

[Mr. Deputy-Speaker]

The question is:

"That clauses 2 and 3, the Schedule, clause 1, the Title and the Enacting Formula stand part of the Bill."

The motion was adopted.

Clauses 2 and 3, the Schedule, clause 1, the Title and the Enacting Formula were added to the Bill.

Shri M. C. Shah: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

FALL IN PRICES OF FOOD AND AGRICULTURAL RAW MATERIALS

Mr. Deputy-Speaker: The House will now proceed with the one hour discussion on Fall in prices of food and agricultural raw materials. Mr. Asoka Mehta.

Shri A. M. Thomas (Ernakulam): Sir, I wish to make a submission. This subject is of vital importance to the country, and in one hour's time we can only pay scant attention to it. I request that two hours' time may be allotted to it.

Dr. Krishnaswami (Kancheepuram): We can sit up to 7 o'clock in the evening.

Mr. Deputy-Speaker: One hour has been fixed already.

Dr. Krishnaswami: It is such an important subject that it will be difficult to do even bare justice in one hour.

Mr. Deputy-Speaker: We find it difficult to gather quorum here even at five o'clock.

Dr. Krishnaswami: It is full now.

Mr. Deputy-Speaker: It will be poorer still afterwards. One hour

will stand. Shri Asoka Mehta will have fifteen minutes. The hon. Minister will have fifteen minutes. That means thirty minutes. The rest of the Members will have three minutes each, as there are many hon. Members wanting to speak.

An Hon. Member: We must have two hours.

Mr. Deputy-Speaker: I am helpless in the matter. The time has been fixed. Hon. Members do not raise the matter earlier. They must have raised it earlier. The time available is one hour. The next is Shri V. P. Nayar's motion. If that is to be put off...

Dr. Krishnaswami: It can be.

Mr. Deputy-Speaker: But he must agree.

Shri T. B. Vittal Rao (Khammam): How can that be put off?

Mr. Deputy-Speaker: There is difference of opinion.

Kumari Annie Mascarene (Trivandrum): I oppose putting it off.

Mr. Deputy-Speaker: Very well. All ladies are opposed to putting it off. Mr. Asoka Mehta.

Shri Asoka Mehta (Bhandara): There is a general fall in the prices of agricultural products. According to the Economic Adviser's Series, the index number of food articles (with August 1939 as the base) which stood at 381.9 in January 1954 fell to 348.1 on 10th July, 1954. The index number of industrial raw materials fell from 481.8 in January, 1954 to 416.5 on 7th August, 1954. There was no corresponding fall in the indices of semi-manufactured articles and manufactured articles. The index number of the former was 361.5 in January, 1954 and 352 on 7th August. And the latter rose—while the indices of agricultural products have been falling the index number of manufactured articles rose—from 364.3 in January, 1954 to

376.1 on 7th August, 1954. The disparity between the prices of food articles and industrial raw materials on the one hand and of semi-manufactured articles and manufactured articles on the other is increasing. And this should cause serious concern to all our people. Over the period of April to July, that is in the last three months alone, there has been a fall of nearly fifty points in the price of industrial raw materials and about thirty-five points in the price of food articles.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

2 P.M.

What is this due to? And what are the effects and consequences of this? The July issue of *Agricultural Situation in India* tells us that "An important feature of the price position in June was that unlike the past, there was no firming up of the prices of rice and millets despite the setting in of the off-season in that month.

"In the case of wheat, some fall in prices was natural after the harvesting of the new crops in 1954, but the fall was accentuated in June and at places, market went below Rs. 10 per maund. Consequently, the Government of India instructed the State Governments of Punjab, the U.P. and Rajasthan to step into the market and buy wheat at Rs. 10 per maund in case the market prices in these States tended to fall below that level."

I would have been happy if this price support had been given as a part of the Government policy. In the latest number of the *Quarterly Economic Report*, that high-powered journal, which costs Rs. 100 per issue, we are told:

"It is no longer a secret that a minor indiscretion was committed by the Food Ministry in proposing agricultural support without Cabinet consideration or any Government decision in the matter.

I do not know whether the Food Ministry committed a minor indiscretion or not. But, I am anxious to know from the Minister here what is the policy of the Government in this matter. Was this price support an individual expression of a Minister's opinion, was it a temporary aberration on his part or was it a firm, definite policy. Government themselves admit that agricultural prices are not showing the usual firming up that is to be seen, that is normally discernible in this season. Are the Government going to provide the necessary backbone to the prices or this is merely a temporary aberration as the *Quarterly Economic Report* points out, which was done without Cabinet consideration or any Government decision in the matter?

Further, there is an interesting feature of the situation which deserves our consideration. *The Eastern Economist* has pointed out recently that there is a marked gap, a wide gap between wholesale prices and retail prices. *The Eastern Economist* pointed out some time ago that while there has been a general fall in the wheat and rice prices in the wholesale markets, the consumer has been paying about Rs. 14 a maund for wheat and Rs. 20 to Rs. 45 for a maund of rice. These prices do not indicate the existence of plenty on a scale as would be an improvement on the levels prevailing until 1949-50, though the consumer has certainly felt a perceptible change in the conditions since 1950. While the wholesale prices have been falling, there has been no corresponding fall in the retail prices. What is the meaning of this? What are the implications of that? It means that the fall in prices does not benefit the consumer. It means further that the agriculturist is being penalised not to the advantage of any consumer, but to the benefit of the middlemen. This seems to be the result of the policy of the Government. I would like to know what the Government have to say on this matter.

