

(Part II—Proceedings other than Questions and Answers)

687

LOK SABHA

Tuesday, 1st March, 1955

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

12 NOON

ELECTION TO COMMITTEE
CENTRAL ADVISORY COMMITTEE OF
NATIONAL CADET CORPS

The Deputy Minister of Defence (Shri Satish Chandra): Sir, I beg to move:

“That in pursuance of clause (i) of Section 12 of the National Cadet Corps Act (Act XXXI of 1948) as amended by the National Cadet Corps (Amendment) Act (Act No. LVII of 1952), this House do proceed to elect, in such manner as the Speaker may prescribe, two members from amongst themselves to be members of the Central Advisory Committee of the National Cadet Corps for a term of one year.”

Mr. Speaker: The question is:

“That in pursuance of clause (i) of Section 12 of the National Cadet Corps (Act XXXI of 1948.) as amended by the National Cadet Corps (Amendment) Act (Act No. LVII of 1952), this House do proceed to elect, in such manner as the Speaker may prescribe, two members from amongst themselves to be members of the Central Advisory Committee of the

National Cadet Corps for a term of one year.”

The motion was adopted.

Mr. Speaker: I have to inform Members that the following dates have been fixed for receiving nominations and withdrawal of candidatures, and for holding an election, if necessary, in connection with the Central Advisory Committee of the National Cadet Corps, namely,

Date for nomination	Date for withdrawal	Date for election
3-3-55	4-3-55	7-3-55

The nominations for the Committee and the withdrawal of candidatures will be received in the Parliamentary Notice Office upto 4 p. m. on the dates mentioned for the purpose.

The election, which will be conducted by means of the single transferable vote, will be held in Committee Room No. 62, First Floor, Parliament House between the hours 11 a. m. and 1.30 p.m.

RESOLUTIONS RE: EXPORT DUTY ON GROUNDNUTS, GROUNDNUT OIL CAKE, DEOILED GROUNDNUT MEAL AND DECORTICATED COTTON SEED OIL CAKE ETC.

Mr. Speaker: The House will now resume discussion on the Resolutions regarding Notifications for the enhancement or levy of export duty on certain commodities. One of these Resolutions was adopted by the House yesterday and the remaining three are now under the consideration of the House.

Thereafter, the House will take up discussion on the Supplementary De-

[Mr. Speaker]

mands for Grants and other items set out in the List of Business for today.

I should like to know what time the House would like to be fixed for the Supplementary Demands. I have received a suggestion of two hours.

Shri Tulsidas (Mehsana West): Three hours.

Mr. Speaker: Would not 2½ hours do?

Shri Tulsidas: Three hours will be needed.

Mr. Speaker: All right, have it as three hours.

Let us now start with the discussion of the three remaining Resolutions. Shri Karmarkar will continue his speech.

The Minister of Commerce (Shri Karmarkar): Yesterday, I permitted myself a few preliminary observations regarding the subject matter of the three Resolutions now before the House. Regarding the position of the subject matter of the Resolutions I shall be brief.

First of all, regarding the Resolution at item 2 of today's agenda paper, I shall content myself with saying this. In view of the easy position in the wholesale market, we released a quota of 10,000 tons of handpicked groundnuts on the 28th November, 1954 and again another 10,000 tons on the 9th January, 1955.

This is a small specialised trade to meet the requirements of our customary markets. This is a costly variety of grounds, for which the demand comes from the dollar markets for table use and for manufacture of confectionary and it has been our endeavour to keep this demand alive.

Before the second release was made, it was noticed that there was considerable disparity between internal and external prices and even after allow-

ing for prices to rise, there was scope for mopping up the extra profits. The export duty was therefore raised from Rs. 150 per ton to Rs. 300 per ton with effect from the 9th January, 1955. I will not tire the patience of the House by going into details as to how we arrived at this duty, except that it is a reasonable way of seeing that the disparity can be mopped up.

[SARDAR HUKAM SINGH in the Chair]

Coming to the second Resolution about groundnut oil cake and de-oiled groundnut meal, I shall content myself with a few observations. It has been found advantageous to make a limited export of groundnut oil cakes because in return we get useful fertilisers at an advantage. For instance, if we spend Rs. 300 on one ton of groundnut cake, we get 1.35 tons of ammonium sulphate, the normal import cost of which would be about Rs. 400 per ton, and in respect of this also we decided to release a small quantity for export by the trade. With a view to see that there was no rise in internal prices, an export duty of Rs. 230 was fixed on groundnut oil cake and Rs. 175 on groundnut meal. Here again I shall deny myself the luxury of going into the details.

Regarding the subject matter of the third resolution, namely, decorticated cotton seed oil cakes and other oil cakes, I shall be brief. Soon after we decided upon the policy of allowing exports of groundnut oil cake to the extent of 25,000 tons on the 4th February, 1955 for shipments by the end of March, on the same date we decided also that a small quantity of de-oiled groundnut meal (solvent extracted variety containing less than ½ per cent. oil) was also to be released till the end of March 1955. As the latter part of the third Resolution implies, the definition of groundnut meal was later revised on representations from the industry to enable groundnut meal

(solvent extracted variety containing less than 1 per cent. oil) to be exported. Soon after, export of cotton seed oil cake and other oil cakes was also allowed. We released cotton seed oil cake decorticated and undecorticated to an extent of 10,000 tons, linseed oil cake to an extent of 5,000 tons, Kardiseed oil cake, copra oil cake, etc. to an extent of 5,000 tons. All these cakes are being used for edible purposes as also cattle feed. Exports were allowed on the same grounds as for groundnut of cakes. Simultaneously export duties were also imposed and we calculated what would be the proper export duty, and accordingly, an export duty of Rs. 100 per ton was levied on decorticated cotton seed oil cake and of Rs. 50 per ton on all other cakes.

That, Sir, is the position regarding these three Resolutions. The method of calculating the export duties or decrease or increase or fixation of the duties is an accepted one and we stick to it as much as possible. We take the internal prices, we leave a margin for the exporter and then we fix the export duty. I have nothing more to add.

Mr. Chairman: Resolutions moved:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 113, dated the 9th January, 1955 by which the export duty on groundnuts was enhanced from Rs. 150 to Rs. 300 per ton of 2,240 lbs. with effect from the date of the said notification."

(2) "In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby ap-

proves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S. R. O. 332, dated the 5th February, 1955, by which an export duty of Rs. 230 per ton of 2,240 lbs. on groundnut oil cake and an export duty of Rs. 175 per ton of 2,240 lbs. on de-oiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent. oil) were levied with effect from the date of the said notification."

