be taken to Bangalore? Why groundnut from one State is not allowed to go to another State? The oilseed procured from groundnut cannot be sold in other States. What are the reasons? What are you doing in this regard?

PROF. MADHU DANDAVATE (Rajapur) : If he sells it in Bangalore, he will get a good price for it.

SHRI C. JANGA REDDY : He will get a good price, that is why he is not allowed to do so. I want to ask, through you, why the farmer is being crushed between the Central Government and the State Government? The Central Government as well as the State Government

both have enforced their respective laws. Although food is a State subject, yet the situation of paddy continues to be the same due to the interference of both the Centre as well as the States. Therefore, you should make amendments in the Constitution in this regard. The F.C.I. people say that they require 14 lakh quintals of rice but the Government claims that they procure 26 lakh quintals as levy. It causes a loss to the farmers. Why do you not allow the farmers to sell their paddy in other States? Today, there is restriction on the movement of paddy from one district to another. If there is higher price of paddy in an other district, he cannot sell it there. On the one hand, there are restrictions by the F.C.I., and on the other, the farmer has to sell it to the State Government on a compromised price. That is why today the farmer is being crushed between these two.

The farmer cannot sell oilseeds outside his State. If groundnut sells at a higher price in Maharashtra, Karnataka, Tamil Nadu and Orissa, one cannot sell it there because there are several restrictions. Why these restrictions are there? One can bring cloth from Bombay to Hyderabad but why the oilseeds from Hyderabad cannot be brought to Bombay? You will have to remove these restrictions. How is it that there are no restrictions on the movement of industrial goods? The farmer who toils day and night, depends on rains and sun, cultivates his fields with hard labour does not get remunerative price for his produce?

My friend has said that oil is extracted from cottonseed. But cotton continues to be sold at the same price. Edible oil is being extracted at many places and is also being refined. But you just compare the returns a farmer gets from cotton as against an industrialist who has a cotton-based industry. The latter manages to construct a bungalow of his own but the farmer who produces the cotton, loses even his field and house in the process.

The cotton crop is susceptible to the attack of insects after a cycle of 2 to 3

[Shri C. Janga Reddy]

years and this causes reduction in yield per acre. Previously, we used to get an yield of 12 to 15 quintals per acre but now it has slumped to less than 5 quintals per acre. You will have to conduct a research in this regard. You will have to develop an effective insecticide and release the same for sale in the market immediateiy.

At the same time, I would also like to know why the godowns of Cotton Corporation of India catch fire frequently? I have asked a number of times in this regard, but it is told that an enquiry has been conducted. I would ask them to make an enquiry in my presence. They purchase less quantity but on paper it is shown much more. Then, one day they would tell us that a loss has been incurred due to a fire in the godown. Why these godowns catch fire so frequently? You should order an enquiry into it.

I also want to say that all the Commodity Boards that have been set up for the benefit of the farmers should remain under your control.

[English]

DR. DATTA SAMANT (Bombay South Central) : Various cesses are paid by the textile mill owners, vegetable oil mill owners and copra mill owners. But the small amount of cess paid by the middle and top people is cancelled because of this amendment. The purpose of this cess which has been collected so far is the promotion of the cotton growers and their sales. Now, in the aims and objects of this Bill, it is not clear whether because of the multiplicity of cess you are putting something in the Budget to be presented to the Parliament soon. But it is not known how much amount will be allocated for this purpose and how it will be used. I hope the hon. Minister will clarify this point, while giving his reply. Sir, the textile owners are paying only one rupee as tax. It is a very important issue. It is a question of 74 lakhs of rupees involved at the various levels. I would

like to mention in this House that because of the textile policy for imposing a small cess, the cotton growers are suffering all over the country at present. The mill owners are paying one rupee only. But do you know how much they earn? It is high time that the Government should have given thought to this burning question. About Rs. 1300 crores worth of cotton cloth and cotton garments have been exported last year and the mill owners have earned sufficiently and over and above this, you give subsidy of Rs. 10 per garment to those exporters. That is too much for one garment which costs hardly Rs. 30 and out of this the cotton cloth content is worth about Rs. 20. Then, what is the share of the cotton growers? He is not even getting Rs. 2 or Rs. 3 out of this amount. The man who is exporting is getting a major share and over and above that the Government is giving him subsidy. So, Sir, the cotton growers are not getting anything at all except the paltry amount of Rs. 2 or Rs. 3 and the tailor who is stitching the garment is also not getting much. He is getting Rs. 3 or Rs. 4 for stitching the garment.

14.56 hrs.

[MR. SPEAKER in the Chair]

Now, Sir, about one hundred lakh bales of cotton are produced this year. Out of this 90 lakh bales are the country's requirement. Why not the Government allow 15 lakh bales for export purposes? Maharashtra is very much affected in this. Now, while reducing the cess, etc. the policy of giving good price to the cotton growers is not at all helpful to them. But the concession given to the textile mill owners is beneficial to them.

[Translation]

MR. SPEAKER : Is not more artificial fibre being used? Say something about it also.

[English]

DR. DATTA SAMANT : Yes, Sir. I am telling the hon. Minister. According