A further aspect of this question has been discussed in a recent issue.

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of the *Agricultural Situation in India* where it has been pointed out that the recent fall in prices of agricultural commodities is a permanent feature, is likely to be a permanent feature, of our economy. The journal argues that the marked improvement in production has led to an increase in the marketable surplus and in an easing of the price situation, enabling the Government to make further relaxations in food control. It is surprising that the Government journal describes the present situation when the agriculturists are seriously disturbed by a market fall in prices as an easing of the situation. If this easing of the situation is likely to have far-reaching effects on the future trend of agricultural prices, its effects on rural areas and on the supply position of agricultural production is also likely to be a significant matter.

The situation has already become serious in wheat. According to the Directorate of Economic Statistics, of the Union Ministry of Food and Agriculture, the all-India final estimate of cereals in 1953-54 puts the area and production at 210 million acres and 56 million tons as against 203 million acres and 49 million tons, in the partially revised estimates for 1952-53. This shows an increase of a little over 7 million acres or 3.61 per cent in area and 7 million tons or 14 per cent. in production over the last year. In wheat crops however, the situation is very different, and it is very disturbing. In the wheat crop, the parallel figures show an increase in area of 1.8 million acres or 7.5 per cent. the increase in production is 4,00,000 tons or just 5.5 per cent. In other words, while the production in cereals is more than proportionate to the increase in the area, the production in wheat in spite of favourable weather conditions is less than proportionate. The situation is further worsened by the fact that institutional agricultural credit in India is meagre and miserly. It is disconcerting to find that institutional agricultural credit in India is

much below the amount available in small countries like Turkey, Yugoslavia or even Philippines. It is almost one-twentieth of what is available in Japan. When it is realised that 70 per cent. of our people depend on agriculture, and that the slowly returning stability,—the much advertised stability and flexibility of our economy, for which the Government take so much credit, which the Reserve Bank has announced with fanfare in its recent report—the stability and flexibility of our economy are ultimately dependent upon increasing production of agricultural prices, the seriousness of the situation, the implications of the developing situation become obvious.

In this connection, I would like to sound a note of warning. I would like to register my protest against the tendentious, mendacious propaganda and arguments that have been carried on by the vested interests and capitalists in this country. *The Eastern Economist*, on 10th September wrote:

“The Indian farmer has hitherto practised a high degree of intense culture even though he had to share his produce with the landlord and the State. Hereafter, while falling prices will reduce his marginal returns, the abolition of landlordism will increase his marginal returns. This, coupled with the fact that his marginal costs automatically adjust to falling prices of agricultural commodities, should leave one in no doubt that production will remain unaffected by falling prices.”

It is absurd to suggest that the elimination or abolition of landlordism will in any material fashion reduce the burden on the back of the tiller. After all, landlordism is not being eliminated without a high amount of compensation. The burden of the compensation will have to be borne by the poor cultivator. Again, it needs to be remembered that the farmer is interested in the ratio of the prices he receives and the prices for his goods he pays

for the articles that he buys. In other words, the crucial question is the question of parity between agricultural and industrial commodities. The capitalists are interested, and they have been arguing again and again that it is necessary, that it is in the interests of industrial development that prices of agricultural raw materials should fall. They also suggest, as was pointed out by my hon. friend Shri M. S. Gurupadaswamy yesterday, they are inviting our attention to the race between profits and wages and they set up an alarm against alleged rising of wages at the expense of profits. The capitalists know that the Government are only too anxious to subsidise the capitalists and give all help. They want to exploit the workers. They want to have all kinds of assistance from the exchequer so that they may be able to build up the industrial edifice on it and have it under their stranglehold. It is this attitude which is reflected here in our country in the interested propaganda that is being carried on by influential capitalists.

But, the question of price parity is of supreme importance. It is unfortunate that we have no systematic statistics on the subject. We find, Sir, that the price parity is working in favour of the agriculturists in Japan. I find that the price parity is working in favour of the agriculturists in some of the countries of Europe. But what is the position in India? We have no figures. All that I could find from the F.A.O. Year Book on food and agricultural statistics for 1953 were some scrappy figures referring to Orissa and Assam, and on the basis of these figures all that I can say is that the price parity is moving against, is becoming more and more adverse to, the agriculturists in our economy. I would like to underscore and support the advice that has recently been given by Prof. Black to the Government of India that statistics on price parity should be collected as early as possible, so that we may know where exactly the peasant stands in our developing economy.

Another interesting feature of the food situation is that food consumption in most areas has not kept pace with increasing production, even though there is immense scope left for such improvement. Recently, *The Economist* pointed out the seriousness of the situation:

“Nutritionally, the rich are getting richer and at least some of the poor are getting poorer, and the poor in the context have an uncomfortably narrow margin between their present standards and actual famine.”

