

12.00 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

FIFTY-SECOND REPORT

SHRI G. G. SWELL (Autonomous Districts): I present the Fifty-second Report of the Committee on Private Members' Bills and Resolutions.

SHRI DARBARA SINGH (Hoshiarpur): With your permission, I would like to express my grief to the people affected by the damage done by a cyclone in Doraha in Punjab in three villages when tractors and trolleys were blown off and there were ten deaths

SHRI VASANT SATHE (Akola): We join him in expressing our grief

MR SPEAKER: You are a senior member Some notice should have been sent to me also I was taken by surprise by this Of course, all of us are in full sympathy and want that something should be done for them We are all very sorry to hear that this tragedy has happened From the Chair, I fully express my sympathy I am in full agreement with you

SOME HON MEMBERS We are all in agreement with him.

SHRI VAYALAR RAVI (Chiraymkil) With your permission, may I..

MR SPEAKER No Then I will go and you bring a man who goes without the rules I will not

SHRI VAYALAR RAVI: I sent you a letter and sought your permission

MR. SPEAKER: I am not prepared for this Everyday somebody gets up this side, somebody that side. Is this the rule of shouting and not the rule of law?

SHRI VAYALAR RAVI: This is under 377 I have written to you. Please allow me. If you hear me, You will allow me.

MR. SPEAKER: I am not allowing, not even half a minute There is no question under 377. If you want something, at least the Chair must know what it is there Yesterday also I made some observation. Some observation was put in my mouth, which I never said I never said that the Vellore incident was not important; I never expressed any such view It is very important My observation was that I was taken abruptly, by surprise There should have been some notice

SHRI VAYALAR RAVI: Even today, we sent letters to you.

MR SPEAKER I am going to amend the rules so that during half an hour whoever shouts most, he will carry the day.

SHRI VAYALAR RAVI: I sent notice yesterday

MR SPEAKER: That will go by merits If it has something to do with the Central Government, I will be the first man to admit it Wait for a day, it will be seen tomorrow

13.06 hrs

STATEMENT RE INTERIM REPORTS OF NATIONAL COMMISSION ON AGRICULTURE

THE DEPUTY-MINISTER IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI PRABHUDAS PATEL): On behalf of Shri Jagjivan Ram, I rise to make a statement on the submission of two interim reports of National Commission on Agriculture

MR SPEAKER: You may lay it on the Table

SHRI PRABHUDAS PATEL: I lay the statement on the Table of the House.

[Shri Prabhudas Patel]

Statement

As Members are aware, the National Commission on Agriculture set up by the Government of India had been asked to make interim recommendations on such items of the Terms of Reference given to them as it may deem fit. The Commission had earlier submitted 21 Interim Reports on different subjects. The summaries of important recommendations made therein were placed on the Table of the Sabha. Copies of all these Reports have also been placed in the Library of the Sabha.

2 The Commission has submitted today the 13th March 1975 to the Government of India two more Interim Reports on the following subjects —

- 1 Agricultural Price Policy
- 2 Certain Important Aspects of Marketing and Prices of Cotton, Jute, Groundnut and Tobacco

These Reports as well as the summary of the important recommendations made in these two Interim Reports are placed on the Table of the Sabha [Placed in Library Sec No LT-9168/75]

3 I have directed my Department to examine the recommendations quickly before Government take further action in the matter.

SUMMARY OF THE IMPORTANT RECOMMENDATIONS MADE IN THE TWO INTERIM REPORTS SUBMITTED BY THE NATIONAL COMMISSION ON AGRICULTURE ON 13TH MARCH 1975

The National Commission on Agriculture submitted the following two Interim Reports to the Government of India today,

- (1) Agricultural Price Policy and
- (2) Certain Important Aspects of Marketing and Prices of Cotton, Jute, Groundnut and Tobacco

The Commission had earlier submitted 21 Interim Reports covering different aspects of agricultural development. With the submission now of two more Reports, the series of Interim Reports is complete. The Commission is now engaged in drafting its Final Report. The more important recommendations made by the Commission in these two Interim Reports are briefly indicated in the following paragraphs.

(1) Agricultural Price Policy

The Commission, in its Interim Report on Agricultural Price Policy, has indicated its approach to price policy for both food and commercial crops and the entire package of support price, procurement/purchase price, procurement and distribution of cereals and such aspects of food policy as are relevant to price policy. The Report also deals with the arrangements for advising the Government in the matter of agricultural price policy.

