

2nd December, 1985 together with an explanatory memorandum making certain amendment to Notification Nos. 31/76-CE dated the 28th February, 1976 and 111/78-CE dated the 9th May, 1978.

[Placed in Library. See No. LT-1565/85].

**Annual Report and Review on the working of the National Aluminium Company Limited for the year 1984-85**

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : I beg to lay on the Table a copy each of the following papers (Hindi and English versions) under subsection (1) of section 619A of the Companies Act, 1956 :

- (1) Review by the Government on the working of the National Aluminium Company Limited, Bhubaneswar, for the year 1984-85.
- (2) Annual Report of the National Aluminium Company Limited, Bhubaneswar, for the year 1984-85 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT-1566/85].

**COMMITTEE ON ABSENCE OF MEMBERS**

**Second Report**

[English]

SHRI MADHUSUDAN VAIRALE (Akola) : I beg to present the Second Report (Hindi and English versions) of the Committee on Absence of Members from the sittings of the House.

**PUBLIC ACCOUNTS COMMITTEE  
Sixteenth Report**

[English]

SHRI RANJIT SINGH GAEKWAD (Baroda) : I beg to present the Sixteenth Report (Hindi and English versions) of Public Accounts Committee on Action Taken on 205th Report (Seventh Lok Sabha) regarding construction of staff quarters at Pankha Road, New Delhi and Construction of staff quarters at Salt Lake, Calcutta.

12.04 hrs.

**CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE**

[English]

**Situation arising out of the large scale accumulation of paddy in various States**

SHRI MOOL CHAND DAGA (Pali) : Mr. Speaker, Sir, I call the attention of the Minister of Food and Civil Supplies to the following matter of urgent public importance and request that he may make a statement thereon :

“Situation arising out of the large scale accumulation of paddy in various States due to inadequate procurement arrangements made by the Food Corporation of India resulting in distress sale thereof by farmers and steps taken by the Government in regard thereto”.

12.05 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI K.P. SINGH DEO) : The Government of India have declared the report prices of paddy for the 1985-86 marketing season. The prices of the three varieties of common, fine and superfine paddy are, respectively, Rs. 142, Rs. 146 and Rs. 150 per quintal.

2. The prices fixed by the Government are for grains conforming to

[Shri K. P. Singh Deo]

the specifications approved by the Central Government. These specifications are fixed in consultation with the State Governments and circulated before the commencement of the marketing season to all the State Governments and the Food Corporation of India for observance at the time of purchase.

3. The Food Corporation of India and the State agencies purchase at the support prices all paddy offered for sale and conforming to the prescribed specifications so that the farmers do not have to resort to distress sale of their produce. Paddy is purchased by the millers at or above the support price level. The role of the public agencies in extending price support is of a supplementary nature and comes into play when the farmer is unable to obtain support prices for paddy in the market. The farmer has the option to sell paddy to FCI/State agencies or in the market as is advantageous.

4. When reports of paddy being sold at prices less than the support level are received, they are promptly investigated. It is generally found that, in such cases, the low prices are due to the poor quality of paddy, and not due to lack of support purchases. In some cases, it was found that the quality of such paddy was below specifications on account of high moisture content and in some cases, damage to the grains.

5. The Food Corporation of India makes purchases of grains under support operations. The State Governments have also the responsibility to see that distress sale does not take place. In fact, in the major surplus States of Punjab and Haryana, the State agencies have a significant role in the price support operations. The FCI and the State agencies have been procuring paddy during the current kharif marketing season in the respective centres allotted to it by the State Governments. The procurement of paddy has been to the extent of 40.07 lakh tonnes, as on 4.12.1985, as compared to 32.59 lakh tonnes corresponding last year. The total procurement this

year is higher by 7.48 lakh tonnes, which is about 25% higher.

MR. DEPUTY SPEAKER : Mr. Daga. Ten minutes for you. Please be brief and put your questions. Within ten minutes whatever you want, you can ask from the Minister.

[*Translation*]

SHRI MOOL CHAND DAGA : Mr. Deputy Speaker, Sir, the farmer is the backbone of a country and you are fixing time for the problems relating to the farmers. Sir, in view of the condition of the farmers I expect that you will be a little liberal because the question is not of Calling Attention only. I never want to take more time and if any of my question is irrelevant you may point it out and I shall accept it. In that situation, I shall abide by your direction.

Mr. Deputy Speaker, Sir, the farmer produces wheat and paddy in the fields. His entire life is devoted to cultivating the fields. Due to the efforts of the farmers the country produced 150 million tonnes of paddy last year and this year 151 million tonnes have been produced, but the way the hon. Minister has explained the situation, it seems that he has just read out whatever his officers have written for him. Have the Government over thought as to what quantity of paddy it should have purchased in view of the bumper paddy crop and what was the target of the Food Corporation of India? This will be my first question to him. If he tells us about the target, then my second question will be as to what is the percentage of the target that has been achieved. Thirdly, he has said that he has not received any complaint. Why do they say such things? Haryana's Chief Minister Shri Bhajan Lal and his Agriculture Minister Shri Shamsher Singh complained to the Prime Minister that paddy was being sold at throw-away prices. They toured the districts of Nabha and Jind and found that :

[English]

"In most *mandis*, according to Mr. Surjewala, the paddy is sold for less than even Rs. 130 per quintal against the support price of Rs. 150."

[Translation]

This report is not mine. It is the report from a Congress Minister and that too from the Chief Minister Shri Bhajan Lal. He has complained that there are no paddy buyers in the *mandis*. Therefore, I request that when the hon. Minister replies, he should keep in mind the following complaint made by him.

[English]

"Nowhere has the FCI started paddy procurement operations leaving the farmers no option but to sell the produce at less than the support price."

[Translation]

The situation is so miserable that no one is coming forward to purchase their produce. Punjab's Agriculture Minister, Shri Amrendra Singh, has stated the position of paddy in Punjab. I am talking of the Food Corporation of India. In the entire country, the situation is miserable. The hon. Minister is defending stoutly because he has been a Defence Minister. He has, therefore, inculcated the habit of defending.

Mr. Deputy Speaker, Sir, I was referring to the Punjab Agriculture Minister's statement that there was an understanding that 65 per cent paddy would be purchased by the Food Corporation of India and other Central agencies and 25 per cent would be purchased by the Punjab Government. This target has not been achieved. They have not achieved the target.

[English]

"The FCI, he said, had procured only 83,000 tonnes of paddy till yesterday against the 27 lakh tonnes for the current season."

[Translation]

This is the position as on 18 October, 1985. Till then, they had not made the purchases. In Punjab, you have fixed three varieties of paddy—common, fine and superfine. Sir, I want to know how much paddy you have purchased under the common category, how much under the fine and how much under the superfine category, and which are the places from where the paddy has been purchased. I would also like to know the State-wise quantity which was available and the quantity which arrived in the market.

Mr. Deputy Speaker, Sir, the condition of the paddy procurement there is deplorable and the hon. Minister says that they are making the purchases. When they do not have jute bags to fill paddy, wherefrom they will buy? Sir, I am reading out this report, please listen—

[English]

"The FCI has neither arranged for the jute bags....."

[Translation]

Where did they make the purchases? The hon. Minister is not aware of it. They have neither jute bags nor godowns. The rice cannot be kept in the open. Sir, you will be surprised to know the facts. I am telling you all this because you take interest in the welfare of the poor, otherwise, I have no any other object. How much money was allocated by the FCI for the purchase of paddy and how much has been spent? FCI had earlier stated that they would start a Farmers' Extension Service; the farmers would be allowed to store their produce of wheat and paddy in the warehouses and against that, loans from banks would be permissible. This is their report:

[English]

"The Committee find that the number of farmers all over India....."

MR. DEPUTY SPEAKER : Including Rajasthan.....

SHRI MOOL CHAND DAGA : Rajasthan is the land of brave people.

[Shri Mool Chand Daga]

"The Committee find that the number of farmers all over India who utilise services under the scheme was 259 in 1980-81 and 409 in 1981-82 and 344 in 1982-83."

This is what the Managing Director, C.W.C. admitted during the evidence.

"Our coverage of the scheme has been insignificant and the impact has been less."

Then you don't have the warehouses. It has been admitted. How do you work when you don't have warehouses? He has admitted it. There are good officers also. The hon. Minister would say "I should not go and admit it in the Parliament." But here is a mistake. But he will not admit it. Then I am putting it to them. In Punjab Assembly, a resolution was passed condemning the action of the Government unanimously. Without any opposition it was passed and they said this thing.

"We won't produce paddy. We will produce castor oil. What is the use of producing paddy when it is sold at a such a low price?" Now, he has very proudly said about its price as Rs. 142, Rs. 146 and Rs. 150 per quintal.

[*Translation*]

You have increased the rates of electricity, fertilisers, cloth, iron etc., and those of train and bus fares; you have made it costly even to breathe.