(3) "In pursuance of sub-section (2) of section 4A of the Indian Tariff Act 1934 (XXXII of 1934). Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 386, dated the 15th February, 1955 by which—

(i) an export duty of Rs. 100 per ton of 2,240 lbs. on decorticated cotton seed oil cake and an export duty of Rs. 50 per ton of 2,240 lbs. on all oil cakes, other than the following namely, groundnut, copra, mowha, tobacco seed, neem seed and decorticated cotton seed oil cakes were levied; and

(ii) the export duty levied on deoiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent. oil) was made applicable to de-oiled groundnut meal (solvent extracted variety containing less than 1 per cent. oil)

with effect from the date of the publication of said notification in the Gazette of India."

All the three Resolutions are now before the House and they are open for discussion.

Shri Sarangadhar Das (Dhenkanal-West Cuttack): I rise to oppose these

[Shri Sarangadhar Das.]

three Resolutions. In order to remove any misunderstanding, I must say right at the beginning that I do not oppose the increase in the export duties that has been necessitated owing to market conditions abroad. But I oppose the principle of exporting groundnuts and oil cakes of all kinds out of the country. In this scientific age when members of the Government beginning from the Prime Minister always talk about doing things scientifically, I do not know how it has escaped the attention of the Government and also their agricultural advisers. Groundnuts or any kind of oil seeds or oil cakes have plant food that came into the seeds from the soil. In cakes also and in the seeds they are there, and if they are exported the plant food that should be returned to the soil is being sent out.

I did not quite catch the hon. Minister when he said something about the advantage of exporting groundnut cakes because thereby we get a larger quantity of ammonium sulphate. That is a fallacious argument because ammonium sulphate is only a chemical fertilizer; it does not have any organic elements in it while the oil-cakes have organic elements which benefit the soil. They stimulate bacterial action and keep the soil in a better physical condition. That is the reason why in Germany the Germans never exported anything that contained plant food that came out of the soil. For instance, their molasses which they get out of the beet-sugar industry was used to distil alcohol for driving small tractors and then they used to take the remaining material and dry it and put back to the soil. It is the same thing in China. The Chinese are farmers of over forty centuries and they have been returning all the human and cattle refuse and also the oil cakes of whatever oils they made, back to the soil.

It might be stated that we did not have any industry to take care of cotton seed oil or any industries that would utilise the groundnuts or the cakes which are used to some extent in making certain confectionaries in Europe. It may also be said that groundnut cake and coconut cake are taken to Europe as cattle feed or that our farmers are not able to utilise profitably or do not have the money to buy the cake and use it for cattle feed. I do not agree with this kind of Argument. It should be the duty of the Government to preserve all the plant food materials that have come out of the soil and put them back into the soil instead of putting more and more sulphate of ammonia although it is necessary to supplement organic manure. At the same time, organic manures should be kept in the country and should not be sent away. If we do not have facilities to utilise these cakes and oil seeds, it should be the duty of the Government to encourage people to put up factories so that the plant food will not be exported out of the country. I know there are people here in India who always think of making money out of something. Some merchants may be getting a lot of money by exporting groundnut cakes and our Government wants to get a big share out of it. But Government should go into this from a scientific point of view and see whether the Rs. 200 per ton gained by us is more valuable in the long run than the manure that would be available to the soil to keep the soil in good condition.

It is well known that the Indian soil, because human refuse does not go back to the soil, because only a little quantity of cow dung goes back, has been impoverished. Cow dung is wasted in various ways. During the last quarter of a century there is so much export of oil seeds and cakes that our soil gets

poorer and poorer every day. It is no matter how much sulphate of ammonia is produced and how many factories you put up. It alone cannot increase the yield. It is necessary to have all kinds of organic manures. It is a good thing that compost is becoming very popular. But at the same time we should not lose the materials that are in our control in the country. As I said earlier, in Germany they never exported any plant food or any material containing plant food out of their country excepting potash from their Stassfurt mines, which are inexhaustible. I, therefore, instead of condemning the Government for what they have failed to do so far—I do not wish to do that—make this constructive proposition that Government, both in the Commerce and the Food Ministries, should go into this question and take the advice of their agricultural scientists and act accordingly so that our soil could be enriched by all the materials that we are exporting today.

Dr. Rama Rao (Kakinada): I beg to oppose these Resolutions, particularly the one on groundnuts. Only recently we reduced the export duty on groundnut because the prices of groundnut and other agricultural products were falling very steeply. After export permits were given and the export duty was reduced, there was some small firmness, though short-lived. The prices have not substantially improved, if at all they have improved. The prices of groundnut (bold) shown here are as follows: in October it was Rs. 26; in November it was Rs. 24-4-0 and in December it was 23-7-0, according to statistics available. I agree with the hon. Minister when he says that we have to take a number of factors into consideration. First, there are the growers; then there are the consumers both individual consumers and those in the villages who use this oil and then the small-scale consumers who manufacture soaps and other things. Then there are the big

monopolists like Lever Brothers and the Vanaspati wallahs. There is also the foreign market.

Shri Karmarkar: We are now on the groundnuts, I suppose.

Dr. Rama Rao: Yes; but it has an indirect effect. The present condition of the agriculturists who grow this groundnut has not at all improved. Their good condition is short-lived, and therefore, probably if that concession is continued, that is, if the lower export duty is continued, it may give a fair price or at least a better price to the groundnuts. The speech of the hon. Minister has not made clear, as far as I am concerned, why this has been reversed so soon while the prices of the groundnut have not at all improved. Therefore, while we are talking of supporting the prices of agricultural products, here, in a practical manner, we are preventing any stability or rise in agricultural prices. Of course, I do not say that the prices of agricultural products should rise to an unlimited level because the consumers and the people in general should also be kept in view, but the present level of groundnut is almost in a critical position. So, if the Government think that the shippers are netting a huge profit and if the Government wants to have a share of that, the proper course for the Government is to buy up the groundnut and take up other general state trading. There are so many countries in the world who deal with this, and in which case we can lend this groundnut on Government account. Instead of doing some such thing, I think the Government is taking to the easy course of raising this export duty which directly will affect the agricultural producers. Therefore, I oppose this resolution for raising the export duty on groundnut.

Shri S. S. More (Sholapur): I am trying to understand the working of Government's mind. As far as the

[Shri S. S. More.]

different Ministries are concerned, under the Constitution they are collectively responsible, but my real question is, do they do some collective thinking?

An Hon. Member: No.

