

ment during the year ending the 31st day of March, 1954, in respect of 'Multipurpose River Schemes'."

DEMAND No. 64—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF IRRIGATION AND POWER.

"That a sum not exceeding Rs. 37,12,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the respect of 'Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power'."

DEMAND No. 129—CAPITAL OUTLAY ON MULTIPURPOSE RIVER SCHEMES.

"That a sum not exceeding Rs. 3,48,19,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Capital Outlay on Multipurpose River Schemes'."

DEMAND No. 130—OTHER CAPITAL OUTLAY OF THE MINISTRY OF IRRIGATION AND POWER.

"That a sum not exceeding Rs. 4,76,74,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Other Capital Outlay of the Ministry of Irrigation and Power'."

IMPORTS OF COPRA AND COCONUT OIL

Shri V. P. Nayar (Chirayinkil): I am raising this discussion to focus the attention of this House on the callous, step-motherly attitude of this Government towards coconut growers in this country in general and the millions of coconut growers in my part of the country, that is Travancore-Cochin State and Malabar district of Madras State, in particular. Why I say so is because the hon. Minister revealed in Parliament last month that the Government is pursuing a policy of substantially reducing the duties on import. The information which he disclosed shows that "the standard and preferential rates of import duty on copra have been reduced from 36 per

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cent. *ad valorem* to 25 per cent. *ad valorem* and from 24 per cent. *ad valorem* to 15 per cent. *ad valorem* respectively from 1951-52."... "The standard and preferential rates of import duty on coconut oil have also been reduced in the above period from 40 per cent. *ad valorem* to 31.25 per cent. *ad valorem* and from 30 per cent. *ad valorem* to 21.00 per cent. *ad valorem* respectively." Consequent on this reduction the prices of copra have been falling. Sometimes they fall very steeply, rise again, then fall and rise again with the result that there is no security for the coconut grower. He does not know what is going on, what his produce will fetch. This must be viewed from a different angle so far as Travancore-Cochin and Malabar districts are concerned because, from the reports of the Coconut Committee, you will see out of a total estimated yield of 326 crores, of nuts, Travancore-Cochin and Madras have about 286 crores. It works up to a percentage of 85. You know in Travancore-Cochin the conditions are so peculiar that almost every household depends to a large measure on coconut trees. It is a most dominating factor in the economy of Travancore-Cochin State and Malabar. With the vicissitudes in prices it is quite natural that the people are very often hit below the belt. This has been done systematically to encourage the industrial monopoly.

This morning I found that in the Council of States the hon. Minister for Commerce answered a question from the hon. Member Mr. Imbichhi Bava. He was asked as to the quantity of exports for certain periods and he has given some figures from which it is seen that 23,019 cwts of soap were exported in 1950, 39,547 cwts were exported in 1951, for 1952 it was 54,878 cwts. For 1953, of course, only one month's figure is known to them and the most significant aspect is that official statistics do not give the name of exporters and manufacturers and the information is therefore not available. I do not know how I can reconcile this with the statement made by the Minister last year in reply to my speech on the Commerce budget when he said categorically—

"I am sure that this Government has complete control over every industry whether owned by foreigners or Indians."

This is what he said on the 17th of June last year. Having said that the Government now say they do not have figures. But in answer to certain sup-

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plementaries, the hon. the Commerce Minister revealed that while the Kerala Soap Factory which is owned by Government of Madras and the Mysore Soap Factory which is another State Government concern have only an installed capacity of 750 tons each of soap production, the Lever Brothers, have in India an installed capacity of 49,130 tons. This would be 66 times, not 66 per cent. but 66 times more than what the Kerala Soap Factory or the Mysore Soap Factory has the same hon. Commerce Minister would however, say that he does not know the percentage in spite of the fact that last year, we were categorically told by the Commerce Minister that he is supreme in his control. He even went to the extent of saying that every foreign interest is right under his thumb. The unfortunate result is that the coconut producer is nowhere. He does not know what prices he will get. There was no security of price. I remember last week when I asked a supplementary question, you asked me whether Travancore-Cochin Government is a child which has to be kept on asking for more. Precisely so in this case because it is not only a child crying for milk but even after crying for milk, it does not get the milk. You find it is a neglected child.