[*English*]

MR. DEPUTY SPEAKER: The hon. Minister knows the whole thing. Please conclude now.

SHRI MOOL CHAND DAGA: That is true, Sir. Further, it is stated here like this:

"He came down heavily on the Centre for fixing 'unrealistic' procurement prices for the agricultural produce and said that if the Centre did not offer remunerative prices for farm commodity,

the Government would be forced to change the cropping pattern in the State and switch over to the cash crop."

[*Translation*]

Shri Panika is present here. He is a very good worker of our Party. Shri Chintamani Panigrahi from Orissa is also present. He is the Chairman of the Estimates Committee and also a scholarly person. Other big persons are also present here. All of you must be knowing how transport accounts for 30 per cent of the expenditure by the F.C.I. What have the Government thought about this? The hon. Minister should also tell us as to what is the criterion for fixing the support price. You have taken shelter of the excuse of 'specifications' but have you anywhere prescribed the specification?..... (*Interruptions*) You have permitted moisture upto 18 per cent but at the instance of Punjab, you agreed to purchase with 20 per cent moisture because the moisture content increases during rains which gets dried up afterwards..... (*Interruptions*).

Shri Lal Bahadur Shastri had given a slogan—'Jai Jawan, Jai Kisan'. If the economic condition of the farmer is not improved, he will be disheartened, which will be disastrous for us. That is why I say that you may kindly pay attention to it. You can send paddy for the programmes like NREP and RLEGP and can employ poor Scheduled Castes and Scheduled Tribes people in those programmes. Are you ready for this? Will you do this? Will you export paddy I will also advise and suggest that for godowns, do not take the help of 'Baniyas', constitute farmers' cooperatives and construct godowns at different places. Kindly reply to all these queries.

[*English*]

SHRIMATI GEETA MUKHERJEE (Panskura): Mr. Deputy Speaker, Sir, in the course of your observations from the chair, you said that the Minister knew everything and, therefore, we should put questions only. Very good, but I am sorry, I cannot agree with you because the statement which has been given to us in answer to the calling attention does not indicate that the Minister is aware of the graveness

of the situation. Therefore, I will not take much time on this point, but would only say that the statement does not reflect the real situation at all.

Firstly, as you know the prices of paddy have gone down much beyond even the support price which in our opinion is absolutely unremunerative. The support price of Rs. 150 for superfine and Rs. 142 for common varieties are unremunerative. At least Rs. 180 for the common variety should have been fixed. Everybody is agreed on that here, I believe, if not on more price. The fact is that the price that is being paid is less than even the support price. I know that from experience in my State; the price had gone down beyond Rs. 120. The same thing happened in Bihar also. I am not going to Haryana and Punjab. These States are very important. If the farmers divert from rice to other crops in these two States, the whole country will have to pay in the next few seasons.

I would like to know whether the so-called dreamland price of Rs. 142 will be reviewed and revised and at least the price of Rs. 180 for the common variety will be considered.

In the second paragraph of the statement, it is mentioned that the prices fixed by the Government are for grains conforming to the specifications approved by the Central Government and these specifications are fixed in consultation with the State Governments. I believe, the specification of 18 per cent moisture is one of the reasons which is really preventing the purchasing of paddy at the moment. In this reply in paragraph 4, it is said that when reports of paddy being sold at prices less than the support price level are received, they are promptly investigated. But what is found? It is generally found that in such cases, the low prices are due to the poor quality of paddy and not due to the lack of availability of support price. What a great invention! That is why I say that the Ministry is not aware of many things. Does it mean to say that all the paddy that is coming now is of poor quality? The absence of central agency, the decision to keep the moisture content only at 18 per cent, disregarding other suggestions, the policy of several State Governments not to buy paddy, but only rice from the millers,

the fact that the FCI hardly buys its rice from its own agency and that it goes to the middlemen to buy—all these factors are not responsible! What is responsible is the bad quality of paddy! To the farmers of our country, I say sir that this adding insult to injury.

Another very great thesis has been propounded in paragraph 3 about the role of the public agencies. What is the role of the public agencies? According to the reply, the role of the public agencies in extending price support is of a supplementary nature and it comes into play when the farmer is unable to obtain support price for his paddy in the market. The farmer has the option to sell paddy to the FCI or to the State agencies or in the market as is advantageous. They are trying to show that the role of the FCI is only supplementary. That means, it should not bear the major responsibility or it should not be culprit, if things go wrong. This supplementary factor may be in terms of quantity. The duty of the FCI which is a Central Government corporation is really not in terms of only quantity, but in terms of actual functioning, to rush to the market immediately wherever the price have gone down, to be first in the market to save the producers from being fleeced by the middlemen and the traders.

Also in some places, the State Government is not buying paddy. For example in Bihar, they are reluctant to buy paddy. They say that they will only buy rice. I do not want to quarrel with any State Government here, whether it be my State, or Bihar or any other State. The State Government may like to do such a thing. In that case, I would like to know whether the Central Government would direct the FCI to go in immediately to buy the paddy and also to persuade the State Government to buy paddy instead of rice. Is it not their function? I wonder whether the Minister knows all these things. So, I strongly object to the formulations made here about the role of the FCI. As far as farmers concerned, in terms of quantity it may be all right, but in terms of actual functioning, it should not be so. Therefore, I would like to place a few concrete questions.

Will the Government review the present support price of paddy and raise it to at

[Shrimati Geeta Mukherjee]

least Rs. 180 for the common varieties? Will the Government pay bonus for buying, so long as it cannot formally announce this price of Rs. 180? Will the specifications about the moisture content be reviewed and will it be raised from 18 per cent? Has the FCI got the concurrence of the State Governments in fixing up the moisture content at 18 per cent? Will the FCI purchase paddy in those areas where the State Government are refusing to do so? Instead of procuring the paddy through middlemen, will the FCI buy it directly through its own centres? Will more storage capacity be built? This is a very material question. As regards this huge stock of foodgrains that is there with the FCI, will the Government decide to release that not only in this Adivasi plan areas, but also to the agricultural workers at a lower price through the Fair Price Shops and thereby really alleviate their miseries?

SHRI AMAL DATTA (Diamond Harbour) : Sir, the present Callign Attention arises out of the reports we have been receiving continuously since the paddy harvesting season started that poor farmers have to make distress sale of paddy. Now the Minister mentions it that reports have been received by him also, but the same breath, he dismisses those reports by saying that in such cases after investigation, it has been found that the paddy did not conform to the specification laid down by the Central Government. So the case is finished before it has even started. I would humbly ask the hon. Minister to enlighten us as to how many such cases of reports obtained by them or in how many cases reports were received by them and in how many cases they have made the investigation in order to come to this conclusion, that there is no distress sale of paddy which also conforms to specification laid down by the Central Government? That is my first question. Obviously this is where the major conceptual fault of the Government lies that it is no longer a supplementary role. Having encouraged and promoted the Green Revolution, it is for the Government to give the price support at the place where it is required not sitting in the big cities and Mandis only, but going out and reaching out to the small and marginal farmers who cannot bring their paddy to the Mandis and who do not have

the money to do so. He has to perforce sell it to the local Baniyas or the local traders and he gets the lowest price in spite of what prices have been stated *i. e.* Rs. 140 to Rs. 150 and all that. I know it is a fact that farmers have to sell away their paddy at prices below Rs. 100 also. Can the Minister deny that? So, will they now review the procurement policy of FCI, whether they will go out of the Mandis from where they are operating into the depth of the country side?

Secondly in the course of the last three or four years, there have been phenomenal increase in procurement by FCI. How many procurement depots have been added to the FCI's strength in the course of last three or four years? How many agents have been added?

Thirdly, I find that in the course of the answers to the questions in Lok Sabha and Rajya Sabha, it has been stated that while the incidental expenditure for procurement of wheat has been say, from, 1982-83 to 1984-85 is three years, *i. e.* 24, 24 and 28, in case of rice, it has been 10, 11 and 17. Obviously, the procurement charge for rice has been lower than wheat. Is it not so? The basic cause for not being able to procure rice in time and FCI being blamed for its slowness and apathy in procurement of rice, is the lack of storage capacity which has already been alluded to. They now say that out of 30 million tonnes which was in storage, upto say October, and since then the storage must have increased by another 7 million tonnes or so. At that time they had a storage capacity of only 22 to 23 million tonnes and the rest were being stored under what they call CAP 'Cover and Plinth'. They are covered by polythene and plinth—whatever they make the plinth for. This is really making the valuable commodities rot. It is the Government's policy and not merely that of FCI. I do not hold this hon. Minister and the Department responsible, that they have not been able to formulate a definite policy, as to what to do with the extra wheat and rice this country has been producing during the last 3 or 4 years. They should have devised a policy for using this vast amount of capital which is now locked up in the form of commodities, in order to produce durable assets for the people of this country,

particularly in the countryside, by allowing this rice and wheat which are rotting in storage, to be used as a complement for people working under NREP, RLEGP and also other rural upliftment programmes. Unless it is done, we will never be able to match the storage capacity which the Green Revolution has somehow made available to us, given the present system of distribution, and of inequality in the country where by the poor have to remain famished. So, we have to take steps not only to feed these people which is a humanitarian task, but also to build up assets in the countryside, with the help of the huge foodstocks which are available.