Shri S. S. More: I find, as a humble student of the acts and policies of Government that every department has its own method of approach to the different problems that the country is faced with. Take, for instance, the Commerce and Industry Ministry. It is controlling the import policy and the export policy. You are well aware that these two instruments, import and export, can be utilised by Government, if they are properly utilised, for the purpose of giving some security to the internal producers for the purpose of rehabilitating or gingering up the economy of this country. Regarding this groundnut, you know it is one of the raw materials that we are producing. As far as the Government is concerned, it is the responsibility of this Government to give protection to the producers of raw materials. What is the plight of the producers of the raw material? We have had a debate on the economic conditions in the country, and even when the motion of thanks to the President was discussed, many Members were very particular to refer to the precipitate falling of prices of agricultural produce, both food-grains and those which constitute the raw materials. What is happening now? Is Government doing anything to ginger up the prices which are coming to a level where they are ruinously uneconomic to the producer? Government is not doing anything. Take, for instance, this groundnut. I am referring to the Journal of Industry and Trade—February issue, on page 305 of which journal the Indian commodity prices have been tabled. For groundnuts—bold, Bombay, the price in January, 1954, was Rs. 35-10-0

per cwt. In January, 1955, it came down to Rs. 22-2-0. The price of machine-shelled groundnuts was Rs. 24-10-0 per maund in January, 1954, and in January, 1955, it was Rs. 16-4-0. The fall has been in a period of one year. The prices have slumped to the extent of about one-third of the prices which prevailed in the month of January, 1954. Government were very particular to observe this fall as far as the groundnuts and the allied products were concerned, and therefore, Government, on the 4th November, 1954, came out with a notification by which the export duty on groundnut oil and others was reduced from Rs. 225 per ton to Rs 100 per ton. Not to lay myself open to the charge of mis-stating, I am referring to the *Agricultural Situation in India*—December issue. At page 570 of this publication, it is said thus:

“The oilseeds and oil markets ruled generally easy during the month of November, 1954. A major event in the oilseeds and oil markets during the month under review was the Government's announcement on the 4th November, 1954, regarding the reduction in the export duty on groundnut oil from Rs. 225 per ton to Rs. 100 per ton. The effect of this reduction in export duty seems to have however been only short-lived and the oilseed and oils prices again tended to move down particularly towards the end of the month. With a view to affording some stability to prices an additional quantity of groundnut oil and a small quantity of H. P. S. groundnut kernels were released for export on 28th November, 1954.”

The next page refers to the reduction in the export duties brought about by Government on the 2nd of September. So, during the year 1954, Government, realising that the prices of groundnut

and groundnut oil and other products were slumping to a very terrible extent, came down with the export duty with the ostensible purpose of gingering up and giving some stability or sum 'uprise' to the prices of this particular raw material.

I am surprised to find that in the year 1955, Government have reversed their policy and they have now thought it advisable to raise the export duty. I agree with my friend, Shri Sarangadhar Das, that such a raw material should not be allowed to go out of the country. I would rather say that we are trying to industrialise the country, and it is Government's responsibility to see that all the raw materials that are produced in the country are consumed in this country and manufactured into some finished goods so that the margin between the prices of raw material and the prices of manufactured goods would go to the indigenous labour or to the indigenous manufacturer. But when we are talking about industrialising the country we see, at the same time, the pitiable sight of the necessary raw material being sent out in larger and larger export, and with what purpose? Due to the fall of prices in the raw material, due to the fall of prices of agricultural produce, the indigenous manufacturer or possibly the indigenous exporter was benefiting to that extent. It was the duty of the Government to see that the producer was not robbed by any one, was not unduly exploited by any one and for that purpose, they have to come out with some control measures, restricting or putting a stop to the downward trend of the prices. But, instead of doing that part of their duty, they are themselves now joining in the campaign of pillaging and robbing the peasant and the small producer who is producing groundnut and such other articles. The exporter is benefiting, and the peasant has already been ruined, and the margin of

profit of the middlemen is getting inflated. So, they thought why not join in the game and take a slice of that profit. This is not a good argument for the Government which pretends to be a welfare government and which, at the same time, declares that it is time to reach a socialistic pattern of society. If the socialistic pattern of society has to be reached, then a balance between industries and agriculture has to be struck. Then, the agricultural producers have to be given some security and some margin of profit. Because what is the result? Agriculturists have lost everywhere. They are the largest customers for all the indigenous products, for the manufactured goods we get. They having lost their purchasing power terribly every other manufactured commodity is losing its prospective purchasers; with the result that, though the prices of manufactured goods are still ruling at a high level, there is no purchaser, there is no customer for them. I had a talk with a good many small traders and others and they told me they open their shop and announce their wares but there is nobody to purchase, because the peasantry is suffering from a terrible economic crisis. We must see to it that the raw materials maintain a steady remunerative price for the producer and all of them are utilised, are consumed in this country.

If the soap manufacturers and other manufacturers who use groundnut and other raw materials need some help, I am even prepared to go to the extent of suggesting that they be given some aid. But allowing things to go out of the market is not correct, and particularly when, as Mr. Sarangadhar Das suggested, not only our peasantry but even our land is being pauperised; land is becoming poor, the peasant is becoming poor; possibly the trader will become poor; and the manufacturers who thrive on the peasantry and other toilers, they too

[Shri S. S. More.]

consequently will be forced to be poor. Then who is going to remain rich? Not even the Government. Not even the Ministers will be able to enjoy the cosy comforts of the Treasury Benches.

Therefore I would say that it is for Government to apply their mind in a scientific well integrated manner to all these problems. They cannot apply some remedy in a piece-meal manner. Whenever there is some ulcer they try to apply some ointment without considering what ailment the body suffers from, the internal machinery suffers from, which is giving rise to all these boils and ulcers.

I would not take much time of the House. But I would make a very earnest request that when Government come out seeking the approval of the House, it is for the Government, for the information of the Members of this House and the public at large, to come out with a detailed note as to why, at a particular time when they were talking about reducing the export duty, conditions have changed necessitating a rise in the export duties. Unless we have got all these fact scientifically stated for our consumption we find ourselves lost. And Government can get through its resolutions, not because the Members on the opposite side understand the problems, the economic forces which are operating behind this phenomenon, but because they are under a whip, they are under a sense of loyalty to the party, and whatever the Minister says must go through; it goes like a bull in a china shop. (*An hon. Member: Never*). That should not happen.

I would in a very humble manner request the Minister to come out with a periodical literature which will give us a complete picture of the whole economic situation prevailing in the country. It might be said that the

different Departments are coming out with heaps of literature. But I do not find a well integrated picture. Every Department in its own way applies its mind to the problems faced by it and comes out with a solution which is acceptable to it, but it is rejected by other Departments. So let us have something which will be well integrated and which will fit in with the whole picture as it is.