One of the leading dailies in Malabar, the *Mathrubhoomi*, while reporting the debate in the local Legislature says that the Finance Minister, the hon. Panamballi Govinda Menon, expressed that in spite of the request made by the Travancore-Cochin Government, the Government of India did not consult the Travancore-Cochin Government in fixing the prices. He lamented the situation, but that was all that could be done. Here I say I have to differ from you. The Travancore-Cochin Government is a child which cried for more and found perhaps the same experience as Oliver Twist has from Mr. Bumble.

Then I want to focus the attention of the hon. Minister in another matter. After he replies, I will not have a right of speaking. I shall try to anticipate what he will say. It is not merely a question of prices here, it is not merely a question of agricultural produce *versus* industry, it is not a question of the prices of imported articles alone. An argument may be advanced that only a part of this is used for industrial purposes. It cannot hold good. It is a mere frivolity of which there is a superabundance in the Treasury Benches now.

Mr. Deputy-Speaker: Is it necessary to use that language? I do not think so; hon. Members must try to carry more by argument.

Shri V. P. Nayar: I used the word in the sense of "trifling." This is a big issue and as far as Travancore-Cochin is concerned, from the attitude of Government we find Sir.....

Mr. Deputy-Speaker: Hon. Members forget that any single expression on a particular subject destroys the whole pot of milk. The hon. Member was doing very well. Such an expression...

Shri V. P. Nayar: I am unfortunate in this that I can use only very apt words. Sir, the position is perhaps coconut oil is used for cooking purposes, perhaps for making some other articles in large quantities. True. But the question here is not whether or how much coconut oil is to be consumed for domestic purposes. If you increase the prices of coconut oil by 100 percent. that is not going to increase the family budget of a Common man even by one per cent. That is the situation because an ordinary household uses only very little coconut oil but if you decrease the price of coconuts and coconut oil and copra, the profits earned by the soap manufacturers will be much more. I would earnestly request my hon. friend the Commerce Minister who says that he has every information about the foreign companies here just to tell us what is the profit made by Lever Brothers, what is the profit made by Tatas and what is the profit made by Godrej by their industry on Soap. If only he gives the information, I will be silent. If the Minister divulges the information about the profits made by Lever Brothers, by Tatas and other big manufacturers, there you will find what money has been robbed from the millions of our cultivators. You will also find that in the soap manufactured in these factories of the monopolists like Lever Brothers, there is an invisible ingredient and that is the plasma of the life blood of our people. That is the way in which they systematically reduce the import duty. At the same time, even from 1934, the earliest year in regard to which I could get a report of an Enquiry Committee, about the position of coconuts in 1934. As you know, permission was given to me to raise this discussion only today and I could not get other records and figures. But from 1934 we are importing Copra and coconut oil. From 1934 till today we have been going on increasing

our imports. Here is a produce which is not sufficient to meet the requirements of the country. Why should it be that the cultivators, poor cultivators cannot hope for a reasonable price. If you look at the market rate, every week you will find that there is fantastic fluctuation, not ordinary fluctuation, the like of which you will not see in any other commodity and what do they say? They say the improved position is expected to persist until the new season when copra begins to arrive. From where? The price here is not dependent upon our produce but on conditions elsewhere. If it is to be a big crop then that position may worsen at once. It always depends upon the produce of other countries.

If you want to keep the industries going on, this is not the way. It will be as idle, it will be as foolish as the farmer who killed the goose which laid golden eggs. On the other hand, if you want to have the industries going, let them subsidise industries. It is not by looting the poor cultivator that the industry has to be kept going on. The House must be aware of the situation that is prevailing in Kerala. It is a State which produces about 85 per cent. of the entire coconut Produce of India and the economy of which is completely dependent upon the yield from the coconut tree and the price which the people are able to get. The Government have hopelessly mis-managed the affairs, they have been callous, they have been step-motherly in this attempt.

Shri A. M. Thomas (Ernakulam): I find that the matter was raised in the Travancore-Cochin State Assembly also.....

Mr. Deputy-Speaker: Find that notice has been given to me by Mr. Sreekantan Nair and Mr. K. K. Basu.

Shri Achuthan (Crangannur): I have also given..

Mr. Deputy-Speaker: I have not got it.

Shri Punnoose (Alleppey): We were not aware of the procedure.