**SHRI ANIL BASU (Arambagh) :** It is a pity that Union Government has adopted a policy of 'Produce more perish'. Time and again in this august House we have discussed about crashing down of prices of agricultural commodities, not only of paddy, but also of coconut, cane, cotton, jute and all other agricultural produce. Crashing down of prices has become a matter of very serious concern to all Members of this House; but I am sorry to say that the Union Government is not paying any attention to the problem.

In the 7th five-year Plan document, you will not find a single line where Government has given an assurance on ensuring minimum support prices to the cultivators. They are talking of marching towards the 21st century. Then why are they not marching from a minimum support price towards a remunerative support price in the 20th century? There is not a single line.

The Prime Minister has spoken 2 or 3 sentences regarding development of agriculture. Mr. Manmohan Singh, Deputy Chairman of the Planning Commission in the 7th Plan document has also written a few lines regarding production. But there is not a single line regarding ensuring support prices, not to speak of remunerative prices for agricultural produce. I am sorry to say that the Union Government is not paying any attention to this. The attitude of the Minister to the problem will be clear from his statement where he says :

"...It is generally found that, in such cases, the low prices are due to the

poor quality of paddy, and not due to lack of support purchases."

This is the cause : the Minister has taken this attitude. I would like to quote a few lines from the Report of the Reserve Bank of India for 1984-85, from page 51, paragraph 164 :

"The stocks of foodgrains with the public distribution system have soared to a record level of over 29 million tonnes. These provide a high degree of food security and help restrain inflationary expectations. The procurement/support price policies have over the years provided incentives to farmers and sustained the steady growth of foodgrains production....."

"The Public Distribution System has enabled essentially the population in urban and semi-urban areas..."

I am coming to the question.

**SHRI NARAYAN CHOUBEY :** There is no chance of your becoming a Minister in the near future.

**SHRI ANIL BASU :** I am continuing the quotation :

"At the same time it is to be noted that stocks are in far excess of what the available storage capacity....."

**MR. DEPUTY SPEAKER :** You put the question.

**SHRI ANIL BASU :** The Reserve Bank pointed out that there is a huge stockpile of foodgrains with the FCI and the stocks should be kept within manageable limits and that manageable limit has been implemented by the Government with these words that the foodgrains are not up to the specifications. The storage capacity of FCI, Warehousing Corporation of India and the other State Warehousing Corporations is to the tune of 26.8 million tonnes. But the stockpile of foodgrains is 30 million tonnes at present. Now they are reluctant to purchase paddy, that is why they are saying that paddy is not up to the standard, and they are refusing to purchase paddy. But what is happening there? The peasants, the cultivators they are

[Shri Anil Basu]

blockading. The entire GT road has been blockaded in the month of October and there is a bonfire of paddy. The peasants are not getting even the support price in the States of Haryana, Punjab and West Bengal also. And, the accumulation of paddy has caused a serious concern to us all.

I would like to ask the Minister a specific question. He is telling that the collection of paddy is at a higher rate in comparison to that in the previous year. But what are the figures? The procurement of rice in comparison to production in the year 1980-81 in the State of Andhra Pradesh... (*Interruptions*)

MR. DEPUTY SPEAKER : Shrimati Prabhawati Gupta.

SHRI ANIL BASU : I like to mention this. It is a very relevant point.

MR. DEPUTY SPEAKER : You put the question. Already you have taken six minutes. If you go on reading so many things. I cannot allow.

SHRI BASUDEB ACHARIA : He is putting the question.

MR. DEPUTY SPEAKER : He is not putting the question. Only first Member is given ten minutes, others all are given five minutes only.

SHRI BASUDEB ACHARIA : He has not yet finished.

MR. DEPUTY SPEAKER : He is not at all putting the question. He is exceeding more than five minutes.

SHRI ANIL BASU : The procurement percentage... (*Interruptions*)

MR. DEPUTY SPEAKER : He is not putting the question. He is going on reading. Six minutes are over and he has not yet put the question.

SHRI ANIL BASU : This is the question I am putting. The procurement as a percentage of paddy produced since 1980-81 to 1983-84, you will see, that the percentage of procurement is declining. He has given

the figure that they are increasing the procurement but actually in comparison to production, the procurement is declining. I want a clarification from the hon. Minister whether this is true or not.

The next question is that whether it is a fact that *per capita* consumption of foodgrains has declined, whether it is also a fact that the *per capita* production of foodgrains has dropped in a large number of States; *per capita* consumption of foodgrains has dropped and *per capita* production also has dropped. I want to know whether this is true or not. The hon. Minister should state it categorically.

The last question I want to put is, why are you marching towards the twenty-first century without ensuring remunerative prices for the agricultural products not to speak of support prices? What is the policy of your Government of marching towards the twenty-first century in connection with the problems of the peasants? You have not said anything. Not a single word has been mentioned about this in the Seventh Five Year Plan document.

Now, the last question : Why are you not giving interest free loans to the State Governments for procurement of agricultural commodities including paddy?

MR. DEPUTY SPEAKER : Shrimati Prabhawati Gupta.

[*Translation*]

SHRIMATI PRABHAWATI GUPTA (Motihari) : Mr. Deputy Speaker, Sir, the calling attention Motion under discussion in this House is very important and is in the interest of the farmers of this country. It has been brought here at an appropriate time. The views expressed by the hon. Members on this motion are quite true, Sir, you know that our farmers play a very significant role in strengthening the economy of this country. The main crop of our farmers is paddy and a very painful and serious situation has developed before our farmers that in the months of September, October and November itself the farmers from Haryana, Punjab, Bihar and Bengal had been compelled to sell their paddy at throw away prices. I would also like to point out



that the statement made by the Minister of Food and Civil Supplies is unsatisfactory and is not in the interest of farmers. We have failed in adopting the desired policy. The Food Corporation and other state agencies have failed in doing the task assigned to them. Government have divided paddy into three Varieties—ordinary, fine and super-fine and their prices have been fixed at Rs. 142, Rs. 146 and Rs. 150 per quintal respectively. Merely, this action on the part of government does not serve the purpose.

Sir, you yourself might be a farmer. If not, there might be a large number of farmers in your constituency. You can understand how much labour is involved in agricultural work. After very hard labour one is able to raise his crop. There is an acute labour problem in our state because large number of workers migrate to Punjab and Haryana these days in order to earn their livelihood. A farmer works very hard in his field and raises the crops. Despite this, if his produce remains unsold, you can very well understand his mental agony. The Food Corporation of India remains unconcerned. You might be aware that in Bihar small farmers arrange marriages of their daughters in the month of December, but due to the policy of Government they become helpless. Is it not the duty of the Food Corporation of India to build its warehouses in villages and procure paddy from farmers at least at the support price? Today, he is compelled to sell his paddy at Rs. 100 per quintal. There is great difference between these two prices. The price at which Government procures paddy from farmers is also very less. It should be increased to Rs. 160-200 depending on the quality. At present you are not able to give even the support price.

On the one hand the farmer is compelled to sell his paddy at throw away prices and on the other hand the prices of rice have gone very high in the market. A farmer is compelled to purchase rice at very high price in the market. There is great difference between the two rates. I, therefore, request the Minister of Food to clearly specify the policy in respect of paddy and the role of the Food Corporation of India in this respect as also its policy towards the farmers, because the farmers play a very significant role in building our economy. What our friends have stated here is quite correct. You say that

farmers are free to sell their produce anywhere, but why are they compelled to sell their paddy at throw away prices today? Have you taken any action to meet this situation? Will F.C.I. build its warehouses in each Block? We spend crores of rupees on irrigation schemes. The dams are built but are washed away by floods and there remains no trace of them thus resulting in wastage of crores of rupees. Therefore, I would like to say that you should increase your storage capacity. Your policy should be crystal clear in this respect. The reason is that farmers are the backbone of our economy (*Interruptions*) ...Yes, the farmers should also get bonus but first, they should be ensured remunerative price. You give bonus to all the employees getting a salary of Rs. 1600. Have you ever thought about farmers? Farmer play their role in every field. Paddy stock has accumulated in Punjab and other areas to such an extent that farmers are compelled to think of alternatives. I would, therefore, like to say that you should announce a clearcut policy today itself which should be in the interest of farmers.

[English]

SHRI K. P. SINGH DEO : Mr. Deputy Speaker, Sir, I am extremely thankful to the hon. Members for their.....(*Interruptions*)

SHRI AMAL DATTA : Taking you to the shreds.