With these remarks, I am at a loss to say whether I should support this resolution or I should oppose this resolution. The interest of the peasant demands that I should oppose it, because if the export duties are permitted to be raised, the volume of export will necessarily go down. Because, on the last occasion Government came out with a reduction of export duty with the declared purpose of enhancing the quantum of material to be exported so that there shall be better prices for the raw material. That consideration directs me to oppose this rise in export duty. But on the financial considerations, if our producer is losing here and the margin between the prices prevailing in the other countries to which we export and the prices prevailing here leave a wide gulf and the whole margin goes to the pockets of private middle men, I desire that there should be some taking away of a slice of that profit which is earned at the cost of the peasantry. But this is not the way Government can share in the profit, and I would rather support the proposal made by Mr. Sarangadhar Das that Government should purchase, for a remunerative price, all these products and they should, on their own responsibility with a fair margin for themselves, export these to countries outside. They should be regulating and controlling this as far as export trade is concerned, and they should not use this very blunt weapon of export duty or import duty for

the purpose of going to a socialistic pattern of society. If they are really serious about socialistic pattern, then they should not only use these excises or customs; they should step into the bazar purchase all the stock for proper price and then on their own responsibility and of their own bat they should send all these raw materials, which are not wanted in this country, to countries outside, so that they can get a fair share of the profit which the private middle man is at present earning at the cost of the peasant.

Shri Ramachandra Reddi (Nellore): I am constrained to oppose the resolutions under discussion in this House, unlike my friend Mr. More, who is able neither to support nor oppose the resolutions (*Shri S. S. More: I am in Hamlet's position.*) I am definitely of the opinion that the policy now thought of by the Government is likely to hamper the position of the producer of groundnut. Government seems to be looking more at the prosperity of the dealer and Government's own profits rather than at the adversity of the producer.

Government has realised since a few months back that groundnut prices have been falling down and that some price support has to be given to it. You might remember in the month of September or so, a resolution was brought before this House asking for an enhancement of the export duty on groundnut oil and a reduction of the export duty on groundnut. Then we were told that the reduction was conceived for the purpose of helping the producer of groundnut. But now the groundnut position has not been in any way bettered. As a matter of fact, all over the country there seems to be a general decline in groundnut prices. For instance, in South India, especially in South Arcot, I heard recently that a *candy* of about five hundred lbs. or so of groundnut, which was being sold at Rs. 200 last

year, is being quoted at less than Rs. 95. That shows there is a decline of more than fifty per cent.

Then the Government seems to have suddenly changed its mind and started decreasing the export duty on groundnut oil, and now they have come to the conclusion that they should increase the duty on groundnuts themselves from Rs. 150 to Rs. 300. That shows how far the policy of the Government is consistent or inconsistent and how far they have been able to understand the plight of the producer all over the country. This shows that there has not been much of co-ordination of work between the Food and Agriculture Ministry and the Commerce and Industry Ministry. Even with regard to rice exports, we see that there has not been much of co-ordination. This is another instance where co-ordination seems to be lacking. We would only suggest that they should take into confidence the producers as well as the dealers in this connection and have a discussion with them before coming to any conclusion hereafter regarding export duties or import duties.

In the month of August or September last, they found that the price of groundnut was falling and having noticed the nervousness in the groundnut market, they have reduced the export duty on groundnuts. No reason is now given for increasing the export duty on groundnut. The prices have been falling down consistently. Further, I have to point out that the internal price of groundnut last year was between Rs. 1,000 and 1,120, and the external price was Rs. 1,800. Noticing the disparity between the internal price and the external price, the Government, I think, came to the conclusion that the export duty on groundnut should be increased. Unfortunately, the prices have gone down considerably now. The price

[Shri Ramachandra Reddi.]

seems to have touched the lower margin of about Rs. 850 or so in the internal market and from Rs. 1,800 to Rs. 1,100 in the external market. These figures show that there is absolutely no case for enhancing the duty on groundnut.

One ought to understand the close link between groundnut oil and groundnut itself. Last time, we protested against the increase of export duty on groundnut oil. But, the protest was not heeded to and the Government continued to levy a higher duty on groundnut oil. Now, I find that twice or thrice, probably thrice, they have reduced the export duty on groundnut oil. This policy does not seem to be understandable at all. Another point has also been pointed out by some of the previous speakers about the utilisation of the groundnut oil and groundnut cake, which is the parent of the groundnut oil. There is no increased off-take of groundnut oil in this country for the simple reason that *vanaspati* factories have either not been started, or probably they are not likely to be started and also perhaps some of those that are working will have to close down very soon. It is also noticed that soap manufacturers are finding it difficult to cope up with the increased production of soap and there is likely to be a slump in the soap market. That only shows that the off-take of groundnut oil will decrease in India itself and the prospect of increasing groundnut oil consumption lies only in the export of it to other countries.

There are one or two matters which are worth mentioning. While they have announced a reduction of export duty on groundnut last year, they have not increased the quota to individual shippers. They seem to have put a ceiling of 400 tons per individual shipper. Unless the individual shippers had an opportunity of send-

ing more and more outside India, there was very little possibility of their purchasing more and preventing a decline in the groundnut market. They have not done that. Further the closing of the quotas by the end of March seems to be a peculiar process. The closing down of the existing quotas by the end of March only makes the market very nervous and the producers would like to sell away their produce as early as possible and as quickly as possible. So much so, the dealers who are not able to export more than 400 tons will not be in a position to purchase more and more of groundnut oil or groundnut whatever it may be, for export purposes. Unless there is a steady increase in export, there cannot be steadiness in the price of groundnut. Unless the Government are in a position to extend the time by another six months from the end of March for the export of the existing quotas, and unless there is some margin of time, there will be no possibility of the producer keeping the produce with him, for the simple reason that he will be heading on hectic times and he would like to sell away as much as possible at whatever low a price it may be. These two suggestions will have to be taken notice of and probably the Export Advisory Committee will have to be consulted. To what extent consultation has been made and to what extent the Export Advisory Committee has advised on this matter, are yet to be revealed by the Government to the House. In the existing conditions in the country regarding groundnut production, Government have to think more liberally about it and see that the producer is given more incentive to produce more and also to see that the producer gets a fair price for his produce. In the Five Year Plan we are thinking of fixing targets. The targets have been reached in certain cases. Now there is a decline. Un-

less this decline is prevented, it would go down once again very much below the targets that we have been able to fix. These conditions have to be studied by the Government more carefully and a proper approach has to be made, not with a view to harm the dealer, but with a view to help the producer, in whatever part of India he might be.

