

17.29 hrs.

PRICE OF RICE ALLOTTED TO
KERALA*

SHRI P. GOPALAN (Tellicherry) : Sir, there is now a controversy going on with the Central Government and the State Government of Kerala with regard to the issue of price for the food supplied by the Centre to the State. It has been claimed by the Central Government that the Central Government is incurring heavy loss by way of supply of food articles to the State of Kerala. On the other hand, the Kerala Government has recently pointed out that the Central Government is deriving much profit by way of supplying food to Kerala. Therefore, I thought it necessary to raise this discussion and get the real position clarified from the minister. The question is whether the Central Government is getting profit out of the sufferings and miseries of the Kerala people. If that is correct, then I have no hesitation to call the Government a Government of black marketeers.

There are certain figures given by Mr. Shri. our Minister, regarding the procurement prices of rice from Andhra and Madras. The procurement price of coarse paddy of Andhra Pradesh origin is Rs. 69 per quintal and of Madras origin is Rs. 43. It means, the procurement price of coarse rice of Andhra origin is Rs. 69 and of Madras origin is Rs. 64.50. Let us add to this the railway freight and other incidentals which will come to Rs. 8 per quintal. It comes to Rs. 77 for coarse rice of Andhra origin and Rs. 72.50 for Madras. Let us see what is the price fixed for coarse rice supplied by the Central Government to Kerala. It is Rs. 96 per quintal. So, there is a difference of Rs. 19 to Rs. 23 per quintal. This bears clear proof to the fact that the Central Government is deriving profit out of the sufferings and miseries of the Kerala people.

The actual ex-depot price, including railway freight and other incidentals, of fine variety of rice is Rs. 90 for Andhra origin and Rs. 80 for Madras origin. But the price charged for the fine rice supplied to Kerala is Rs. 110 per quintal. Here also there is a difference of Rs. 20 to Rs. 30 per quintal. Here also the Central Government is making a profit.

Let us take superfine variety of rice. The procurement price of superfine rice is Rs. 105 for Andhra origin, including railway freight and other incidentals. It is sold to Kerala at Rs. 135. I have quoted these figures given by the minister himself to show that the Central Government is making a profit and therefore, I wish to call this Government a Government of blackmarketeers. This bears clear proof to the fact that out of the sufferings and poverty of the people of Kerala, which is deficit in foodgrains, the Central Government is making profit by supplying rice at a higher price. I want the minister to make the position clear regarding this charge. The State Government also has made the same charge that the Central Government is indulging in profiteering and blackmarketing as far as food supplies to Kerala are concerned.

Let us see during the last three years to what extent the price of rice has been raised by the Central Government. Up to December, 1964, the price of coarse supplied to Kerala was Rs. 43 per quintal. The first revision was made in January, 1965 from Rs. 43 to Rs. 63. That was the first revision. The second revision was made in November 1965. It was raised from Rs. 63 to Rs. 66. The third revision was made in June 1966. It was raised from Rs. 66 to Rs. 69. The fourth revision was made in December 1966. But at that time it was not implemented and it was implemented after the U.F. Government came into power in Kerala in March 1967. But the revision was announced in December 1966. It was raised from Rs. 69 to Rs. 80 per quintal for the coarse variety of rice. Recently, Sir, another revision has also taken place—the fifth revision within a period of three years. According to this recent revision the price has gone up to Rs. 96 from Rs. 80.

*Half-an-Hour Discussion.

[Shri P. Gopalan]

Let us see to what extent during the last three years the price of coarse variety of rice which has been supplied to our State has been raised by the Central Government. It has been raised by 122 per cent during the last three years. This is not done by the blackmarketeers or profiteers. This has been done by the Central Government. The Government has been telling very much about bringing down the prices etc. What have they done with regard to the rice supplied to the State by the Centre? As I said, they have increased it by 122 per cent during the last three years. Naturally, this will affect the cost of living of the people. The price rise in the case of foodgrains and other essential articles will directly affect the people and they will have to suffer a lot because of this.

Sir, I charge this Government that this Government has raised the price of rice supplied to our State to the extent of 122 per cent, and that too for the coarse variety of rice, during the short period of three years. I want to know whether the procurement price of paddy has gone up to such an extent during the same period. The hon. Minister, Shri Jagjiwan Ram when he intervened in the debate on the President's Address said that the people of Kerala have been saying that the price of rice has been increased—that is the grievance of the people of Kerala—and he tried to justify it on the ground that a reasonable price has to be given to the cultivators in Andhra as well as in Madras. Our complaint is not against the cultivators in Andhra or Madras. Our complaint is against this Government. This Government is the exploiter. The price that you are taking from the State Government does not directly go to the hands of the cultivators in Andhra or Madras. It goes to the exchequer of this Government and the unique distinction of making revenue out of blackmarketing goes to our Food Minister, Shri Jagjiwan Ram.