SHRI K. P. SINGH DEO : Yes. Why not? If that gives you any perverse delight, you are most welcome to have it. I never had any quarrel with that. That is your prerogative.

Sir, I am most thankful to them for their support for the farmers' cause and for their keen interest in the farmers as well as on the functioning of the FCI, and in the entire operation of procurement and purchase of Foodgrains, including paddy. Many Members have given the background and other comments and they have also asked certain questions.

At the outset, I would only like to say that what I have stated in my statement is the policy which is prevalent, and the FCI

[Shri K. P. Singh Deo]

which is a public sector undertaking under the Government of India, has to function under the guidelines and the specifications and the task set by the Central Government. Before I come to the points made by the hon. Members, I would like to start off with the fact that procurement of paddy under the price support is undertaken both by FCI and the State Governments and its agencies. It is not as if the FCI is the only and the sole organisation or the institution which goes in for procurement or purchase. It is equally the role and the responsibility of the State Governments. At the same time, FCI's role is more of a supplementary nature and of supportive nature. This I would like to reiterate with all emphasis at my command, in spite of what has been said by the hon. Member. The fact is that this is the truth and the whole truth. Just by commenting, it does not change the situation... (*Interruptions*).

MR. DEPUTY SPEAKER : Let him answer. Don't interrupt. Let him finish his reply... (*Interruptions*)

SHRI C. JANGA REDDY : FCI belongs to Government of India, not to the State Governments.

MR. DEPUTY SPEAKER : He has not said like this. He has said that the State Governments are also procuring and the FCI is also doing that work.

SHRI K. P. SINGH DEO : The FCI and the State Governments and their agencies mutually divide the purchasing centres or the *mandis* from which they will have to procure or purchase. It is not as if the FCI dictatorially decides about the *mandis*. In fact, sometimes it so happens that some of the worst *mandis* are given to FCI, and in fact, in one State, till today, as on date as I am speaking now, out of 73 purchase points there are 26 *mandis* where no grain has arrived. But neither I have rushed up to the newspapers nor has the FCI management rushed up to the newspapers to bring it out. Therefore, these *mandis* and the purchasing centres are decided mutually by the State Governments and the FCI who are in constant touch with them. Normally it is in the three major States, that is, Punjab, Haryana and Uttar Pradesh, and to some extent in

Andhra Pradesh also, where FCI has been very very active because these are the four major States which have surplus of food-grains, mostly paddy as well as wheat in Punjab. Therefore, these are the four States in which some hon. Members also wanted middlemen to be removed. Haryana and Punjab there is a system known as 'Kachha Arhatiya'. They are from time immemorial.

SHRI AMAL DATTA : Exploitation has also been there.

SHRI K. P. SINGH DEO : Let the hon. Member who are so vocal here in the House also add their voice with me and help me in getting rid of this 'Kachha Arhatiya' who are actually the middle men in these two States of Punjab and Haryana, we would like, of course, to deal with the farmers directly. You please help us to get rid of these 'Kachha Arhatiya'.

SHRI AMAL DATTA : What help do you want from me ?

SHRI K. P. SINGH DEO : Similarly, in Uttar Pradesh, there is what is known as the 'Goan Vyopari', the village trader and the 'village Bania', which one of the hon. Members mentioned. If you can help us to get rid of him, we can deal directly with the farmers. So far as Haryana and Punjab are concerned, it is an age-old practice there. It has its strong and weak points. They find there is a utility in that, but if you help us to rid of these middlemen, we are prepared to deal with the farmers directly.

SHRI AMAL DATTA : Well, you take a decision, we will march on your behalf.

SHRI K. P. SINGH DEO : We can march together.

SHRI NARAYAN CHOUBEY : You can decide. They are all your Governments in Haryana and U.P.

SHRI K. P. SINGH DEO : One hon. Member wanted to know whether we had increased or decreased the number of procuring points. The number of procuring points during the year 1984-85 was 3,481, whereas this year—1985-86—it is 3,830. So,

there is an increase in the number of procuring points.

**SHRI AMAL DATTA :** It is not a substantial increase.

**SHRI K. P. SINGH DEO :** Well, whether you are satisfied or not satisfied, whether in your opinion it is substantial or not substantial, it is a different matter. But you wanted to know the figure and we have given the figure. We have increased the procuring points in consultation with the State Governments. We cannot decide unilaterally. It is always decided by the State Governments where we are to operate and on that basis we increase or decrease our procurement points.

Many hon. Members also wanted that the FCI should fan out to practically all the rural areas and should not sit in Mandis and sit in the centres. Well, the present structure of the FCI is such that it has not adequate institutional and infrastructural arrangement to have operations in these three main State *i.e.* Punjab, Haryana and Uttar Pradesh and also to a certain extent in Andhra Pradesh, because these are the four States from where the FCI procures for the Central Pool and also stores foodgrains which is necessary for the public distribution system. The other States do not have that much surplus. So, the FCI do not have adequate operations there. But the suggestions made by the hon. Members will be examined.

I can reiterate here that all the points made by the hon. Members will be given very close examination and we will see if it is practical to implement any of the suggestions which have been given by the hon. Members. I can assure you that we will have an open mind on that.

The cause of the farmers is also dear to us. It is evident from the debate that all sections of the House have been supporting the cause of the farmers, although sometimes when Calling Attention or discussions are raised, we have a habit of running with the hare and hunting with the hounds. First you object to the price rise of certain foodgrains which is fixed after a conscious decision by the Government to give remunerative prices to the farmers. At the same time, you also put the Government

on the mat for not giving enough to the farmers. Remunerative price to farmers cannot be taken in isolation. It also has an effect on the consumer price. Therefore, a harmonious and skilful blend has to be made between the producer, manufacturer and the consumer. But I am grateful for the support given by the Member to the cause of the farmers in getting remunerative price. This is exactly the policy of the Government in announcing the support prices.

13.00 hrs.

Support prices are meant to give minimum prices to farmers, below which the farmers should not be paid. Therefore, these statutory minimum prices are announced for sugarcane, paddy or wheat. Certain demands were made by Hon. Members about these things. I may point out that these are things which are not done arbitrarily. The State Governments are consulted. The Commission on Agricultural prices is consulted. The Bureau of Industrial Costs and Price is consulted. Various organisation and institution are consulted before arriving at this decision. It is not as if somebody just wakes up and arbitrarily fixes up x amount or y amount or z amount for something. It is not so. They go into the point how it will affect the consumer; they go into the point of availability and offtake. All these points are also taken into consideration. Now, Sir in some of the States, the rice is totally levy rice. In some places it is hundred per cent; in some places it is ninety per cent. In some places paddy is procured and this paddy is given to the millers. In some places it is purchased by the FCI on behalf of the Government. The situation is different in different States like for instance, in Uttar Pradesh. In Punjab FCI procures itself. There are also State agencies which do it on behalf of the FCI. There are marketing federations, there are cooperatives and millers themselves. Therefore, the entire gamut of procurement is not by FCI alone. There is FCI; there are other agencies; there are State agencies also the State Government is procuring. So, to give an omnibus answer to this question will not be correct. As I said, in UP it is different; in Haryana and Punjab it is different. In Andhra Pradesh it is slightly different. In

[Shri K. P. Singh Deo]

Andhra Pradesh last year they procured more than a lakh of tonnes which was one time-exception. My friend Prof. Ranga is not here; he wanted to know something. So, ultimately, all these things go to the contribution of the Central pool; it is ultimately used by the Public Distribution System. Many hon. Member are very keen that the public distribution system should be expanded; they want that it should reach not only tribals and other weaker sections of society but it should also include the agricultural labourers. These are suggestions which have to be carefully examined before we can do it. We don't want to add one confusion to it. We don't want that grains distributed do not reach the people for whom they are meant or reach those people who are dealing in unfair trade practices. We don't want that grains should go to wrong areas. So, all these things should be looked into carefully before I can give you any assurance or I can give any commitment. I can give you the figures which I have with me. I go by the records and data available with me. Because, in whatever I state here, I am responsible to Parliament. I am accountable to Parliament. I will be held responsible if I give any wrong statement.

The procurement of paddy till now in Punjab as on 3-12-85 has been 34.24 lakh tonnes as compared to 25.32 lakh tonnes and from this, I would leave it to the imagination of the hon. Members whether FCI and its agencies have procured more this year correspondingly than last year and whether in answer to the question that the FCI has not been doing its job properly in the field of procurement.

SHRI ANIL BASU : But the record says...

*(Interruptions)*

SHRI K. P. SINGH DEO : Unfortunately I can't go by your record because...

SHRI NARAYAN CHOUBEY : This is your record.

*(Interruptions)*

SHRI ANIL BASU : That is in answer to the Unstarred Question you have given.

SHRI K. P. SINGH DEO : It is on a particular date.

SHRI ANIL BASU : No, no. You have given the year-wise figure.