If our food prices continue to fall, if our consumption also lags behind because of lack of purchasing power, we shall be confronted with a situation where all our talks of progress and prosperity will sound hollow in the ears of our people.

This question of price parity is of crucial importance because we are on the eve of, we are moving towards, the elaboration of the Second Five Year Plan; and in the second Plan we are told that the accent will be on industry. So many of our colleagues are dreaming of the rapid industrialisation of our country. Rupees 3,000 crores will be spent on industrialisation. From where are the resources needed for this development going to come? Under capitalist development, the peasant and the peasant always has been made the base on which the industrial structure has been built. Out of his blood, out of his bones have resources been found for the economic development, for the industrial expansion of countries. Who does not know? Those who have read the annals of the industrial revolution in Great Britain will bear me out when I say that true to their policies of enclosure, the peasants were not only deprived of land, of livelihood, but they were driven into factories where they were ruthlessly exploited. And how has the Communist economic edifice been built up, do we not know? Those of us who are familiar with the history of the Soviet Union for the last thirty

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years know how cynically price parity was exploited against the peasant, how collectivisation was used, how the whole process of collectivisation and statisation of agriculture was brought about in order to rob the agriculturist of his surplus. This country of ours, this Gandhi's India, this India that had been shaped by the peculiar traditions of our national movement will not permit you, even if you desire, to exploit the peasants, to build up the industrial strength of this country. That is the reason why we have been demanding that the pattern of industrial development in this country must be very different from what you are trying to bring about—you and your colleagues.

The Minister of Food and Agriculture (Shri Kidwai): How do you know?

Shri Asoka Mehta: We shall insist, we shall demand, we shall see to it that the pattern of industrial development in this country is different. But you are deliberately allowing the price parity to go against the agriculturist so that you may find the wherewithal for building up your strength, the strength that we do not care for, the strength of monopolists, the strength of exploiters, so that the poor may become poorer than they have been so far. That is why this question of price parity is of supreme importance, and we want the Government of India to come forward and tell us what is their policy on this question of price policy. There are no statistics. There are no policies. All that I can say is that there is need for a clear statement by the Government both as regards policy as also the machinery for the implementation of price parity; and I want the policy of the Government, not the indiscretion of a Minister; I am anxious to know from the Government what their policy is on this subject.

In this connection, mention has to be made about the increased imports. I am surprised that while food prices are falling, while price support is not available, the Minister goes in for large-scale import of foodstuffs. I do not want to repeat the discussion that has taken place here. It is surprising that rice imports have been increased suddenly and want only from 5.4 lakhs to about 9 lakhs, and wheat imports from 6 lakhs to 9.58 lakhs. If you want to build up buffer stocks in this country, why don't you do something to provide the necessary price support to our economy? Why don't you bring about a reduction of price parity in our country? Why don't you give the agriculturist the feeling that for the first time in the history of economic development, he will have a different deal, he will have an honest deal, a deal which neither capitalism nor communism has given him. It is that challenge that history poses before you and it is to that challenge that Government has to answer.

Shri A. M. Thomas: I am glad that my friend Shri Asoka Mehta has brought forward this subject for discussion, himself a trade union leader.

Shri Kidwai: But I hope not with the vehemence with which he spoke.

Shri A. M. Thomas: It is generally understood by the vast majority of our people that if there is a slight disturbance to the industrial structure, to the capitalist, or to the industrial labour, then that will shake even the foundations of Government, but in a matter in which 69.8 per cent of our population is concerned, Government is rather cold to the reactions of the agricultural population to any matter of policy that is followed by the Government.

The stabilisation of agricultural prices is a primary duty of the Government since vast majority of our people are dependent on agriculture. About a year back the hon. Food

Minister stated: "You will not have to worry about black market prices. You may eat as much as you can. There will not be any difficulty." He even warned a year back: "Now the problem is going to be the problem of a fall in agricultural prices." It was then thought that it was rash optimism on the part of the hon. Food Minister. But from the figures that have been quoted by Shri Asoka Mehta we find that it is going to be true.

The hon. Food Minister also stated that he had got certain plans to guarantee a minimum price to the producer. That suggestion of the hon. Food Minister, I am sorry to note, was not favourably considered by the business interests. They said that the cost of living index was already high and that if the Government guaranteed a minimum price to the producer, then there might not be any fall at all in the cost of living index. It is a mistake to suppose that if there is a fall in agricultural products, there will be a corresponding fall in the cost of living index. We may be able to note from the figures that even if the producer prices come down steeply, that will not make much difference in the level of the cost of living index. That is a fact which the Government has to bear in mind.

Then, difficulties were also pointed out by the business interests, difficulties which were not even put forward by the Government, regarding storage facilities if the Government took over all the surplus stock and guaranteed a minimum price. So that, my only submission to the Government is that Government should not be influenced by the fears that have been expressed by the capitalist interests, by the industrial sector but should form a bold policy in this matter of having stabilised prices for our food crops and other industrial raw products. It has been pointed out by Shri Asoka Mehta that even in the case of rice itself in 1953-54 an additional production of about seven million tons has been anticipated. Because of the floods

that have occurred in different parts of the country, perhaps that estimate may not come true, but even then our problem is...