THE MINISTER OF FOOD AND AGRICULTURE (SHRI JAGJIWAN RAM): Sir, I rise to a point of order. He said that blackmarket money goes to Shri Jagjiwan Ram.

SHRI RANDHIR SINGH (Rohtak): We protest against this.

MR. SPEAKER: I would request Shri Gopalan to explain.

SHRI P. GOPALAN: I have given the figures supplied by the Food Ministry. The hon. Minister did not hear them and that is why he is taking this objection. I am not making a personal charge. He is in charge of the Ministry of Food and Agriculture and that is why I have mentioned his name. (Interruptions).

SHRI C. K. CHAKRAPANI (Ponnani): It is because of his guilty conscience that he is protesting.

SHRI JAGJIWAN RAM: Only those who are in charge of blackmarketing can say... (Interruptions).

MR. SPEAKER: These interruptions will make it worse. It will not help the debate.

SHRI P. GOPALAN: The Kerala Government took a firm decision not to increase the price of rice. Our State Government has decided to take upon itself the burden of Rs. 18 crores for subsidising the supply of food articles.

SHRI JAGJIWAN RAM: Nobody objected to it.

SHRI P. GOPALAN: We can see the difference between two governments—one government is making a profit from the suffering and poverty of the people while another government is subsidising the supply of food and thereby undertaking a heavy financial burden to alleviate the sufferings of the people. The distinction can be seen very clearly.

Now the Central Government is resorting to the method of playing with statistics and figures. A specific question was asked by Shri E. K. Nayanar about the quantity of rice allotted to Kerala State during the period from November 1967 to January 1968. The Minister gave the reply:

"The total allotment of rice made from the Central pool to the Food Corporation of India in Kerala for the period November 1967 to January 1968 was 1.37 lakhs."

On the same day, in reply to another question by Shri Kachwai, the Minister

has placed a statement on the Table in which he has stated that during the same period, from November 1967 to January 1968 :

"The total allotment made to Kerala was 90,400 tons of rice".

This answer was given on the same day. At one place it is mentioned as 1.37 lakhs tons and at another place as 90,400 tons.

MR. SPEAKER : He should conclude now if he wants the Minister to reply. I will adjourn the House at 6 O'Clock irrespective of whether the Minister replies or not.

SHRI A. SREEDHARAN (Badagara) : Sir, on a number of occasions in the past you have extended the time. So, you should not be so strict now.

MR. SPEAKER : I will give opportunity to one or two more members to put questions, provided he concludes now. Otherwise, there will be no time.

SHRI BIMALKANTI GHOSH (Serampore) : Sir, on a point of order. There is no quorum in the House.

MR. SPEAKER : The hon. Member may resume his seat. The quorum is being challenged. The bell is being rung. Now there is quorum. He may continue his speech.

SHRI P. GOPALAN : At one place he has stated 1,37,000 tonnes and at another place he has stated 90,400 tonnes. There is reason for the Minister to make a statement like that. He wants to create confusion in the minds of the people. He wants to create the impression that the Central Government is giving more rice to Kerala and the State Government is not distributing it through the ration shops. That has been the impression created in the minds of a section of the people in Kerala. The Congressmen are propagating this impression and you want to grease the wheels of the Congress propaganda machinery in Kerala; that is why you are making these false statements. That is the main reason you are making these statements. Therefore I would like to submit that this Government has increased the price and the Government should come forward to

help a State like Kerala which has been a deficit State.

SHRI JAGJIWAN RAM : Why ?

SHRI P. GOPALAN : You know very well that our cultivators are cultivating cash crops and we are earning foreign exchange.

MR. SPEAKER : Now you are going into other subjects. Please resume your seat.

SHRI P. GOPALAN : I request that the Minister has to take into consideration all these aspects and clarify the position.

MR. SPEAKER : Whoever wants to participate in a half-an-hour discussion is expected to give his name. That is the rule that we have been following. If there are more names, they are balloted and only five names are put. But I have only one name from the office, that of Shri Kanwar Lal Gupta, who alone has given notice. I will request him to speak. I cannot help it.