Mr. Deputy-Speaker: The procedure is laid down in the rules. Whosoever wants to put a question should inform me. Except the Member who has tabled the question and the Minister who replies, none else is entitled to speak. Any hon. Member who wants to put a question for elucidation must give me previous notice. Mr. Thomas has given me notice already.

Shri Achuthan: I have also given.

Shri N. Sreekantan Nair (Quilon cum Mavelikkara): I have sent.....

Mr. Deputy-Speaker: I have not received. I will waive that. But, the mere sending of slip is not enough. He must, in addition, say, I want to put a question. Mr. Thomas first.

Shri A. M. Thomas: I want to put this question. I find from the report of the Assembly proceedings of Travancore-Cochin State that this matter was raised there also and in bold headlines it is reported that the Travancore-Cochin Government has made representations to the Central Government that the imports should be stopped and that in any event the import duty should be increased, but that the Central Government is turning a deaf ear to these requests. The Finance Minister has also said that the Central Coconut committee is not at all consulted in any of these matters and that their recommendations are being ignored. I would like him to give an answer to this statement made by the hon. Finance Minister in the local Assembly. I would also like to know what exactly is the position: last year copra was taken out of the OGL; I want to know whether the Government are contemplating unrestricted imports.

Shri N. Sreekantan Nair: May I ask a question after the Minister makes the speech?

Mr. Deputy-Speaker: No; it cannot be done.

Shri N. Sreekantan Nair: May I know whether the Minister is aware of the fact that there has been of late a sudden fall in the price of coconuts, because the merchants anticipated that coconuts, copra and oil from Indonesia would be dumped into this country and as such they refused to buy coconuts or copra, resulting in accumulation in the hands of cultivators. May I know whether he is aware of the fact that there has been a power cut in the stations completely removing the possibility of crushing copra? Due to this factor also, there is accumulation of coconuts in the hands of the growers. This artificial scarcity of material has created a certain rise in the price, which is quite artificial and which may come down the moment the power cut is lifted.

Mr. Deputy-Speaker: Anyhow, I will allow other hon. Members also who

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have not given notice. They will take notice hereafter that in such matters they will have to give me previous notice.

Shri N. Sreekantan Nair: May I ask a procedural question, Sir? I understand originally the practice was that those who sign the form will get a chance.

Mr. Deputy-Speaker: True; I was willing to call him. But, that is not the rule. Anyhow, he must also give his intimation.

Shri Punnoose: I want to know whether the hon. Minister is aware of the particular economy that we are having in Kerala as a whole, in Travancore-Cochin particularly. Our economy is, on the whole, substantially depending on commercial crops, crops like coconut, etc., with the result that whenever there is a set back in the prices of these, we experience acute depression. Our whole national economy is upset. I would like to know whether the Minister is going to allow unrestricted import of coconut and coconut oil, whether he knows that it is affecting our economic stability and whether his notice has been attracted to the statement made by the Finance Minister of Travancore-Cochin State. I also want to know what he has done to do away with the fears expressed.

Shri Achuthan: May I know what was the cogent reason which prevailed with the Government when they embarked upon this reduction of import duty, when the prices were abnormally falling down? Have the Government enquired about the cost of production of these coconuts here and the cost of production of coconut, copra and oil in Indonesia and Ceylon? In view of the deep depression now prevailing with regard to coconut products like coir, mattings and other things, have Government considered the possibility of seeing that the price of coconuts goes up so that the people who have coconuts with them may embark upon some such small industries and the unemployment problem may be solved, partially at least. It is impossible for us coming from that area, to be here, experiencing difficulties there and seeing that the Central Government is not considering these things. The constitution of a Coir Board does not solve the problem. Have the Government considered the requirements of this country with regard to soap manufacture, home

consumption and other things with regard to coconut oil before embarking on this abnormal reduction?

Shri N. Sreekantan Nair: One more question, Sir.

Mr. Deputy-Speaker: Yes; but the question is very long.