The Minister of Agriculture (Dr. P. S. Deshmukh): Those figures are actuals of last year.

Shri A. M. Thomas: Perhaps you may not get the very same figure this year, 1954-55.

Shri Kidwai: You will get.

Shri A. M. Thomas: But the problem is how we will be able to absorb the marginal accretion to production without violent price fluctuations. That is the problem which the Government has to take into consideration. And I would say, I would plead with Shri Asoka Mehta that the Government must have a price support programme, and only that will save the poor peasant who has been exploited for long.

Shri V. G. Deshpande (Guna): There is conflict of interests inherent in this problem of the prices of agricultural products. We find that in the urban area, the middle classes and the labour classes are affected, if the prices rise high, particularly in respect of the foodstuffs. In rural areas, and amongst the agriculturists, in particular, if the prices fall, we find that there is unrest and even deterioration in the economic structure of the whole society, as we have seen generally. People have not realised that out of the population of 70 per cent, which is engaged in agriculture in this whole country, nearly 48 per cent. are land-owning cultivators, and only 22 per cent. are landless labourers. Therefore, the majority of the Indian population is interested in agricultural prices.

Of course, 'agricultural prices' are not exhausted by the prices of foodstuffs only. There are other commodities also, which are required for industry. We have seen how to the detriment of the agriculturist, during this period of inflation, in the interests of the industrialists, the

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agriculturists were deprived of the prices which were their due. I represent the case, particularly, of the cotton growers in Madhya Pradesh. We found that during this whole period, in order to serve the interests of the textile industry and the middlemen, Government helped the industry and the middlemen, while the cotton growers could not get proper prices. Even in the case of foodstuffs, we found that on account of the rising prices, the middle classes and the lower classes in the city suffered, but the agriculturists did not get proper profits. All the profits went into the pockets of the middlemen. The prices rose when the agriculturists had exhausted their stocks, and the prices came down when they had the stock with them.

Within this limited time, I would make only one proposal to Government, and that is that Government have to determine their policy with regard to the agricultural prices. The first principle that should guide them, while fixing these prices, is that the prices should be economic prices. Agriculture should be considered positively as an industry, and after defraying all the expenses to be incurred in this profession of agriculture, the agriculturist must get a sufficient amount of profit. After fixing these prices which will be economic for an agriculturist, my second proposal is that in order to give relief to the lower and the middle classes and the labourers, Government have to keep with them stocks of foodstuffs, and see that by giving subsidy, the urban population is supplied foodstuffs at an economic level.

Shri Achuthan (Cranganur): I am sorry that the hon. Minister of Commerce and Industry is not present in the House, because this subject is connected with his policy also.

Within the limited time at my disposal, I would like to refer to the

problems of the coconut growers of West Coast. You know that India has got the second place so far as the world's coconut production is concerned and Travancore-Cochin the largest area in India. During the last six months, the price of coconuts has come down due to the revised import policy of the Government of India. During the last fifteen or twenty years, when the British were in power, they imported large quantities of copra and coconut oil, without considering the interests of the coconut growers, with the result that the prices had gone down even far below those existing today. Subsequently, as a result of the agitations of the coconut growers, the import duty was raised, and the coconut growers were able to get better prices. Again, we find that the import duty has been reduced. In 1952, the import duty was 25 per cent. standard, and 15 per cent. preferential, while the tariff rate was 56 per cent. Suddenly, in 1952-53, it was reduced to 15 per cent. standard and 5 per cent. preferential duty. Owing to this reduction as also the fact that there was no quantitative restriction in regard to the import of copra from Ceylon and other places, the prices have gone down considerably. Even now, the prices are considerably low, and I have got representations and memoranda from the people of that area,—I have got lots of papers and press cuttings with me—which go to show that unless the import duty is raised, the price will go down still further. Formerly, the Ceylon merchants had to pay Rs. 16 per cwt. of copra, but now they have to pay only Rs. 2½ per cwt. At the expense of the Indian agriculturists, the Ceylonese are getting their money. This is so not only in the case of edible oils, but even in the case of industrial products also.

So, the Commerce and Industry Ministry and the Government of India must take care to see that the fall in prices is arrested, and that the import duty is raised to such an

extent as will assure to the growers a reasonable level of prices. I do not say that there should not be a fall in prices at all at any time, but I am only saying that this sudden fall in prices, because of the reduction in import duty, will affect the growers very seriously, and their cry will have far-reaching consequences not only in the economic field, but even in the political field in the West Coast.

Shri V. B. Gandhi (Bombay City—North): Shri Asoka Mehta's case is based on the assumption that there has been a fall in the prices of food and agricultural products, a fall of a kind that should cause alarm in this House, and a fall that cannot be explained as a fall due to the seasonal change in prices. Now, what are the figures? He has quoted a set of figures.

Here, in the Reserve Bank of India's Bulletin, for August, 1954 on page 723, we find that in December, 1953, the index number for food articles was 363.4, while on July 31st, 1954, it was 360.6. That certainly is not something very alarming. It is true that in May-June, the prices had fallen considerably. In June, it was 338. From 338 in June, it has picked up to 360.6 in July. That is something that happens as a seasonal change almost every year.