It is suggested that the Government might purchase groundnut whenever the price is sagging and sell it away or deal in it by securing orders from elsewhere. But, our experience has always been that whenever Government have thought of dealing in a particular produce or product, they have awfully failed. Past experience clearly shows that Government is not the proper or competent authority or channel for trading purposes.

Shri S. S. More: Efficient.

Shri Ramachandra Reddi: I quite agree: not only not efficient; I shall put it negatively also: the most inefficient. By entrusting this work of dealing in groundnut to the dealers and by trying to support the price by handling the export policy carefully, the Government will be able to help the groundnut producer to a larger extent than they are today, by means of the several resolutions that are sponsored by the Government. I therefore oppose these resolutions and I request the Government to reconsider the position, in consultation, if necessary, with other experts either on the production side or on the dealers' side and see that proper justice is done to the producer to a larger extent than it is today.

Shri Tulsidas: I had no intention to participate in this discussion, but in view of the debate that has taken place so far, I feel that I should clarify the position in regard to groundnut and groundnut oil pri-

ces. These Resolutions merely seek to increase the export duty on groundnut cake, groundnuts and other qualities of cake. I thought the proper occasion for a debate on this question of export and import policy would have been when the Imports and Exports Bill came up before the House, and therefore, I did not think that it was worthwhile discussing this question at this stage.

Shri Karmarkar: You can finish it now.

Shri Tulsidas: But since the question has been raised now in regard to groundnuts and groundnut oil cakes, I feel that I should clarify the position. The intention of Government in bringing forward these measures for the export duty on groundnut oil and cake has been to stabilise the prices of groundnuts etc., so that the farmers may benefit thereby. But I am at one with most of the speakers here when they say that the policy of Government has completely failed to stabilise the prices. The reasons for that are so many, and I shall certainly like to enumerate them, but there is no use mentioning them now in a discussion on these Resolutions, for the matter will come up again when the export policy comes up for discussion.

However, I may point out that the history of the export of oil cake is as follows. Since the last fifteen years, or even since the war started, no exports of oil cake were allowed in this country. It was only last year that oil cake was allowed to be exported. Oil cake had been considered to be a very good manure for our agricultural produce, and therefore, it was not allowed to be exported.

Shri Achuthan (Crangannur): Fodder also.

Shri Tulsidas: But last year, the Food Ministry thought it best to allow a certain amount of oil cake to be

[Shri Tulsidas]

exported from this country, and therefore, they entered into a barter deal with a foreign firm who were allowed to purchase about 15,000 tons of oil cake on an entirely monopoly basis—for, not one exporter was allowed to export oil cake from this country—and in return, they were to give 2½ tons of ammonium sulphate as against one ton of oil cake free.

Shri N. B. Chowdhury (Ghatal): What is the name of that firm?

Shri Tulsidas: I do not wish to say that, but I would only say that it is a foreign firm. This was the decision of the Food and Agriculture Ministry.

Shri Karmarkar: Now you have also joined them.

Shri Tulsidas: Excuse me, I do not want to say anything on that. But I would like to say that this was not in the interests of the country. This was pointed out to the Commerce and Industry Ministry, which has now taken charge of the exports of oil cake. But at that time, this was out of the purview of the Commerce and Industry Ministry; and this was done by the Food and Agriculture Ministry. And in view of the contract which had been entered into with the foreign firm in regard to the supply of oil cake, and the supply of 2½ tons of ammonium sulphate in return for one ton of oil cake, an export duty was imposed on groundnut oil cake. As the hon. Minister has told us just now, Rs. 300 of duty will cover about 1½ tons of ammonium sulphate. So you can see that even with this duty, the available benefit to the country would be only about 1½ tons of ammonium sulphate as against one ton of oil cake. That shows that even the former deal was better suited to the country, for they got 2½ tons. Anyway, I am not objecting to the im-

sition of the duty, because I feel that when the external prices are at a high level, Government must take the entire benefit, if at all any commodity is allowed to be exported, so as not to allow the shipper to take the maximum benefit. To that extent, I fully agree with Government. But side by side, if the prices also have to be stabilised within the country, then we must also see that we get the maximum benefit in the foreign countries as well. But what has been the policy? The policy has been to allow a particular quantity of groundnut oil or cake to be exported for a short period of two months only. The result is that the entire corpus of shippers go and dump the goods in the foreign countries, with the result that the prices in the foreign countries go down, and no one benefits thereby except the foreign buyer. The prices here also do not improve. On the other hand, you will find that in spite of the allowing of exports of groundnut oil and oil cake, the prices of groundnut oil etc., have come down. This would not have been the case but for the fact that the short period for which the export quota was allowed has resulted in the prices coming down in the foreign countries. This is the main reason why the prices have not got stabilised in our country; it is not that the margin of profit of the shipper has gone up either; on the other hand, the margin of profit of the shipper also has gone down considerably by as much as 75 per cent. in many cases.

So, the result of this policy has been that the foreign buyer benefits, though the market conditions in those countries are such that our people would have been enabled to take the maximum advantage of the prices ruling those countries. That is where the whole trouble has come. I do not think that I should oppose on any

point the levy of the export duty, but the point at issue is that the export quotas must be for a longer period. That has been the recommendation of the Import Control Enquiry Committee, and that has been the policy before. I do not know why that policy has been changed and this new policy has been framed, which has not resulted in any benefit to the country. This is the only point that I wanted to draw the attention of the hon. Minister to.

Shri Rane (Bhusaval): I come from a district which grows groundnut, and as such, I am interested in the prices of groundnuts being stabilised in the interest of the growers. My hon. friend Shri S. S. More has argued that Government are trying to rob the producers or that they are joining to rob the producers by its present policy. I do not agree with his view.

Shri S. S. More: I did not say that Government are trying to rob the producer. I only said that they are trying to have a share in the robberies.

Shri Karmarkar: Robbing and pillaging.

Shri S. S. More: Somebody else is robbing. It is a bargain with the thief.

Shri Rane: I do not agree with my hon. friend Shri S. S. More's view.