श्री कंबरलाल गुप्त (दिल्ली सदर) : अभी जो डिसकशन मेरे माथे ने उठाया है, मैं जो बात उन्होंने कही है उसमें महमत हूँ। इतनी कीमत जो चावल की आपने बढ़ाई है उससे मैं सहमत नहीं हूँ। उसका कोई जस्टिफिकेशन नहीं है। मैं समझता हूँ कि इसका मुख्य कारण चाहे ब्लैक-मार्किटिंग न भी हो लेकिन यह जरूर है कि फूड कारपोरेशन आफ इंडिया के एडमिनिस्ट्रेटिव एक्सपेंसिस बहुत अधिक हैं और उसकी वजह से प्रोक्योरमेंट प्राइस कम होने के बावजूद भी जो माल कंज्यूमर को जाता है वह बहुत अधिक कीमत पर जाता है। आपको सुन कर आश्चर्य होगा कि इस टाप हैवी एडमिनिस्ट्रेशन में कितना कुर्रप्शन है। ठीक क्वान्टिटी का माल सप्लाय नहीं किया जाता है। मैं उदाहरण देता हूँ। दिल्ली में गेहूँ 103 रुपए राशन में दिया जाता है। अब स्टेचुटरी राशनिंग खत्म हो गया है। अब वही गेहूँ दिल्ली की ओपन मार्किट में 90 रुपए के भाव पर मिल रहा है। यह तब मिल रहा है जबकि हरियाणा और पंजाब से गेहूँ आदि के लाने पर पाबन्दी

[श्री कंबरलाल गुप्त]

लगा हुई है। वहीं से फूड कारपोरेशन इसको खरीदता है। अगर पंजाब को दिल्ली से मिला दिया जाए तो गेहूँ यहां पर 70 रुपए के भाव पर मिलेगा। जिस गेहूँ का भाव 70 रुपए होना चाहिए वही गेहूँ 103 रु० दिया जाता है। यह टाप हैबो एडमिनिस्ट्रेशनकी एक निशानी है। मैं चाहता हूँ कि इसके बारे में एक अच्छी सी इनक्वायरी होनी चाहिए ताकि एडमिनिस्ट्रेटिव एक्सपेंसिस को कम किया जा सके।

सरकार ने गेहूँ पर जो वह सबसिडी देती थी उसको हटा लिया है। यह एक एंटी पोपल एक्ट है। सारे हिन्दुस्तान में महंगाई बहुत ज्यादा है। इम वास्ते मैं समझता हूँ कि सबसिडी को नहीं हटाया जाना चाहिए था।

सारा देश एक है। केरल में चाहे कोई भी सरकार हो, केरल के लोग हिन्दुस्तानी हैं। उनको पेट भर कर खाना जरूर देना चाहिए। यह हमारी जिम्मेदारी है, सभी भारतीयों की जिम्मेदारी है, सभी स्टेट्स की जिम्मेदारी है। मैं मानता हूँ कि आज केवल आधा ही, जो चावल की उनकी मांग है, उसका दिया जाता है। उनको मांग करीब 70-75 हजार टन महीने की है। लेकिन उनको केवल 45,000 टन दिया जाता है। यह डिफिसिट बहुत ज्यादा है और इसको पूरा किया जाना चाहिए। कहीं से भी दें, इम डिफिसिटको पूरा करना हमारी जिम्मेदारी है। उनको पेट भर चावल मिलना चाहिए और जितना अनाज उनको चाहिए, दिया जाना चाहिए।

श्री जगजीवन राम : अनाज देते हैं, चावल नहीं दे सकते ह।

THE MINISTER OF STATE IN THE
MINISTRY OF FOOD, AGRICULTURE,
COMMUNITY DEVELOPMENT AND
COOPERATION (SHRI ANNASAHIB
SHINDE) : Mr. Speaker, Sir, the hon.
Member Shri P. Gopalan has raised the

discussion in regard to price rise in respect of supplies of rice to Kerala. Had he only raised this point and made some suggestions, I think, it would have been a welcome debate.

Sir, while making observations on this, he levelled very fantastic charges. He misquoted facts and distorted his entire case. It is totally absurd to say that the Central Government is indulging in profiteering in this. In fact, the Kerala Government itself which procures rice from the farmers of Kerala has to pay to the farmers of Kerala the price, almost the ex-mill price, of Rs. 103 per quintal while the Central Government is supplying rice to Kerala at Rs. 96 per quintal. That means the procurement price which the Kerala Government is compelled to pay to their own farmers is higher than at which we are supplying rice to Kerala.

SHRI K. ANIRUDHAN (Chirayinkil) : He is misleading the House. They are not paying Rs. 103 per quintal.

SHRI ANNASAHIB SHINDE : I am not misleading. It is ex-mill price including the processing charges, etc.

SHRI K. ANIRUDHAN : It is Rs. 65.

SHRI ANNASAHIB SHINDE : That is paddy.

SHRI P. GOPALAN : If it is Rs. 65, will it come to Rs. 103 per quintal ?

SHRI ANNASAHIB SHINDE : It comes to Rs. 103 per quintal. I am prepared to submit it to any scrutiny. Otherwise, you will have to withdraw what you have said.