Now, let us go to the other side. Let us not forget that the agricultural producer is also a consumer, and he is interested in a general fall in prices. Has there been a general fall in prices? Besides, what exactly is the overriding consideration of our economic policy for the country today? The overriding consideration of any economic policy suitable for our conditions and for our needs today is one that should be directed towards achieving a steady decline in the prices, and an ultimate stabilisation of prices at a level somewhere near the level of 1948. If that is so, how are we faring?

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In the index numbers of wholesale prices, we find that for 1953-54, the index number of wholesale prices was 397.5. For the last two months for which figures are available, i.e., for June and July 1954, the index number of wholesale prices stands at 381.6 and 381.8. It was said that the cost of living was not going down. It is certainly going down. What do these figures mean, if they do not mean that the cost of living is going down? The cost of living index for 1953-54 stood at 106. In April-May, 1954, it stood at 102.

So, as I said, we are moving in the direction in which we ought to move in the interest of our economy. We can concede that it may be necessary some day for this Government to take a long-term view, a view which will take into consideration a pronounced secular trend towards a decline in prices, a trend which is likely to cause continued suffering and loss to the agricultural producers.

Dr. Krishnaswami: I should like to invite your attention to two or three facts and then briefly chalk out the possible policies which the Government may follow. It is indisputable that the terms of trade have moved in favour of industry. The question is, is this an unmixed tragedy or can our troubles be turned to our advantage? It is wrong to assume that we are dealing with food prices or foodstuffs in a general category. We have to split it up into the prices of cereals as well as of semi-manufactured foodstuffs, like *atta* and other products. It will be found that so far as the consumers are concerned, they have had not an appreciable fall in the cost of living, a point which has to be borne in mind by all of us who are interested in agriculture and in also building up a sound economy for our country. Before our very eyes during the past seven or eight years, a silent revolution has taken place in the food habits of our countrymen. It is, therefore, quite patent that so far

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as these variegated semi-manufactured foodstuffs are concerned, they bulk much larger in the food budgets of the middle classes than they did ever before. I should also like to point out that the fall in the prices of cereals, though it is a great matter of inconvenience and concern, is not as great a matter of concern as certain other factors which have supervened on the situation. In the first place, in the case of cereals, out of about 50 millions that we produce, only 15 million tons are marketed. The real difficulty is that so far as the other articles are concerned—the raw materials and the other agricultural materials are concerned—they have also shown a tendency to fall appreciably in price, and that is a matter which will cause us grave concern.

The fundamental question which has to be answered by Government, and which can be answered only if we realise the importance of income, is what we are going to do about increasing the income of the agriculturist. The income of the agriculturist is a function not only of the price, but also of the output of agriculture. My hon. friend, Dr. Deshmukh, has been a great propagandist in favour of the Japanese method of cultivation. In one State, Bombay, for instance, in spite of the recent fall in prices, there has been a 50 per cent. increase in profit of the agriculturist, thus showing that income is a function not only of the price but also of the output. But the disconcerting factor of the situation is that there has been a very much lower outturn and a very great decrease in output of many of these crops. It is a matter which the Agriculture department would have to go into at great length. Sugar-cane, for instance, was mentioned in the debate. They said that Rs. 1-5 per maund was too small. I am not going into the question as to what price should be fixed, but I suggest

to the Agriculture Ministry that if the yield per acre, and also the sugar content, is increased, then Rs. 1-5 per maund will give a much higher rate of profit to the agriculturist. No attempt has hitherto been made by the Agriculture Ministry as far as my knowledge goes, to tackle this problem in this manner.

Dr. P. S. Deshmukh: We are tackling it in all seriousness.

Dr. Krishnaswami: Then we should like to have some enlightenment on this matter so that at least we know how seriousness is matched by constructiveness.

I should like to deal with only one other point, and that is a fundamental point. Some people think that if the prices of agricultural products go down much lower, then it would be a gain to the community. I do not share that view. The demand for textiles, the demand for so many manufactured goods in our urban sector has been kept up precisely because of the fact of there being fairly high prices and there being fairly low income in the agricultural community. I suggest that in this policy, the Planning Commission should revise all its notions. Many of its notions are archaic. I believe that in a period of low agricultural prices, the fundamental thing which has to be done by the Government is that they should increase the amount of expenditure on projects within the many agricultural areas, even road-building and such other projects which will give the agriculturists a greater amount of income and thus also help them to have a greater amount of demand for industrial products. In fact, in a period of low prices in agriculture, it might be really better to concentrate on such type of development.

Speaking on this Planning Commission only a year and a half ago, I pointed out that the terms of trade would move against agriculture be-

cause of the very bias that the Government had in favour of great multi-purpose projects. To turn the whole thing to advantage, I suggest that we should go into this fundamental problem of increasing the amount of expenditure in many of these areas and having better distribution of regional expenditure so that it might be possible to increase the income of our agriculturists. And that ought to be possible in our country where there is a very low propensity to import. India is precisely one of those countries in Asia which has been considered to have the lowest propensity to import, and it is surprising that this has not been taken serious note of. The only effect of some of these suggestions being implemented would be that a little bit of paint will have been knocked from our Planning Commission's carriage and four. Many of their notions about targets would have to be revised. In fact, for most of the consumer goods like textiles and other goods, we would have to have a higher target and not go by the artificial standards which have been imposed by nine men who sit in the Planning Commission and who are far removed, I regret to say, from reality altogether.