My hon. friend Shri Tulsidas had also said that the policy of Government in exporting groundnut, groundnut oil and groundnut oil cake has failed to stabilise the prices. I for one think that the present policy of Government has contributed towards the stabilisation of prices in the interest of the growers. The quota of export in 1950-51 at least in regard to groundnut oil was fixed at about 70,000 tons. In 1951-52 also, it was about the same quantity. In 1952-53 also, Government wanted to export the same quantity. But in the midst

of July 1953, the prices of oil soared very high, and I think the price of oil per maund rose to nearly Rs. 100. Then, Government, therefore changed its policy, and did not allow export either of oil or of groundnuts in the interest of consumers. The result was that in 1953-54, the quantity that was allowed for export did not exceed 2,000 tons. In the year 1954-55 till last November (1954) also export did not exceed 2,000 tons. So, the gap between the export figures of 1950-51 and 1953-54 and 1954-55 (November) was about 68,000 tons. Taken as a whole for the two years, the gap exceeded more than 100,000 tons.

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The result was that prices of groundnut fell enormously, and to my knowledge, at least in the markets of my locality, the prices fell by 50 per cent. This hit hard the growers and something had to be done in the matter to save the growers. I happened to be a member of the Export Advisory Council. In May last, I pressed the Government to increase the export quota for oil and groundnut. The same view was expressed by the Oilseeds Committee at Hyderabad, and as far as my knowledge goes, the Andhra Government pressed the Central Government to increase the export quota of groundnut and groundnut oil. Even the public and the growers also, as far as my knowledge goes, pressed the Government that oil should be exported. In November last, when the Export Advisory Council met, I think there was a unanimity of opinion that the Government should export groundnut oil in the interest of growers, and also other oils so that the prices may stabilise. I do think that this policy of exporting oil and groundnut will stabilise prices in the interest of growers. Of course, Government are not, to my knowledge, willing to announce

[Shri Rane.]

at once what quota will be exported or allowed for export because that may give an advantage to the businessmen. Government are, therefore, cautious in not announcing this quota at once. Apprehensions were expressed by my friend, Shri Ramachandra Reddi, on this score and he said that Government should extend the time for export beyond March, 1955. I do hope that Government will allow more quota for export after March, 1955 also; that will benefit the growers. The policy of export of groundnut oil etc. is in my view in the interest of growers.

Shri Bogawat (Ahmednagar South): As regards this Motion, I humbly bring to the notice of Government that at this juncture it will not be in the interest of the agriculturists to raise this export duty. There is an economic crisis and prices of foodgrains and oilseeds have gone down.

Shri Karmarkar: Export duty on what?

Shri Bogawat: I am coming to that. The prices have fallen to such an extent that there is a catastrophe. I have experience about the production of groundnut. Even the price of the seed that was paid by the agriculturists could not be recovered. The price of the seed was so high that they purchased the seed and cultivate their lands, this being a cash crop, thinking that they would get good cash. But now they have come to such a loss that they have to suffer for the cost of irrigation, weeding and even of digging the groundnut. They are now repenting. At such a juncture, I do not know what prompted the Ministry to raise the export duty. They fully know, and are aware, that the agriculturists are heavily in losses and they ought not to raise the export duty, but on the contrary, should look to the interest of the agriculturists. If they do not look to the interests of the agriculturists, it

will be a fault or mistake even on the part of the Government. They will not gain much, but the agriculturists will lose much.

I humbly submit that instead of raising the export duty, the Government should allow more export, more quantity, and reduce the export duty and give a chance to the agriculturists to get at least the cost of production. The cost of production is such that even allowing export free of duty, they will not be able to make up the losses. Such is the condition in the country, and if things are done in this way, there will be an economic crisis and there will be more catastrophe falling on the agriculturists. The traders have lost; I do not mind it. But if the agriculturists lose.....

Shri S. S. More: The country loses.

Shri Bogawat:.....it will not encourage them to cultivate groundnut next year. I can surely say that there would be a very big fall in the production of groundnut. The policy of the Government should be such as to be in the interest of the agriculturists. The Government do try, but I do not know what made them do this at this juncture, in January 1955, when the prices were continually falling. They must have reports from the villages and the districts and must understand what are the prices, what are the conditions in which agriculturists work, whether there is an economic crisis or not. Unless these conditions are well studied, it will be a big risk to increase the export duty. I humbly submit that in the interest of the agriculturists, it will not be proper on our part to raise this export duty at such a stage. On this occasion, I request Government to withdraw their notification and the Motion. This is my humble submission. The agriculturists are in difficulty and they are losing in all the foodgrains and other agricultural products, because the prices have gone down

more than by 50 per cent in certain cases. So, considering all these points, I humbly submit that the Government should encourage more export and reduce the export duty.

Dr. Krishnaswami (Kancheepuram): I am glad that this debate has been taken out of the nut of a narrow consideration of the ethics of an export duty levied on groundnut. My friend, Shri Tulsidas Kilachand in his speech, pointed out that the Government had failed signally in stabilising the prices of many agricultural commodities. I should like to correct him by suggesting that it is not a question of stabilising prices that is the point at issue. Where the Government have failed is in not stabilising the incomes of the weakest sections of our community, the agricultural community, and it is from this point of view that I propose to consider this question.

This increase in export tax levied by the Government may be quite appropriate in the present circumstances, especially as world prices are very high, and a portion of the surplus received by the dealer should be lopped off by the Government. But the main issue that I should like to place before the Government is that in allotting export quotas, proper consideration has not been paid hitherto to the claims of the producer. In the case of oilseeds and groundnuts, the announcement effects of an export policy are probably more important than the levying of a tax. Thus, if the announcement of an export quota is delayed, is made, after the harvest has been garnered, the peasant, unable to retain it, is forced to sell in distress to dealers. I should like our Government also to make a statistical inventory of the oilseeds kings who are at present ruling the roost in the markets of India. It is time we made a detailed inquiry into their ways and methods of cornering

and rigging the market. I would like to point out that this very policy of giving export quotas: inevitable no doubt to a certain extent, strengthens the monopolistic position of these kings. By our having export quotas, it is only four or five of these people who rule the market. In ordinary circumstances, if there were no export quotas, there would be free entry, and the high rates of profits would be lowered as a result of such entry. But as a result of export quotas being given, it is only these four or five kings who are able to rule the roost, and make windfall profits. Government, in making its announcement of export quota, should take into account the interests of producers. I know the practical difficulties that are involved in the suggestion that an export quota should be announced well in advance. For instance, the Food and Agriculture Department can legitimately point out that we have to take time to find out what the quantum of crops is likely to be. There is, as is well known, a time lag between the sowing of crops and the first estimate of crops and that estimate is not likely to be accurate. We have to wait for another two or three months for the second estimate which is probably accurate. But, just before harvest is gathered, if Government could make the announcement of export quotas, we would probably strengthen the position of the producer. He would be able to get a larger amount of income from the speculator or the dealer by bargaining. Those who have watched the trend of prices, particularly between the months of October to about February or thereabouts, can easily realise that there is a great deal of speculative activity which is indulged in by these dealers who are in charge of the market. I say that in the present circumstances more especially when we are having controls,—we ought to consider that controls have an important effect in