SHRI K. P. SINGH DEO : Year-wise is all right. *(Interruptions)* But every single day means there is an increase in procurement *(Interruptions)* I do not know which answer, which month. I cannot have the entire question and answer here with me to go right into that.

SHRI ANIL BASU : That is the figure given by you.

SHRI K. P. SINGH DEO : I might have given it I am not denying it. You may be having one particular question, but I answer hundreds of questions every day. I cannot tell you off-hand.

SHRI NARAYAN CHOUBEY : Are you absolving your responsibility ?

SHRI K. P. SINGH DEO : Certainly not I am not absolving my responsibility.

SHRI C. JANGA REDDY : Because you have become a Minister, you are having hundreds of questions and hundreds of officers. But we have not got a single officer to get the material. *(Interruptions)*.

*[Translation]*

We know that you have to answer hundred of questions, but you have 100 officers also. What are you saying ? Being in majority you have become a Minister whereas we have not been able to become Minister.....*(Interruptions)*.....You cannot evade your responsibility...*(Interruptions)*...

*[English]*

You are responsible to this House. This answer was given by the same Ministry. You cannot go away from the responsibility.

*[Translation]*

SHRI K. P. SINGH DEO : We have no intention to evade our responsibility. Question does not arise...*(Interruptions)*...

SHRI C. JANGA REDDY : It is you who have said that you have to answer hundreds of questions. Is it not a question ? ...*(Interruptions)*...

SHRI HARISH RAWAT : Mr. Jagna Reddy is on the warpath today.

SHRI C. JANGA REDDY : I am not on the warpath, cotton, paddy and sugar-cane growers are ruined. You have come here with the intention of ruining the farmer.

[*English*]

SHRI K. P. SINGH DEO : Hon. Shri M. C. Daga also mentioned about Haryana.

[*Translation*]

SHRI C. JANGA REDDY : What is the use ? You all know that farmers are not getting remunerative price for paddy ...*(Interruptions)*...

[*English*]

MR. DEPUTY SPEAKER : You please sit down.

SHRI K. P. SINGH DEO : I welcome the views of the Members because it only strengthens the Government's hands in giving remunerative prices to farmers so that next time they should not object if higher prices are given because it will have a bearing on the consumer price index also and the consumer prices. I hope the hon. Members at that time won't run with the hare and hunt with the hound.

SHRI NARAYAN CHOUBEY : If he pays remunerative prices to the farmers, then the prices of articles will go and the consumers, prices will go high and if he makes consumer price less, then the kisans must be paid less. It is a funny thing, Sir.

SHRI C. JANGA REDDY : I want to draw your attention to the fact that your Food Corporation of India will be giving 40 per cent on overhead charges. Please try to reduce these charges.

MR. DEPUTY SPEAKER : Mr. Reddy, you cannot participate. I can't allow.

[*Translation*]

SHRI C. JANGA REDDY : We know why you are speaking so. There is the pang of hunger, there is pang of thirst and we understand this.

MR. DEPUTY SPEAKER : You cannot go on arguing, I can't allow.

(*Interruptions*)

SHRI C. JANGA REDDY : To what extent they are responsible ?

(*Interruptions*)

SHRI K. P. SINGH DEO : Hon. Member, Shri Daga referred to the letter of the Chief Minister of Haryana and he also referred to the fact that the FCI has not been procuring. That is not a fact. In fact, a quantity of 1.94 lakh tonnes as compared to 1.17 lakh tonnes last year has already been procured in Haryana by all agencies. He also mentioned about Punjab and the Agriculture Minister's statement, but I hoped, he would be frank enough and objective enough to also quote what the Chief Minister of Punjab, Mr. Barnala, had to say about the FCI's role and about his satisfaction which has appeared in the *statesmen* of 20 Nov, 85 because at the earlier stages it is a fact that the FCI was very strict this year in accepting paddy there which has more than 18 per cent moisture. It is because, scientifically and technically, if the grain with more than 18% moisture is taken, it has harmful effects on quality as the high moisture grain has to be stored for a long time and the moisture content causes deterioration of quality during the storage as well as discolouration and other harmful effects like toxicity effects and fungus growth. This is why my hon. friends have been criticising that some of the supplies given to the various States—rice or wheat—are of inferior quality and bad quality. Now, these moisture contents is one of the reasons for the bad quality or poor quality in foodgrains. In countries like China and others, the moisture content is 15%. There also they use combined harvester. They use modern methods of harvesting. It is not that we are the only country which is using the modern method.

[Shri K. P. Singh Deo]

From 1981 onwards, we have been strict as far as sticking to the 18% moisture is concerned. I will give you what are the specifications which have been laid down by the Government to the FCI for procuring various foodgrains so that we ensure that the foodgrains supplied to the public distribution system and to the State Governments and to the rest of the country are of consumable quality and of fair quality. Apart from that, we have also to see that we adhere to the specifications as laid down in the Prevention of Food and Adulteration Act and the rules thereunder. Otherwise if the FCI, in trying to be populist, try to take substandard material which is not according to the specifications of the Prevention of Food Adulteration Act or by the specifications laid down by the Central Government, they are liable for prosecution and can be liable to other actions both legal and administrative. Therefore, FCI can only procure what has been specified by the Central Government and this is arrived at by consultations with the experts as well as with the State Governments and also keeping in view the provisions of the Prevention of Food Adulteration Act.

As far as paddy is concerned, the paddy shall be sound, merchantable condition, sweet, dry, clean, wholesome of good food value, uniform in colour and size of grain and free from moulds, weevils, smell, discoloration, admixture of deleterious substance or colouring agents and also conforming to PFA standards.

SHRI NARAYAN CHOUBEY : Nobody will pass this test.

SHRI K. P. SINGH DEO : In spite of that, we have procured 24% more than that of last year. In spite of adhering to strict specifications, in spite of getting criticised at every end—whether by the State Government or by hon. friends sitting on that side or my own benches—we have yet managed to procure 24% more grains this year than that of last year. It is because, I will be the last person to poison the whole of India by issuing such type of food grains which are substandard and defective through the public distribution system which go to economically weaker

sections and other vulnerable sections in the society. I will not be a party to that.

SHRI C. JANGA REDDY : I am very sorry. It is not the way.

[*Translation*]

The Minister is aware how foodgrains become poisonous. The farmer does not produce poison. He does not produce to kill the people. He is aware of it.

[*English*]

MR. DEPUTY SPEAKER : He says, he want to procure grains of good quality. I do not understand why you are agitated.

SHRI K. P. SINGH DEO : During the National Development Council meeting, when the Chief Ministers were here, five Chief Ministers had already met me here with certain samples which should not have been issued. These are old samples.

SHRI C. JANGA REDDY : Paddy is converted by the FCI people into rice. How can they show it as poison ?

MR. DEPUTY SPEAKER : The Minister is on his legs. Why are you interrupting him ? You carry on.

SHRI C. JANGA REDDY : They are doing all mischief.

MR. DEPUTY SPEAKER : Do you want the hon. Minister to reply or not ? Why are you interfering ?

(*Interruptions*)

MR. DEPUTY SPEAKER : If you intervene like that, he cannot answer. Then I cannot adjourn the House. Let him finish his reply. Why are you on your legs ? (*Interruptions*). You raise the matter in some other discussion, not in Call Attention.

SHRI K. P. SINGH DEO : The specifications at 18% were fixed in the year, 1978 and we have been strictly following it and we are not allowing any relaxation on that because of the harmful effects it is having in every area. (*Interruptions*).

MR. DEPUTY SPEAKER : If you go on interfering, the hon. Minister cannot reply and then I cannot adjourn the House. If you are interested to get his reply, first seat. Have you finished ?

SHRI K. P. SINGH DEO : I was giving uniform specifications of the variety of paddy which has been specifically certified for this year which the FCI is bound to procure because otherwise they will run ultra vires of the provisions of the Prevention of Adulteration Act. The Schedule of different refractions that is foreign matters, organic and inorganic can be up to 1% and in Grade II it can be up to 1% inorganic and organic 2%. Damaged, discoloured and sprouted grain Grade I up to 4% and Grade II up to 6%.

MR. DEPUTY SPEAKER : It is not at all necessary to go in detail.

SHRI K. P. SINGH DEO : Same things have been told by Government, by FCI and by me.

*(Interruptions)*

MR. DEPUTY SPEAKER : It is not required in detail.

SHRI K. P. SINGH DEO : It affects every human being. Today why are we concerned about Bhopal tragedy ? Why are we trying to raise a discussion about gas leakage yesterday ? Because it affects the human beings by pollution.

*(Interruptions)*

It is very easy to plead their cause but the Government has to be careful. Government cannot be a party to poisoning the rest of the country. *(Interruptions)*

SHRI C. JANGA REDDY : This Government is accusing the agriculturists. That is the fault of the Food Corporation of India.

SHRI AMAL DATTA : We have understood that there is high specification. Has he got 3,800 experts sitting in every godown to examine rice according to specifications ?