Shri Bansal (Jhajjar-Rewari): Vigilant and studious as my hon. friend, Shri Asoka Mehta, is, I cannot help saying that he has brought about this debate about three months too late. I know the agricultural prices were showing a downward trend in May, and June, but after June they are showing a healthy upward trend. My friend, Mr. V. B. Gandhi, pointed out these figures. The index of food articles in June was 338. It improved to 360 in July and 366 in September. As regards industrial raw materials, while the index came down to 416 in July from 431 in June, it has gone up to 421 in September. The position in the case of raw cotton is also slightly better because the index number was

430 in June and it is 434 in September. In the case of raw jute, the index was 360 in June and 376 now. I am afraid Shri Asoka Mehta has a pet aversion to the *Eastern Economist*. He seems to imagine that whatever the *Eastern Economist* says is the last word from the side of industrialists. I am glad that on this point at least my friend is wrong. He would be happy to know that as early as July this year, the Federation of Indian Chambers of Commerce and Industry, which was one of the first bodies to raise the voice against the precipitate fall in agricultural prices, wrote like this to Government:

"The Committee of the Federation have to refer to the recent persistent downward trend in agricultural prices. As this trend seems to be more than a mere seasonal one, the Committee feel that its implications, especially in the matter of agricultural prices *vis-a-vis* economic development, must forthwith receive careful consideration at the hands of Government, so that suitable action may be taken without delay".

They further said:

"The Committee wish to sound a note of warning against permitting the tempo in the prices of agricultural commodities to such low levels, for that will have serious repercussions on the whole economic and social fabric of the community".

Apart from what the industrialists or the Federation say, I am one of those who believe that we cannot allow our agricultural prices to go down to a level where the agriculturist will find it difficult to purchase his articles of common consumption. Even from our developmental point of view, where will our development be if the vast majority of our masses—after all the agricultural community represents 70 per cent. of our population—do not get adequate prices

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for what they produce? How will our developmental programmes progress? After all, it is in the interests of the community that the agriculturists who represent the bulk of our population get a fair deal for whatever they produce, because only then they will be able to produce its common necessities which are, to some extent, the products of manufacturing industries. Therefore, Sir, in the interests of our developmental economy, it is right that we should not allow agricultural prices to fall precipitately. I am glad that Government did not sleep over this matter and wherever they found that the prices were falling below the economic level, they gave price support at once. They did so in the case of cotton; they did it in the case of some cereals in Saurashtra and, I think, in the case of rice also they came out with that type of policy. But, I think, there is no need of that now because the prices have again been showing a slightly upward trend. But, I say at once that if the prices show again a tendency of going down, Government should not be found wanting and they must come forward with price support at once because we must maintain price parity in order to achieve the success of our developmental programmes.

Shri Barman (North Bengal--Reserved--Sch. Castes): Sir, while I join the protest about the fall in prices of agricultural products. I would specially like to invite the attention of the hon. Minister to one of the products which grows in my State, namely, jute.

Sir, within my limited time, I shall simply point out to the hon. Minister certain figures which his own Ministry has given us. It is known to everybody how jute is one of the principal economic items of our country so far as foreign exchange is concerned. At the time of partition in 1947, only 16.59 lakhs of bales were produced in our country. With

the great effort that the Agriculture Ministry made and is still making, the production was raised to 46.95 lakhs of bales, that is, practically three times, within the course of a few years. But, Sir, though the Agricultural Department was doing its duty to have more production—we want 60 lakhs of bales for our mills—the production has again gone down to 31 lakhs of bales in the next year, that is 1953-54.

We have it, in the *Jute Bulletin* that has been published in December, this year, that not only has production gone down by 32.1 per cent. but jute average has also gone down by 34.2 per cent. with the result that a decline in the production of jute has been reported by all the jute-growing States. It is, however, more marked in West Bengal and Bihar, and it is mainly due to uncertain weather conditions and fall in prices at the time of sowing. So, if any price support is required, it has been amply proved that it is so in the case of jute and a price incentive is one of the main factors for more production.

In the present year also, that is 1954-55, the estimated production will not exceed 30 lakhs of bales whereas in India we require 60 lakhs bales. We also apprehend that this year in Pakistan also the production will be less and due to that there will be a difficulty of import even from Pakistan. Our jute industry will have also to suffer and there will be unemployment. I simply invite the hon. Minister's attention to this price incentive so far as jute is concerned. He should look into it very seriously and before the next sowing season comes he should fix some minimum price for jute so that there may be some incentive.

Shri B. K. Das (Contai): Sir, it may be that at present the situation is not so serious about prices as it has been stated by the hon. Member who

initiated this debate. But the problem of price support for agricultural produce remains a burning question for us.

In this connection, I may refer to two valuable reports that have been before us for some time. The Krishnamachari Committee report which dealt very lucidly with this price support problem has been before the Government for a long time and recently the report of the Jute Enquiry Commission is also before us. About the prices of articles of food, foodgrains and about the prices of commercial agricultural produce, these two documents have very elaborately dealt with them.