The Commission has emphasised the need for assuring remunerative prices to the farmers with a view to encouraging investment in agriculture and adoption of modern technology. At the same time, it has stressed, the price policy should facilitate growth with stability and should be formulated keeping in view its impact on the economy as a whole.

The Commission has not favoured reliance on price as the principal mechanism for augmenting production in a situation where shortages run across the board since such a policy will only add to price rise without yielding higher output. It has felt that for increasing production and the farmer's income the main emphasis should be on technological improvement and availability of crucial inputs.

In the view of the Commission, the major aim of the price policy should be to correct distortions arising out of imperfections of the market. It

should seek to safeguard the interest of the farmers when prices fall and protect the consumers when prices rise.

The Commission has recommended that minimum support prices should be fixed for the principal crops, both food and commercial crops, and that they should be announced well before the sowing season to facilitate investment decisions by the farmers. The price should be fair and cover the cost of production as also include a reasonable profit. While the existing practice of fixing a uniform all-India support price should continue, a small differential in price may be allowed in specially high cost areas.

In dealing with the basis for price fixation, the Commission has noted that the wide variation and other limitations of the available cost data do not provide a firm basis. It has proposed the development and use of an index number system for the principal crops to take into account year to year changes in the costs of production. Till the index number system is developed, the Agricultural Prices Commission should make an informed judgment about fair support price, after taking into account available information and consulting its advisory panels. However, the price fixation should take into account the fluctuations in input prices.

Regarding the procurement price of cereals, the Commission has taken the view that it should be related to the purchasing capacity of the vulnerable sections of the society, whom the public distribution system should principally cater for. The price, although higher than the support price, should not be much above the issue price minus the cost of distribution plus, at best, a small element of subsidy.

The Commission has suggested enlargement of the public distribution system to cover, on a regular basis, particularly vulnerable rural areas in the country, such as drought prone and flood affected areas. For ade-

quate functioning of the distribution system, procurement of about 12 per cent of cereal production, on an average, for the next few years, has been recommended. This implies the procurement of 12 million tonnes in 1975.

The Commission has preferred the system of compulsory graded levy on producers, millers and hullers as the major operational instrument for procurement of cereals, with reliefs, as may be deemed necessary, for the smallest producers. Due allowance also has to be made for differences in output levels between irrigated and unirrigated areas. The Commission has stressed the need for legal sanctions, adequate administrative arrangements as well as political backing for effective implementation.

The Commission has recommended the preparation, every year, of a National Food Budget after taking a realistic view of the requirements and availability. The rates of levy in each State would require to be fixed on the basis of its procurement target. Other established forms of procurement like pre-emptive purchase could be considered provided the State concerned is able to fulfil its procurement target.

Once the levy is collected on the basis of the target, the farmers will be free to sell the remaining quantum in the open market and the State can remove restrictions on movement; but the question whether a State has fulfilled its obligations should be decided by the Centre and not by the State concerned.

Regarding commercial crops, the Commission has recommended that the Agricultural Prices Commission, apart from recommending support prices for the major ones, should watch the prices of other commodities and recommend, wherever necessary, support prices and the measures required to make them effective. The Commission has suggested the establishment of an Agricultural Commodities Corporation of India for price

[Shri Prabhudas Patel]

support and other operations in respect of commercial crops other than cotton, jute and tobacco.

The Commission has recommended expansion of the existing three-Member Agricultural Prices Commission to a four-Member Commission in order to enable it to take a more informed view on various issues. One of the Members will be an agricultural scientist experienced in problems of production. Another member will be a non-official with understanding of agricultural production and consumer problems.

In order to provide a better range of consultation, the Commission has also suggested the appointment of a Technical Panel, consisting of agricultural scientists, administrators, economists and statisticians, to advise the Prices Commission. This will be in addition to the existing advisory Panel of Farmers.

(1) Certain Important Aspects of Marketing and Prices of Cotton, Jute, Groundnut and Tobacco

In this Interim Report, the Commission has made a broad assessment of some aspects of the marketing structure for four important commodities: Cotton, Jute, Groundnut and Tobacco, in the light of likely trends in production and demand over the coming years and the prevailing patterns of market arrivals.

The Commission has noted that those commodities are subject to considerable year to year fluctuations in production and prices which are harmful to sustained production effort and that the middlemen through their hold on the market mechanism continue to exploit the farmers. It has suggested various measures to facilitate marketing of these commodities and to stabilise their prices, so that, on the one hand, the cultivators are assured of reasonable returns on their investment and, on the other, the economy benefits from stable prices and supply.