SHRI NARAYAN CHOUBEY : Is it not a fact that whatever rice you buy from outside the market is much better than the ration shop ?

*(Interruptions)*

MR. DEPUTY SPEAKER : He is saying that he is taking all precautions.

SHRI K. P. SINGH DEO : In the total foodgrain production of a hundred and fifty million tonnes, the role of the FCI is less than even 20 million tonnes, I think, it comes to roughly about 14 per cent in that 14 per cent, it can only be supplementary, it cannot be a dominant role. I must put the record straight. *(Interruptions)* No report of distress sale of the quality or specification which has been laid down—which the hon. Members do not have the patience to hear; if they take the inferior type, they will become victims; so, it is for their own benefit also I am saying this—no report of distress sale of the quality of rice as specified by the Government has come to our notice, although there may be distress sale at the rate which has been enunciated by the hon. Member of inferior quality of rice. A farmer in this country has the option of either going to the FCI or to the State agencies or going to the open market. You cannot compel him to go only to FCI or to the State Government or to anybody. It is the farmer's wish to sell to anybody he wants to. You cannot bind him. It is for that reason that a statutory minimum price is fixed. This price is related to the specification; otherwise, it has no meaning. The price is in relation to the specification. There is no report with the Government either from the FCI or from any State Government saying that that rice or paddy of the specification laid down has been sold in a distress condition. *(Interruptions)*

MR. DEPUTY SPEAKER : How can he reply when all of you are shouting like this ? Order, please.

SHRI K. P. SINGH DEO : As far as West Bengal is concerned, the entire thing is handled by the FCI. There is no problem there.

There has been paper report emanating from Calcutta only—I am very proud of

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Calcutta; I was born, brought up and educated in Calcutta; I am proud to be a 'Calcuttian'—but that Calcutta report was in relation to what was happening in Punjab; the gentleman never went and verified what he published; this was attributed to a statement by a former Prime Minister who had gone to Orissa and who, on his return, at the Calcutta Airport, I think, issued a statement that paddy was being burnt in Punjab by farmers because of the distress sale. When we checked up from Punjab Government and our FCI channels, it was found that some paddy husks had been burnt at one place, not paddy. I cannot go by such reports which are unverified, unsubstantiated...  
(Interruptions)

SHRI AMAL DATTA : Who made the investigation ?

SHRI K. P. SINGH DEO : FCI and the state Government.

[Translation]

SHRI C. JANGA REDDY : Instead of human beings, bullocks are fed.

[English]

SHRI K. P. SINGH DEO : Mr. Daga wanted us to be liberal to farmers. I am now coming to individual points...

[Translation]

SHRI C. JANGA REDDY : It is enough. We are satisfied with your speech itself. ...*(interruptions)*...

SHRI K. P. SINGH DEO : It seems he is feeling hungry.

[English]

SHRI AMAL DATTA : All of us together did not take half an hour. But the Minister has already taken half an hour.

SHRI K. P. SINGH DEO : You asked so many questions. I must answer. There are, I think, 25 to 30 questions.

SHRI AMAL DATTA : In 30 minutes, we had asked 30 questions, after giving introduction also.

SHRI K. P. SINGH DEO : I have always been an admirer of you. That is why you are my counsel,

SHRI AMAL DATTA : I was speaking on behalf of all the five of us, including Mr. Daga.

SHRI K. P. SINGH DEO : Mr. Daga wanted us to be liberal to farmers.

MR. DEPUTY SPEAKER : Will you continue after lunch ?

SHRI K. P. SINGH DEO : We will finish it Sir. What is the hurry ? It is already 1.25 p.m. In another 10 or 15 minutes we will finish it.

MR. DEPUTY SPEAKER : O.K. In 10 minutes please finish.

SHRI K. P. SINGH DEO : Mr. Daga wanted us to be liberal to farmers. This support price of 142, 146 and 150 for common, fine and superfine is five rupees more than what it was last year. This is exactly what we wish to do to encourage the farmers with remunerative prices and some members have said, whether we ought not review it. There is no harm in reviewing it; but I don't think just by reviewing we will be able to do anything at the moment because the harvesting season is on. So, I am not against reviewing the thing. I am all for reviewing, but just reviewing does not mean that prices will go up automatically. Because we have to consult so many agencies before we can arrive at a decision.

Then he has asked what is the target for FCI ? I said that FCI's role is limited and it is a supplementary one. First is the price support. Only after the State Governments, State agencies and Millers have mopped up, if it is required for price support, then only FCI comes into the picture. It cannot have targets as such. It depends on the operational stocks of FCI, it depends on the buffer stocks of the FCI which varies every three months—like, there are figures, 1st of January, 1st of April and 1st of July, etc.

*(Interruptions)*



So, it depends on the food stock availability with the Government, it also depends on the situation in the States and also how much the millers have been able to take, how much the State Governments have been able to take and how much the State Agencies have been doing. Because FCI alone does not procure. FCI and its agencies and also some of the State Governments do it on behalf of the FCI. That will keep on varying.

**SHRI AMAL DATTA :** FCI has to buy from them.

**SHRI K. P. SINGH DEO :** They take money. FCI pays them. Because FCI is allotted certain mandis, Say, 'X' number of mandis out of 'Y'. So, FCI procures directly from some, the State Governments also procure on behalf of FCI and State Agencies also procure on behalf of FCI.

**SHRI AMAL DATTA :** Various State Governments have complained that after FCI delays taking over the stocks procured by them and ultimately in some cases refuse to take over on the ground that...

*(Interruptions)*

**SHRI K. P. SINGH DEO :** We have not received any such thing.

**SHRI C. JANGA REDDY :** The Government of India prevented the Andhra Pradesh Government to procure paddy and rice Sir.

**MR. DEPUTY SPEAKER :** Target is fixed and according to that only they are allowing.

**SHRI K. P. SINGH DEO :** I have answered about Haryana CM and about Mr. Amarinder Singh's report, which he was mentioning. Some paper reports are here. "Barnala satisfied with FCI's performance"—Statesman, 12th November, 1985. Incidentally Mr. Barnala is the Food Minister of Punjab also.

*(Interruptions)*

Mr. Daga also mentioned about some agreement of 65 : 35. There is no agreement with FCI or with anybody. It must be an imaginary agreement. Details of approval of purchase and number of godowns...

*(Interruptions)*

**SHRI MOOL CHAND DAGA :** There was a publication in the paper and there was no rebuttal from the side of the Government. Why was there no rebuttal from the side of the Government ?

**SHRI CHINTAMANI PANIGRAHI :** When all is said and done, there is still distress sale of paddy by the farmers.

**SHRI K. P. SINGH DEO :** The position of procurement of paddy this year has been by FCI 19 lakh tonnes.

**SHRI AMAL DATTA :** It must be much more than that.

**SHRI C. JANGA REDDY :** The kisan gets nothing from your figures.

**SHRI K. P. SINGH DEO :** This is about paddy 5594, which comes to 47.8%. This is so far and in the corresponding period of 1984-85 the procurement by FCI was 19.16 million tonnes which was 58.9%, while the season is not yet over. We are still in the middle of the harvesting season.

**SHRI AMAL DATTA :** Not middle.

**SHRI K. P. SINGH DEO :** In Punjab the procurement by public agencies including FCI is 50.1%. In Haryana it is 10% which is 3% more than what it was last year which was only 7.1%. I am only trying to tell you that this year we have procured...

**SHRI MOOL CHAND DAGA :** We do not want a comparison. We say that the farmers are in the market, they come with their surplus and you must purchase them.

**MR. DEPUTY SPEAKER :** That is all your contention.

**SHRI C. JANGA REDDY ;** Not our contention. That is the scheme of the Government.

**MR. DEPUTY SPEAKER :** They want that all surpluses should be procured by the Government.

**SHRI AMAL DATTA :** The farmers sell it to somebody, and that person sells it to the FCI.

**SHRI K. P. SINGH DEO :** You wanted to know what were the paddy arrivals and what was the procurement.

**SHRI MOOL CHAND DAGA :** What was the total arrival in the market and how much of it you have purchased ?

The hon. Deputy Speaker is presiding over the House. One thing should be there. We put a specific question as to what is the total arrival in the market and how much of it was purchased and by which agency. He must say this.

**MR. DEPUTY SPEAKER :** He is telling you now.

**SHRI MOOL CHAND DAGA :** We have listened to him with all patience.

**SHRI K. P. SINGH DEO :** In Punjab the paddy arrivals this year till the 4th of December are 68.70 lakhs tonnes, out of which FCI has purchased 18.63 lakhs tonnes....