My hon. friend, Mr. Barman, has already referred to the problem of jute, and we had occasion, in this House, to discuss the matter previously. All the State Governments which have got jute in their States have pointed out that unless some price support is given to jute, it is impossible to keep the production of jute at a certain level so that we may meet our requirements. But the Commission has not been able to recommend any price support for jute and they have made some alternative suggestions. The main question that arises is how to implement the suggestions of the Krishnamachari Committee and how to implement any suggestion for jute prices. The main problem is of funds. If the Government has to give price support to our agricultural products—be they commercial agricultural products or be they foodgrains—it is very difficult to give that price support unless the Government is prepared to set apart a large sum of money for that purpose. Of course, it is true that Government have been trying to give some support in certain cases when they feel that the situation is going out of hand. But, I feel, there must be some permanent organisation, at least some organisation of the nature suggested by the Krishnamachari Committee report, some organisation like the All India Agricultural Prices Council, which

might be an Advisory Committee and which will keep a watch over the prices of all agricultural products and advise Government from time to time, so that when such situations arise, they will take necessary steps.

Shri Kidwai: Sir,.....

Several Hon. Members rose—

Mr. Chairman: In a matter like this, I must inform the House—I know there is some complaint about my having called particular members only to speak and I have received many chits also—but it is not realised that in order that hon. Members may be called, they must have, under rule 211, been signatories to the notice. I can only call such of those Members as have appended their signatures to the notice. I have called those Members and I could not possibly call other Members.

Dr. Ram Subhag Singh (Shahabad South): We had given notice but our names were not called.

Mr. Chairman: I had called all Members who had given notice and who stood up. If any hon. Member does not choose to stand, I cannot help that.

Dr. Ram Subhag Singh: There are Members who have signed and who stood up but have not been called. Capitalists have been called.

Mr. Chairman: Unfortunately Dr. Ram Subhag's name does not appear in the list of those who had signed the notice.

Shri Kidwai: Sir, I am sorry I was not here when my friend Mr. Asoka Mehta moved this motion. I came in just as he was finishing. If his speech was at the beginning as vehement as it was at the end, I do not think he has made out any case.

Shri A. M. Thomas: It only rose to a pitch.

Shri Kidwai: Sir, I think the Members of this House know that we have been trying to give some price sup-

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port. It is not our desire that the prices of agricultural products should not remain as high as they were two years ago. I know that the prices cannot be brought down precipitately unless there is a reduction in the prices of what the agriculturists consume. Therefore, we have been trying to do something.

Last year we had decided not to make any procurement of paddy or rice in West Bengal. But, we found that the prices had gone down and, at some places, the prices were as low as Rs. 5/8 or Rs. 6/- a maund. Then, we had to step in and ask the Bengal Government to start procurement at slightly lower prices than the procurement prices in the previous year, and we succeeded in keeping up the prices and the production of paddy was so large that we got by this voluntary sale more paddy than we could ever get. Similarly, as some friends know, when the price of wheat started going down below Rs. 10 in Punjab and U. P., I then advised the Governments of the Punjab and U. P. to start purchasing at Rs. 10. Whatever my hon. friend, Mr. Asoka Mehta, may have read in some journal, this policy was not questioned and both the State Governments had made arrangements to start purchasing at Rs. 10 if the prices go down. If there is any indication, I would give the assurance to the agriculturist that some sort of price support will be brought into effect if prices go down precipitately, but prices are high and prices should not go down to the extent that the average Indian agriculturist cannot afford to take his full meal within his income. We hope that the progress that is being made in this country will raise the standard of living of the people, but we also should take into account the result of the different efforts that are being made to increase the yield per acre and that will, in a way, offset the fall in prices, as has already been said. I will ask my friend to see what has been the result of these efforts in

Bengal. In Bengal, the yield of rice per acre used to be a little below 8 maunds per acre. Then it went on steadily up and in 1953 the yield was more than 10 maunds and this year, that is, in 1954, the yield has been 14 maunds per acre. It is almost double what it used to be ten years ago. It has gone up a little less than 50 per cent. in the course of this year. If the prices go down, I do not think the agriculturists will suffer. What he may lose by fall in prices, he will gain by rise in the yield of production. This is our policy. I cannot understand all that many hon. Members on the other side said. They say that whatever was the price last year, the price is too high for the poor consumer. Now the price has gone down a little. It is still high for the producer.

Shri A. M. Thomas: You keep a balance.

Shri Kidwai: Therefore, people say that the producer is suffering. There is another group of persons on the Opposition side who say "Pay the producer a very high price, and when selling it to the consumer, sell it at a price at which he can consume." There must be some balance between the two viewpoints. We are trying to keep up that balance. Friends know that we have already given support to cotton and we have not allowed the cotton prices to go below the minimum. We have given the assurance to the producer that when the prices go below that minimum, we will then start purchasing at that price, and, therefore, they will be assured of that price. The same thing has not been possible about jute, first of all, on account of the comparative and competitive prices between here and Pakistan and also on account of the different qualities that are being produced in different parts of the country. If you give a minimum price support, then that support for the production in Bengal will be too high for the production in Bihar or

Assam where the quality is very different. Still we are working towards it. Whenever it is possible, we will introduce it, but the present-day prices are sufficiently reasonable to ensure a fair return to the producer. We are also going towards a price support wherever it is necessary, but I do not think we have reached a stage where we should rush in for price support because we have to strike a balance between the price of the producer and of the consumer, and I think we have succeeded in doing it.