[Dr. Krishnaswami]

transferring incomes from one group to the other, and at present there seems to be a transference of income from the lower income groups to the oilseeds kings— care should be taken to announce quotas in advance and limitations should be placed on the period for which such quotas are valid. Probably, the effects of control measures are more far-reaching than even taxation measures. It is time Government revised their policy of announcement of export quotas so that the agricultural producer might have a larger share of the income instead of his being driven to the wall. Today, I am glad that a portion of the surplus of the dealer has been lopped off but if you wish to improve the lot of the agriculturist, you must take into account these factors which I have mentioned and not merely allow him to be exploited by monopolists. I do think that, particularly in the present circumstances when there are only about 5 monopolists in the oilseeds trade, we ought to consider how we are going to have these quotas announced in time so that we might strengthen the position of the producer. A more active interest ought to be displayed by the Government of India in the welfare of the peasant and I do hope it will be possible for the Commerce and Industry Ministry and the Food and Agriculture Ministry to co-ordinate their activities.

I can understand my friend Mr. Kilachand's point that these export quotas being valid for a two months' period, create difficulties for the dealers. But this cannot be helped I suppose and the difficulties are exaggerated. I am putting primary emphasis on the announcement effect, which ought to be made just before the harvest so that the producer might have a chance of getting as much as possible from Mr. Kilachand and his

friends who are in the market. It is time we thought of the agriculturists; it is time we thought of the primary producer. My hon. friend who preceded me pointed out that it was difficult for people to continue in the business of agriculture. The sharp catastrophic fall in incomes, associated with a fall in prices has led to agriculturists thinking that it has ceased to be a business, and that they should leave their land fallow.

I do not propose to go at length into the export and import policy of the Government of India. When the time comes for a discussion on that subject, I shall intervene and I shall return to the charge that I have made today that the Government of India has not taken into account the interests of the agricultural producer as they should have done and that they are thereby doing violence to the concept and continuance of a Welfare State to which we profess loyalty.

Shri Karmarkar: Sir, the debate has taken a very interesting turn. Before I go to the various points raised on the merits, it strikes me as something interesting. Every individual is bound to react to his environment. For instance, my friend Mr. Sarangadhar Das thought that the export of oilcakes to any extent whatever would be suicidal because he is naturally interested in greater production and that he thought that whatever oilcake is available should be used as a fertiliser.

Then my hon. friend Mr. Reddi raised a very interesting point. He was worried about the export duty itself. He did not think it proper to apply his mind to the position as to whether in case there is great disparity between the foreign prices and the internal prices, without prejudice to the return that has to be made to the producer, whether it would not be proper under

these circumstances for the State to step in, and mop away the extra profits, which otherwise some would make. Naturally, so far as I could gather from his speech, he would like the prices to rise as high as possible. If the external prices are high and the internal prices are low and if export quota is permitted, naturally, the internal prices will rise high. That appears to be his point of view. I was really doubting whether he was representing the grower or the trade also.

Shri S. S. More: He is sitting by the side of Tulsidas.

Shri Ramachandra Reddi rose—

Shri Karmarkar: On the export and import policy, he will have another chance as Dr. Krishnaswami has threatened. I am not exactly sure now whether my friend Mr. Reddi moves only in the atmosphere of the growers or is also contaminated by the atmosphere of the dealers because he is sitting by their side. Anyhow that was my reaction.

Shri Ramachandra Reddi: It is a wrong reaction.

Shri Karmarkar: It may be a wrong reaction.

Shri S. S. More: Reactions are always wrong.

Shri Karmarkar: Reactions are wrong. That was exactly the point I was going to make.

When I listened to Mr. More I felt that reactions are always wrong. Because, as I tried to analyse Mr. More's arguments, he said something about something and he said we are pillaging and robbing. In my carefully taken notes these are the most important parts of his speech.

Shri S. S. More: I only suggested that the unduly large profits of the middlemen are being shared by the Government.

675 LSD.

Shri Karmarkar: I have taken down the words correctly. They are pillaging and robbing.

Another point which he made was that whenever such proposals are made all the possible material is not made available. My friend Mr. More, I am quite sure, knows that there is rich material on this subject, about internal prices and external prices. In fact, we are supplying the rather richly produced journal, *Industry and Trade*, which is supplied free to all Members of Parliament and I am happy that he tries to find out something from it, when it is convenient to himself. But I was pained that Mr. More raised the point that this policy is wholly irrational. To make a rational interpretation of what he said, I suppose his point of view was that we are not steady in our policies, that we are not rational in our policies.

Shri S. S. More: You are not consistent.

Shri Karmarkar: We are not consistent in our policies as he would like to say. I wish he was as moderate in his remarks when he made his speech. In a matter like foreign trade, in a matter of export quotas and all that, it is the ABC of policy that it cannot be consistent because we have to take into account not only things within the country but also things that obtain in the whole world. That is a point which Mr. More doubtless knows.

When I was coming to Mr. Tulsidas my friend Mr. More obstructed my course and demanded my attention to his points. I find that my friend had nothing much to say about the quantum of export duties not anything to say about of the quantum of export quotas but his complaint is about the time lag between the announcement and the fulfilment. The principal complaint that he had to make was that

[Shri Karmarkar]

the time available for exports after the export policy is announced is much too short. I suppose that is a point which we fully take into consideration whenever we want to be definite as to how much is going to be exported. We are very particular that so much and nothing more and nothing less is exported. In a matter like the groundnut oil or other commodities, we have to take into consideration as to what utilisation the dealers concerned would make of the opportunities given. If my friend has any just complaint about any particular period, I wish he communicates that to us. In fact, we have benefited very largely from the report of the Import Control Committee over which he presided.....

Shri Tulsidas: I was one of the members.

Shri Karmarkar: He has contributed to the report and his contribution was very definite and you will easily agree that he was in touch with the problem and that he was competent to give advice. It is just a possibility that if there are any errors in the Government policies, they are perhaps due to that report.

Coming now to the subject proper, which is really a small one, the extent of discussion has been narrow. My friend, Mr. Bogawat, is pinning himself to the farmer, or rather the prices of the farmer. The handpicked variety is only 20,000 tons out of 22 lakh tons and it has nothing to be very much affected thereby. During my recent tour in Maharashtra, I met agriculturists and they pleaded for the export of handpicked groundnuts and things like that. 20,000 tons out of 22 lakh tons is not going to make a material change so far as the prices are concerned. I have got proof here: we have the figures continuously from December 1954, week by week, and I do not find that after the increase of

this duty from Rs. 150 to Rs. 300 the prices have in any way fallen. On the other hand they have increased.