Sir, the point is, all along, on the floor of the House, some charges are made that the Central Government is discriminating in regard to the supply of rice to Kerala. I think, that is not true. It is completely unfounded. The Government of India has taken a decision in regard to the price of rice for the whole country and not for Kerala alone. The principle on which the price is based is that the prices of all the rice supplied from various States are pooled together and the pooled economic cost is arrived at and it is at that price

that rice is supplied to Kerala. Kerala is not the only State. If we do not follow this principle and if we supply rice from Andhra State, it will be at a different price; if we supply rice from Madras, it will be a different price and if we supply from Madhya Pradesh, it will be a different price. Take the case of Madhya Pradesh. About the rice which we procure in Madhya Pradesh and the Food Corporation is supplying to Kerala, the economic cost comes to Rs. 101 plus some paise per quintal. That means it is higher if we take the case of Madhya Pradesh. (Interruption). I am prepared to give the figures. That rice is being supplied by the Centre at Rs. 96 per quintal. Even then, indirectly, some element of subsidy is involved in that. If all-India prices are taken into consideration, it comes to Rs. 96 per quintal.

Now, in order to remove any misunderstanding in regard to the price structure, I would like to explain the detailed break-up of the price at which rice is supplied to Kerala. Take, for instance, Andhra Pradesh. We procure rice at Rs. 75.09 per quintal including the cost of gunny bag. The railway freight comes to Rs. 3.72 p.; the handling charges come to Rs. 4.16 p.; the bonus which is paid by the Central Government to the State Government comes to Rs. 4.75 p. and other incidentals come to Rs. 3.50 p. That comes to Rs. 91.20 p. That is from Andhra Pradesh. In the case of Madras, though Madras is closer to Kerala, the economic cost comes to Rs. 91.69 p. on the same basis. In regard to Madhya Pradesh, it comes to Rs. 101.95 p. The All India pooled economic price, on the basis of the economic cost of indigenous rice, at which rice is supplied to Kerala comes to Rs. 96.

Then, this is not the complete picture because we import rice from outside and the major portion of imported rice is supplied to Kerala. In the international market, the prices have gone up very high and the economic cost of rice purchased in the international market comes to Rs. 135 a quintal. That means, on each quintal of rice that is supplied to Kerala, we pay the subsidy to the extent of Rs. 39. So, the total cost of subsidy comes to Rs. 5 crores as far as imported rice is con-

cerned, taking into consideration only the rice supplies made to Kerala. Even assuming for the sake of argument, that in regard to some marginal quantities supplied from Andhra Pradesh, the Centre gets something, if we look at the total, the amount of subsidy which is even now borne by the Central Government comes to Rs 5 crores.

So, it is entirely false to suggest that the Centre is profiteering out of this. It is all right to suggest that we should make available foodgrains to the people at a very cheap price. But after all, it is a question of the financial capacity of the Centre to bear this burden. Last year, having a substantial subsidy for the various States, the total amount came to Rs. 134 crores. If, this year, we had continued the subsidy for the whole country, the subsidy amount would have gone to more than Rs. 100 crores. This is beyond the capacity of the Centre. We have no resources at our disposal to continue the subsidy. Therefore, the Centre has taken this decision, not for Kerala, but for the whole country, but I am surprised why the hon. members from Kerala... (Interruptions).

SHRI A. SREEDHARAN : What about Kashmir? Kashmir and Kerala are parts of India.

SHRI ANNASAHIB SHINDE : Though rice is supplied at the economic pooled cost to all other States, I fail to understand why the hon. members from Kerala are trying to make out a case that the Centre is discriminating only against Kerala. If really the hon. members are interested in feeding the Kerala people, they should not indulge in such a false propaganda... (Interruptions).

Then Mr. Kanwar Lal Gupta raised a point that the margin of the Food Corporation was very high. I would request him to look into the figures when the Food Corporation was not in the picture, the post-harvest prices and the prices in the lean season, and he will find that the margin of the private trade is much higher than the margin of the Food Corporation. I know, he is interested in private trade in the sense that his views are in favour of private trade. But I am not prepared

[Shri Annasahib Shinde]
to blame him for that. He has a right to hold his own view, but I must submit very humbly that in Indian conditions unless the public sector organisation is allowed..

SHRI KANWAR LAL GUPTA : I am for both private sector and public sector.

SHRI ANNASAHIB SHINDE :.... is allowed to handle foodgrains, we will not

be in a position to protect the interests of the people at large.

MR. SPEAKER : The House stands adjourned to meet again at 11 A.M. on Monday the 4th March, 1968.

18.00 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, March 4, 1968/Phalguna 14, 1889 (Saka).