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): Will the hon. Minister say something about sugarcane also?

Shri Kidwai: I thought I had said something, but the hon. Member was not here. I said that we must have a relative price support for everything and therefore, we have to find out that the cane prices are not too high for the alternative crops. Otherwise, those crops would disappear and everybody will grow cane and then he will have to burn his cane or sell *gur* at a ridiculously low price. Some people from the area, where the hon. Member has got his own cultivation, in 1952, had to sell their *gur* at Rs. 5-8-0 per maund because there was more cultivation of cane than people can consume. This was not the first time in U.P. and Bihar such a situation arose. Whenever you have got a very high price for cane and the prices of alternative crops are low, this thing happens. I once cited here a case wherein—I think it was in 1948 or 1949—the Government fixed Rs. 2 per maund for cane prices, but the startling thing was that the cane area did not go up but came down the next year, because the price of wheat and rice, the alternative crops, in the black market was very high. Therefore, prices can only be comparative and competitive. You cannot have a high price for one commodity and low price for another commodity. The other day some friends from Bihar

said that in flood areas, the cane crop has been damaged and, therefore, Government should pay some compensation. Why that compensation should not be paid for paddy-grower I do not understand. Because cane gets higher profits, whenever they suffer a loss, it should be a higher loss. But the Government treat both the paddy-grower and the cane-grower on the same footing and it cannot assure profit to the cane-grower while the paddy grower is suffering a loss.

Shri Gadgil (Poona Central): Will the Government fix the price for cane taking into account the cost of its production?

Shri Kidwai: I think it is very difficult for people who generally sit in the House to find out the cost of production. The other day I said that a State Government appointed a committee to find out the cost of production of wheat. After three years' working, it arrived at the conclusion that the cost of production of wheat was Rs. 80. The Government was so shocked by this that they did not proceed with the work. I saw the Tariff Board report where they work out the cost of production of *gur*. They arrived at a figure which, having come from a cane-producing family, I thought was too high. I made enquiries in Meerut, which is the main *gur* producing area, and they said that it is more than double what they actually spend.

Shri Gadgil: If you want to control the prices of sugarcane, then you must work on certain principles. If you find it is very difficult, then leave it free absolutely and do not control it at all.

Shri Kidwai: I joined the agitation in 1932-33, which forced the Government to pay the cane-growers because the millowners took advantage of the helplessness of the cane-growers. When the cane-growers took their cane to the gates of the mill, the millowners said "We do not want it", and they paid one anna or two annas per

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maund. Otherwise, I would have accepted the hon. Member's suggestion. So, we have to compare the prices of the alternative crops and see that the agriculturist does not get much more than what the alternative crops would allow.

MOTIONS RE: SERVICE RULES

Mr. Chairman: We will now proceed to the motions about the Indian Administrative Service (Recruitment) Rules, the Indian Police Service (Recruitment) Rules and the All India Services (Conduct) Rules.

Shri V. P. Nayar (Chirayinkil): Sir, I beg to move:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services Act, 1951, the Indian Administrative Service (Recruitment) Rules, 1954, laid on the table on the 10th September, 1954, be repealed.

This House recommends to the Rajya Sabha that the Rajya Sabha do concur in the said Resolution."

Mr. Chairman: Motion moved:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services Act, 1951, the Indian Administrative Service (Recruitment) Rules, 1954, laid on the table on the 10th September, 1954, be repealed.

This House recommends to the Rajya Sabha that the Rajya Sabha do concur in the said Resolution."

Shri Raghuramiah (Tenali): Sir, I beg to move:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services Act, 1951, the following new clause be added after clause (b) of sub-rule (1) of Rule 4 of the Indian

administrative Service (recruitment) Rules, 1954, laid on the table of the House on the 10th September, 1954, namely:

'(bb) by selection, in special cases from among members of the Central Secretariat Service.'

This House recommends to the Rajya Sabha that the Rajya Sabha do concur in the said resolution."

Mr. Chairman: Motion moved:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services Act, 1951, the following new clause be added after clause (b) of sub-rule (1) of Rule 4 of the Indian Administrative Service (Recruitment) Rules 1954, laid on the table of the House on the 10th September, 1954, namely:

'(bb) by selection, in special cases from among members of the Central Secretariat Service.'

This House recommends to the Rajya Sabha that the Rajya Sabha do concur in the said resolution."

Shrimati Jayashri (Bombay—Suburban): Sir, I beg to move:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services Act, 1951, sub-rule (3) of Rule 5 of the Indian Administrative Service (Recruitment) Rules, 1954, laid on the table on the 10th September, 1954, be omitted.

This House recommends to the Rajya Sabha that the Rajya Sabha do concur in the said resolution."

Mr. Chairman: Motion moved:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services