The Commission has suggested that the Agricultural Commodity Corporation of India, the establishment of which has been proposed in the Interim Report on Agricultural Price Policy, should deal with the marketing aspects of oilseeds. It has also recommended that the proposed Tobacco Board should be entrusted with the responsibility of stabilising the prices of various grades of tobacco.

The Commission has emphasised that all the Commodity Corporations (i.e. Cotton Corporation, Jute Corporation, Tobacco Board and Agricultural Commodity Corporation) should be equipped with adequate financial and physical resources to enable them to gain a commanding position in the respective commodity markets.

These Corporations should act as holding agencies by acquiring and operating buffer stocks and help in moderating the price variation and maintaining an even flow of supplies for the industrial/foreign trade sector. Further, they should work on import/export basis. The Commission has also felt that for discharging these responsibilities they should be given a measure of flexibility and free hand for determining the magnitude and timing of their operations, specially in respect of imports.

The Commission has stressed that the credit policies of the Reserve Bank of India should be so designed as to help these Corporations to establish themselves. The Corporations should develop cadres of functionaries who can undertake commercial operations without the support of any fiscal concessions.

High priority needs to be given to the provision of essential infrastructure such as market yards, warehouses and auction floors and creating adequate grading facilities to ensure proper marketing of these crops. The Commission has recommended the opening of regulated markets in new areas being brought under cul-

tivation of these crops and the reactivating of regulated markets lying dormant for want of funds.

Introduction of auction-cum-tender system in the regulated markets with the right to pre-empt any lot at the highest price reached in the bid has been suggested in the case of cotton and jute. In the case of tobacco introduction of auction sales on a universal basis has been recommended as essential. Secret bid tender system followed in certain parts of Tamil Nadu and Karnataka has been commended in the case groundnut.

The Commission has also suggested that the Ministry of Industrial Development should take steps to encourage indigenous manufacture of new types of gins and presses to meet the processing requirements of extra long, long and finer varieties of cotton. To meet the immediate needs, their import has been suggested.

The Commission has recommended that minimum support price should be fixed in the case of tobacco, particularly for VFC and bidi types.

13.07 hrs

MATTER UNDER RULE 377

ALLEGED IMPROPRIETY IN ANNOUNCEMENT MADE OUTSIDE THE HOUSE ABOUT EXEMPTION FROM PAYMENT OF NEW ONE PER CENT EXCISE DUTY IN CERTAIN CASES.

SHRI SOMNATH CHATTERJEE (Burdwan): Mr. Speaker, I beg to raise the question of a grave impropriety which has been committed by the Government of India. In the Budget speech of the hon. Finance Minister on 28th February, he announced the imposition of the Central excise duty on all items not already covered by the schedule to the Central Excise and Salt Act at the rate of one per cent. He has proposed an amendment to that effect in the Finance Bill which we are going to consider. The budget discussions are

going on in the House from day to day but surprisingly we find in today's papers—I am also told that in the announcements on the radio last night this was stated—that the Government of India had announced exemption from payment of this new one per cent excise duty in respect of some goods. So far as exemption itself is concerned, we are not opposing; naturally we welcome this. We are against the imposition of the excise duty but what we object to is the manner in which this House is being treated. When this very matter is before the House and the House is seized of his matter, the Budget is being discussed from day to day, to announce this important policy decision through the medium of the Press and the Radio and not to come before the House and make a statement before the House is a matter of grave impropriety and I submit that it impinges on the rights of the House and it amounts to a breach of privilege. We should like to know why the Government rushed to the Press and radio and did not come before the House when the House is sitting from the 28th February. There is no reason why this House is being treated in such a cavalier manner, why the Ministers cannot come before the House.

MR. SPEAKER: What is the source of the news? Is it some statement by the Minister?

SHRI SOMNATH CHATTERJEE: It says here: spokesman of the Finance Ministry.... We are not going to give up whatever limited rights we have. They must express their regret

SHRI S. M. BANERJEE (Kanpur): I may add this to what Mr Somnath Chatterjee had said. When the Minister explains, I would only urge upon him to tell us whether such decisions to exempt goods from duty will be taken for more commodities, without reference to Parliament, merely because there is a demand for certain exemption or withdrawal. As long as Parliament is in session,