Shri Bogawat: They are falling down.

Shri Karmarkar: I have got the figures with me and I know the position. On 12.1.55, the prices, for instance, of handpicked variety were Rs. 480 per ton and on 22.2.55 after a little rise and a little fall, we find that the figure is Rs. 505. At least, those are our figures. The principal question in the matter of handpicked groundnuts is that we look to the external prices and internal prices. The external price as was given to us was Rs. 1233 per ton and we found that the profit margin at the internal current rate should be about Rs. 415. So we stepped in and said that instead of having the duty as Rs. 150, we should better raise it to Rs. 300. Regarding the foreign prices and things like that, this particular item has not much of a bearing and as observed rightly by my hon. friend, who spoke a little earlier, in fact, the Government policies have also been to look after the interests of the grower. I think it was Shri More—I forget exactly who it is, but I think it is Shri More because of the destructive character of the argument, and I may say it is destructive in the good sense of the term, and not in the censorial use of the word. Let him not wear that cap unless it fits him.

Shri S. S. More: I have already got one cap.

Shri Karmarkar: He might change it, one does not know. On this subject, I shall not comment on the colour of the cap. My hon. friend charged us by saying that we have no fixed policy and guides for fixing our export quotas and that there is no correlation as between the work of one Ministry and another. But it should be within everybody's knowledge that in the matter

of groundnut oil, oil cakes, etc., it is primarily the function of the Food and Agriculture Ministry and regarding the possibility of export, they become our senior advisers. We come in the picture because we are the exporting mechanism, but when Government moves, it moves as a whole; it does not leave behind one Ministry while the other Ministry proceeds far. If it is a question of drugs, the Health Ministry comes largely in the picture. If it is groundnut, oil cakes etc., the Food and Agriculture Ministry comes largely into the picture. We have our regular meetings between the Ministries over these questions and the House will appreciate that position. It is not only a question of the agriculturist and foreign markets, but there is an element of what is known as speculation in trade. People put things in and take them out whenever they like and I am quite sure Shri More has a better knowledge of this than I have.

Shri S. S. More: I am ignorant about it.

Shri Karmarkar: I do not say he is a speculator, but he knows a lot about speculation. Sometimes, I admit Government are a little late in taking action, but they have to wait and be sure of the ground before taking any action. They had to keep a close watch of the working particularly in the matter of varying the export duty. As you are aware, we brought down the export duty on groundnut from Rs. 350 to Rs. 225 and later on kept it as low as Rs. 100. We do not want to see any one, least of all the agriculturist, to suffer. We have also to take into consideration other things like the interests of the consumers. Ultimately we have to balance our action with a view to seeing that we not only help the agriculturist, but also the consumer. We have to be fair to both. My friend, Shri Bogawat, says that we do not worry about the agriculturist who is

going to dogs. The dealer, or the merchant, has a useful function to perform until we change into a perfectly socialistic pattern. Till then, the private dealer has a useful function to do. We do understand, though we sympathise with the dealers, that perhaps some of them try to help themselves whatever may happen to the State and therefore, it is there that we have to balance the interests of all. The agriculturist is the producer and he comes in; then comes the distributor, the dealer or the merchant. In the midst of these considerations, we do arrive at a balance after constantly watching the situation. There may be errors here and there and I do not claim omniscience for Government. Sometimes we are not in full possession of facts. By and large, however, I am quite sure that the House will agree that the Government have been quite sensitive to the requirements of the situation. That is all that I wish to say. I do not wish to trouble the House about the other things because nothing has been mentioned about them by hon. Members.

Mr. Chairman: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 113, dated the 9th January, 1955 by which the export duty on groundnuts was enhanced from Rs. 150 to Rs. 300 per ton, of 2,240 lbs. with effect from the date of the said notification."

The motion was adopted.

Mr. Chairman: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of

[Mr. Chairman]

India in the Ministry of Commerce and Industry, No. S.R.O. 332, dated the 5th February, 1955, by which an export duty of Rs. 230 per ton of 2,240 lbs. on groundnut oilcake and an export duty of Rs. 175 per ton of 2,240 lbs. on de-oiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent oil) were levied with effect from the date of the said notification."

The motion was adopted.

Mr. Chairman: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 386, dated the 15th February, 1955 by which—

- (i) an export duty of Rs. 100 per ton of 2,240 lbs. on decorticated cotton seed oil cake and an export duty of Rs. 50 per ton of 2,240 lbs. on all oil cakes, other than the following namely, groundnut, copra, mowha, tobacco seed, neem seed and decorticated cotton seed oil cakes were levied, and
- (ii) the export duty levied on de-oiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent oil) was made applicable to de-oiled groundnut meal (solvent extracted variety containing less than 1 per cent oil)

with effect from the date of the publication of said notification in the Gazette of India."

The motion was adopted.

***DEMANDS FOR SUPPLEMENTARY GRANTS, 1954-55**

Mr. Chairman: Now we take up item 3 of the agenda, namely, submission to the vote of the House of the Supple-

mentary Demands for Grants for expenditure of the Central Government (excluding Railways), and I hope the House will agree if we proceed one Demand after another, that is, taking the Demands one by one.

Now I shall place Demand No. 1 before the House and there are certain cut motions to it—Nos. 4, 9, 10 and 5. This Demand and the four cut motions are before the House now.

Shri Bansal (Jhajjar-Rewari): May I know the total time allotted for this Demand?

Mr. Chairman: We have three hours for the whole of the Supplementary Demands and if the hon. Member desires that we should have a break-up, I have no objection.

Shri Bansal: I suggest that we have one hour for the Commerce and Industry Ministry's Demand and two hours for the rest.

The Minister of Commerce (Shri Karmarkar): Commerce and Industry is a simple one and will not require so much.

Mr. Chairman: I think that as the debate proceeds, we might see whether there is a necessity for having a break-up.

Shri T. K. Chaudhuri (Berhampore): With regard to cut motion No. 5 in list No. 2.....

Mr. Chairman: I have stated that No. 5 is included there.

DEMAND NO. 1.—MINISTRY OF COMMERCE AND INDUSTRY

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 10,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Commerce and Industry'."

Creation of new posts for National Industrial Development Corporation and development of small scale industries.

*Moved with the recommendation of the President.