**SHRI AMAL DATTA :** Only that much ?

**SHRI K.P. SINGH DEO :** And State agencies have taken 15.67 lakhs tonnes. So the total procurement by public agencies is 34.30 lakhs tonnes. The millers have procured 34.40 lakhs tonnes. As compared to last year this is very interesting. Last year the total paddy arrivals in Punjab were 70.12 lakhs tonnes and FCI procured 18.88 lakhs tonnes as compared to 18.63 lakhs tonnes this year and the millers took 44.61 lakhs tonnes as against 34.40 lakhs tonnes this year. So the millers who should have taken it have not taken it. Therefore, the FCI, the State agencies and the State Government have come to the rescue of the farmers. Therefore, there is a better procurement this year. This is what I am trying to tell the hon House if it has the patience.

Now same is the case in Haryana. In Haryana in 1984-85 the total paddy arrival was 18.37 lakhs tonnes and this year it is 19.75 lakhs tonnes as on 3rd December. FCI has taken 16,000 tonnes last year and this year it is 33,000 tonnes. The State agencies have taken 1.58 lakhs tonnes as compared to 1.01 lakhs tonnes last year.

State agencies mean the agencies of the State who do it on behalf of FCI and so the total procurement of paddy public by agencies come to 1.91 lakhs tonnes as compared to 1.17 lakhs tonnes last year and the millers' was 17.20 lakh tonnes last year and 17.84 this year. Mr. M.C. Daga wanted to know something about the jute bags.

**SHRI C. JANGA REDDY :** What about Andhra Pradesh ? You have told about Punjab and Haryana ? What is the arrival in Andhra Pradesh markets ? How much have you purchased from Andhra Pradesh ? You are neglecting Andhra Pradesh. So, what Mr. N.T. Rama Rao is saying is correct.

**MR. DEPUTY SPEAKER :** He is answering that. Why are you agitated ?

**SHRI K. P. SINGH DEO :** Sir, I can't imagine questions. Now, he wanted to know something about jute bags. Now, one of the criticisms against F.C.I. is that grains in bags are less than what it should actually weigh. There is a lot of pilferage. Loss also occurs in storage and during transit because of the leakage in the bags. Therefore, FCI has been very strict and told some of the State Governments to get money from the FCI for buying new bags. Every time, hook is applied to verify the quality of the grains, for that you make a hole into the bag and the grains come out. So, some of the stocks which were not accepted is also because of this reason, because the bags were leaking. When strictness was enforced, then only new bags were used and they were accepted.

There is another area where loss can be minimised. The loss can be minimised during storage period. For the new bags the FCI is paying Rs. 13 per bag for a particular specification of bags which they are supposed to purchase and then give them to the FCI godown.

[*Translation*]

**SHRI C. JANGA REDDY :** What are you telling; a 100 kg bag costs Rs. 5. This is the bungling. (*Interruptions*)

[*English*]

**SHRI K. P. SINGH DEO :** I will tell what it is all about. Regarding godowns, in

answer to another Calling Attention Notice about 10 days back, I had mentioned in respect of a question that there were constraints of resources allocated by the Planning Commission, what we had asked for had been drastically cut by the Planning Commission, by more than 50%. Therefore, apart from about two million tonnes capacity which we would like to raise through FCI Central Warehousing Corporation and other State Warehousing Corporation, even the private sector is being associated so that the private people can take loan from the nationalised banks and construct godowns to augment the capacity of FCI. We also would like to reduce the CAP storage, where stocks are covered by polythene, which is not as scientific and permanent as the covered godowns, but everything has to be done within the constraints of resources and priorities and, therefore, if we get all that we require, then probably in the Seventh Five Year Plan we will be able to meet the required projection. But that was not possible because of the constraints.

Regarding the specifications, I have already mentioned. Mr. Daga also wanted that the Scheduled Castes and the Scheduled Tribes should be given these grains and I am sure the hon. Members had heard the hon. Finance Minister's statement on 19th November 1985 in this regard. We would like to provide this surplus wheat which we have to the weaker sections of the society because it has nutritional value also. We have also the option of exporting. But the Government has taken a decision that we should first make it available to our own people. There are distress pockets including the drought affected areas and others remote areas. Therefore, on the 19th November, 1985, a scheme was formulated and it is under implementation to cover women, children and other vulnerable sections of society. We are also trying to see how far MADA, Modified Areas Development Agencies can also be included in this. Another suggestion has also come from hon. Member, Shrimati Mukherjee and we will examine the practicability of its implementation.

The last point that Shri Daga Ji made was about the cooperatives of farmers,

rather than of private people for godowns. We will examine this suggestion also.

Shrimati Geeta Mukherjee said that the prices of paddy had gone down in Bihar and West Bengal to Rs. 120 and Rs. 130 per quintal. May be that some grain may not be of the required specifications, I have no quarrel over that and no information on that.

She referred to some dreamland prices of Rs. 142; I do not know what is that dreamland price. The prices are arrived at after consulting the experts. I do not think that Shrimati Geeta Mukherjee, in spite of the fact that she is a very respected Member of this House, is an expert on agriculture. But if she thinks that Rs. 142 is not a remunerative price, I am sorry, I cannot do anything. The Ministry of Agriculture fixes the prices after consulting its various expert bodies.

She also wanted to know whether the condition of 18 per cent moisture could be relaxed. I have already mentioned about the toxic effect that it will have on children, men and others, the whole population. And Mr. Deputy Speaker, Sir, your State is one of the States which is a rice eating State; Andhra Pradesh is also a rice eating State.

[*Translation*]

SHRI C. JANGA REDDY : Despite the moisture content, we are eating it after boiling and drying it.

[*English*]

SHRI K. P. SINGH DEO : My State is a rice eating State; Kerala and Karnataka States are also rice eating States. We know that the surplus rice and paddy which we procure from North India does go to various areas of the country through the public distribution system and we would like to provide rice which is consumable by humans and we would like to satisfy the Member that we are not sending inferior quality rice which is toxic, or which is boken or it contains foreign material and it is with deference to the wishes of the Members also who have been criticising that.

[Shri K. P. Singh Deo].

About middlemen, I have already said that there are three States where there are middlemen. One is Punjab and the other is Haryana. There are *kacha a-tias* there I believe it has been there from the time immemorial. I would be most grateful if I could have the help of the hon. Members; they could go and impress on the State Governments to do away with it. But I assure them that it is a very difficult task. They will find it difficult.

[*Translation*]

SHRI C. JANGA REDDY : Andhra Pradesh should also.....

SHRI K. P. SINGH DEO : I have not referred to Andhra Pradesh.

SHRI C. JANGA REDDY : Andhra Pradesh is not on your map. That is why you are not making a reference about it.

SHRI K. P. SINGH DEO : Just now I have referred to Punjab, Haryana and Uttar Pradesh. Why do you always twist things ?

SHRI C. JANGA REDDY : You have not stated how much have been purchased in Andhra Pradesh.

SHRI K. P. SINGH DEO : Your name does not appear in the Calling Attention Motion.

(*Interruptions*)\*\*

[*English*]

MR. DEPUTY SPEAKER : No discussion; I cannot allow such kind of discussion. You cannot put any questions. Nothing goes on record.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : The hon. Member's name does not figure in the calling attention motion. How can he ask any question ? A very wrong precedent is being established ...(*Interruptions*)\*\*

MR. DEPUTY SPEAKER : The Minister is answering the points raised by the Members. How can be answer when the Members have not asked any questions in relation to Andhra Pradesh. You cannot ask any question. If you like, you put a separate question.

(*Interruptions*)

MR. DEPUTY SPEAKER : I am sorry, you cannot put any questions. Only the Members, whose names figure in the Calling Attention can ask the questions. Please do not argue.

SHRI K. P. SINGH DEO : Hon. member, Shrimati Geeta Mukherjee wanted some bonus to be given to the farmers. I am sure she will be able to influence her State Government in West Bengal to give bonus because it is the job of the State Government and not of the Central Government.

SHRIMATI GEETA MUKHERJEE : Then you give us money !

SHRI AMAL DATTA : The Prime Minister announced bonus for Punjab last year.

SHRI K. P. SINGH DEO : Punjab was under President's Rule at that time. Are you delegating your authority to us ? I am sure, you don't want to be under President's Rule. (*Interruptions*)

She has also referred to the same points which are raised by Shri Daga, regarding the middlemen, storage capacity, food stock to be released to agricultural labourers and so on. I have already covered these points.

Now I will come to Shri Amal Datta, my learned friend and counsel. He mentioned about distress sales. I have already stated that any distress sale of the specified grain has not come to our notice. It may be in regard to some grain which is not of the specified quality. If it is of inferior quality, it will naturally fetch a lesser price.

SHRI AMAL DATTA : Your agents will certainly tell that ! Then they will buy the same thing and sell it too.

SHRI K. P. SINGH DEO : Shri Amal Datta also wanted that the role of the FCI should not be of a supplementary nature and that they should have a larger role. We will examine this.

SHRI AMAL DATTA : You can examine it by going out into the countryside and not sitting in the Mandis.

SHRI K. P. SINGH DEO : Yes. I agree. It should not be by sitting in the Mandi or here in New Delhi, but they should go and see in the rural areas. We will examine it and within the constraints of our resources, we will try to go to the far flung areas as far as practically possible. It would also help us in cutting down the costs. I agree with the hon. member. The hon. member wanted to know about the procurement depots. I have already given the figure. About 400 depots have been added. Then he wanted to know about the incidental expenses. According to the 1984-85 Revised Estimates, the incidentals for rice are Rs. 17.57 per quintal. It was Rs. 11.11 in 1983-84. I will give you the break-up also. Forwarding Charges—Rs. 0.86; Temporary Storage Charges—Rs. 0.07; Internal Movement—Rs. 0.84; Gunny Cost Rs. 11.83; Establishment and Administration Charges—Rs. 0.99; Purchase Salestax—Rs. 2.09; Interest—Rs. 0.34; Other Incidentals—Rs. 0.05; and FCI's Administration Charges—Rs. 0.50.

SHRI AMAL DATTA : Why are the charges for wheat much more than for rice ?

SHRI K. P. SINGH DEO : As far as wheat is concerned, there is a Mandi Charge which is Rs. 4.35. This is including the commission. Then, there is the Mandi Labour Charge, which is Rs. 1.17.

SHRI AMAL DATTA : Who gets it ?

SHRI K. P. SINGH DEO : The Mandi gets it. Under the Regulated Markets Society Act. This is a State Government Act and I am sure your West Bengal also has it.

SHRI AMAL DATTA : Why does this Mandi Charge apply in the case of wheat only and not for rice ?

SHRI K. P. SINGH DEO : Apparently, it is for wheat only.

MR. DEPUTY SPEAKER : The member wants to know as to why such charges are for wheat only and not for paddy.

SHRI K. P. SINGH DEO : I will let him know Sir.

SHRI AMAL DATTA : Ministers should be much more knowledgeable.

SHRI K. P. SINGH DEO : Yes, yes. I have become more knowledgeable after listening to you ! Lack of storage facilities which he has referred is one of the reasons in some of the States why the rice is taken as levy from the millers. Therefore the Mandi charges don't arise. The wheat goes to the Mandis.

SHRI AMAL DATTA : You are buying in Mandis and you are not paying the Mandi charges.

SHRI K. P. SINGH DEO : If you buy from the millers why should we pay the Mandi charges ? The Millers should pay the Mandi charges.

SHRI AMAL DATTA : In Punjab, you are buying from Mandis. You are operating...*(Interruptions)*.

SHRI K. P. SINGH DEO : I will let you know about Punjab.

SHRI AMAL DATTA : Why are you talking about Punjab and Haryana ?

MR. DEPUTY SPEAKER : What to do ? The question they raised is only about Punjab and Haryana ?

SHRI C. JANGA REDDY : I am asking about my State of Andhra Pradesh, nor only Punjab and Haryana. Do you want to remove my State from India ?

SHRI K. P. SINGH DEO : Sir, I cannot answer this question which has never been asked. Your State of Andhra

[Shri K. P. Singh Deo]

Pradesh cannot be removed, even if you wish. The next point is about the lack of storage facilities which I have already answered. We would like to augment our storage facilities provided we get the requisite amount of allocation and funds in the plans; otherwise we would also like to associate the private people who can get it from Banks. We will examine Shri Daga's suggestion. Shri Anil Basu said about stockpile of foodgrains. I am sure, it is better to have stockpile of foodgrains rather than stockpile of nuclear arrangements. He wanted to be manageable. I agree with him that the stockpile of foodgrains should be manageable. This is how we have formulated certain schemes by which we would like to utilise it for the weaker sections of the society by giving them more nutritious meals.

SHRI AMAL DATTA : How much foodgrains are involved in your scheme ?

SHRI K. P. SINGH DEO : It is very difficult to say at the moment. It is only on the 19th, it has been formulated and we will be able to say only when the implementation starts. It will take time to review. I cannot give you a figure right now. It is not possible. He also mentioned about the storage capacity, which I have already answered. The percentage of procurement of foodgrains as a percentage of production, he wanted to know. Last year, the foodgrains production was around 150 million tonnes, our procurement was about 20 million tonnes which comes to about 1/7th a little more than 1/7th, that is somewhere between 13 and 14 per cent of the entire foodgrains.

SHRI ANIL BASU : Whether it has declined or not.

SHRI C. JANGA REDDY : He is asking the percentage.

SHRI ANIL BASU : Whether the trend of collection of percentage is already over.

SHRI K. P. SINGH DEO : This year is not yet over. Wheat has not come, paddy is going on... (*Interruptions*).

SHRI AMAL DATTA : This is also very strange that no Member from Andhra Pradesh comes forward in spite of the learned Member repeatedly asking him.

SHRI K. P. SINGH DEO : This year, so far, I gave the figures a little earlier, the percentage of procurement by FCI has been 47.8% that is till December 3, 1985. Last year, the corresponding position was 58.9%. This is for paddy.

SHRI AMAL DATTA : This is for arrival. How much is the procurement ?

SHRI K. P. SINGH DEO : This is for procurement by F.C.I. vis-a-vis procurement by all public agencies (*Interruptions*).

SHRI K. P. SINGH DEO : I have figures of procurement and arrival also. He wanted to ensure remunerative prices, but as I said this has recently been increased by Rs. 5. The CACP deals with this. They will view the entire thing with prospects of agriculture, the consumers point of view, the farmers point of view. And the policy of Government has been to give remunerative prices. That is why we have the support pricing policy of FCI. He wanted to know something about interest-free loans to Government for procurement. I did not understand which Government he referred to. His last point was that.

MR. DEPUTY SPEAKER : He was speaking about State Governments.

SHRI K. P. SINGH DEO : They can take them from financial institutions. It has to be according to RBI's regulations.

SHRI ANIL BASU : Are you committing yourself on interest-free loans ?

SHRI K. P. SINGH DEO : How can I do it ? I am not the Reserve Bank of India. How can I give you money ? I am not a moneylender to give you money. (*Interruptions*).

Another reason is that this year's production figures are not yet available. So, it is difficult to say at the moment. (*Interruptions*)

Shrimati Prabhawati Gupta mentioned something about storage. I have already replied to that point.

The hon. Janga Reddy asked something, even though he had not raised any question, because his name was not there...

MR. DEPUTY SPEAKER : Don't reply to him.

SHRI K. P. SINGH DEO : He wanted to know about Andhra Pradesh. Andhra is one of our States from where we get the surplus. I have already mentioned in the course of my answer that last year, 1.15 lakh tonnes were procured as one-time paddy procurement, from Andhra Pradesh. The fact is that no support price is required there, because the farmer gets a remunerative price in Andhra Pradesh. So, there is no question of giving a support price there in Andhra.

Sir, I have answered all the questions.

MR. DEPUTY SPEAKER : The House now stands adjourned, and will re-assemble at 2.55 p.m.

13.57 hrs.

The Lok Sabha then adjourned for lunch, till Fiftyfive Minutes past. Fourteen of the Clock

The Lok Sabha re-assembled after lunch at Fifteen of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

[*English*]

PROF. MADHU DANDAVATE (Rajapur) : Sir, before you take up any other business, I want to remind you that thousands of people belonging to Scheduled Castes and backward classes have come here to demand implementation of the Mandal Commission Report. I request the Parliamentary Affairs Minister to convey this feeling to the Prime Minister and include this item in the next week's business so that this issue can be taken up.

15.01 hrs.

#### BUSINESS OF THE HOUSE

[*English*]

THE MINISTER OF PARLIAMEN-TARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : Sir, with your permission, I rise to announce that Government

Business in this House during the week commencing 9th December, 1985, will consist of :

1. Discussion on the International Situation.
2. Discussion on the Status paper entitled "Challenge of Education— a policy perspective".
3. Consideration and passing of the Futwah Islampur Light Railway Line (Nationalisation) Bill, 1985.
4. Discussion and voting on the Supplementary Demands for Grants (Railways) for 1985-86.
5. Consideration of any item of Government Business carried over from today's Order Paper.
6. Consideration and passing of the following Bills, as passed by Rajya Sabha :

(a) The International Airports Authority (Amendment) Bill, 1985.

(b) The University Grants Commission (Amendment) Bill, 1985.

Discussion on the Long Term Fiscal Policy.

SHRIMATI JAYANTI PATNAIK (Cuttack) : I would like to request the hon. Minister of Parliamentary Affairs to include the following matter for discussion in the next week's business,

The people of Sambalpur District in particular and Orissa in general have been very much agitating over the move started by the Authority of Central Water Commission Hyderabad to shift the Advance Flood Forecasting Division and branch office of the Central Water Commission from Burla to Raipur. As you are aware, these offices of Central Water Commission, Burla are located near Hirakund Dam beside the river Mahanadi. Because of the ideal location, these offices have been able to forecast advance information regarding flood