Shri N. Sreekantan Nair: A short question, Sir. Are the Government aware that a difference of only six per cent. in the import duty on copra and coconut oil does not give a sufficient margin for the indigenous crusher, oil mill owner and thereby to the oil mill worker to crush copra here and compete with foreign countries?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I do not want to provoke my hon. friend who would like to be provoked. Nor do I want him to pursue the infructuous investigations into the English Dictionary to find suitable words of abuse. But, I am afraid this is what is called much ado about nothing. Because, nothing has happened, prices have not dropped, and import duties have not been lowered. On the other hand, prices are going up. Here we have a spectacle of questions being asked on an isolated problem and a half-hour discussion raised on a fact which does not exist at all. Of course, sometimes my hon. friends opposite think that white is black and black is white, and they think that the Sun rises in the west and sets in the east. (*An Hon. Member:* What about your own side?) It is a matter of doctrinaire belief which I think my hon. friend is perfectly entitled to hold. I am deeply aware of the fact that, at any rate, not as a Minister, as a Member of this party, we should not hit back. Of course, I am even prepared to turn both my cheeks alternately for being slapped. I am glad I have about twelve minutes for me. I will go not upon the hon. Member's speech, because the speech went off at a tangent and it had nothing to do with the explanatory note which he sent to you when raising this half-hour discussion. The explanatory note covered six points and I propose to go on those points because at least there is some bone at which we can bite instead of something very nebulous which even the teeth cannot get hold of.

Shri V. P. Nayar: Not at your age, at any rate.

Shri T. T. Krishnamachari: My teeth are quite good.

Mr. Deputy-Speaker: The hon. Minister will see that the Finance Minister of that State has said that the Central Government has not come to their help. There seems to be some apprehension which may be founded or not. The hon. Minister may kindly say with regard to that.

Shri T. T. Krishnamachari: I will disclose the position in respect of what my hon. friend mentioned in the explanatory note. The hon. Member's basis seems to be the reply given to unstarred question No. 96 of the 17th February in which he has asked in respect of imports of copra and coconut oil from Ceylon. It is a fact that imports generally of copra and coconut oil have increased. In 1950, the import of copra was 13,600 tons; in 1951, 9,550 tons; in 1952, 18,350 tons. Imports of coconut oil during the corresponding periods were: 20,142 tons, 24,758 tons and 28,288 tons. It is also a fact that variations in the rates of duties mentioned by the hon. Member in paras two and three of his explanatory note are correct. There have been reductions, and I might also add a fact which the hon. Member has missed, there has been also tariff revaluation which has been on a downward grade. Notwithstanding this fact, still the imported coconut oil costs more than the locally produced one, and coconut oil produced out of imported copra costs more than the imported coconut oil—Rs. 200 more per ton in Calcutta, and Rs. 100 more per ton in Bombay.

It is not a fact that prices of copra have fallen in India by reason of the reduction of import duty, nor that the entire coconut growing population of this country has been affected. The presumption in para five of the explanatory note that the *Gazette of India* Notification No. 13 dated 26th February have abolished duties—on which an adjournment motion was raised and I answered the question—is completely wrong. The fact has again been mentioned. I have already explained to the House that this Notification merely continues the existing scale of duty on copra and coconut oil, thus eliminating the application of the provisions of sub-clause (d) of clause 5 of the Finance Bill, i.e., Bill No. 14 of 1953, which has been a 25 per cent. surcharge. We do not want that surcharge to operate because it will be an addition to the existing duty, and that is why the notification was issued. I explained that the other day. Nor do I

admit the basis of para six of the explanatory note, viz., all this has had a generally bad effect on the entire coconut growing population in India.

In regard to the production of coconut oil, the average during the last three years is somewhere about 1,07,000 tons. The estimated requirements of coconut oil per year in this country approximates to very nearly one and a half lakhs of tons. Out of this, nearly 55 to 60 per cent. are used for edible purposes, 12½ per cent. for the soap industry, and the balance for toilet, domestic and illumination purposes. There is definitely a short-fall of over 40,000 tons which has to be imported from abroad. Otherwise, prices in the country rocket. Taking the figures of import for the year 1952 as 28,288 tons of oil and 18,350 tons of copra on the basis of every ton of copra yielding about 0.6 ton of oil, we might estimate that the short-fall is just about met. It would be incorrect to presume that these imports have had any adverse effect on prices. On the other hand, there has been a phenomenal increase in the price of copra and coconut oil in India. Compared to the pre-war prices, when they reached their peak during the Korean war period, the prices rose eight times.

Shri Punnoose: Prewar price means depression price.

Shri T. T. Krishnamachari: Prices towards the end of 1950 of copra was Rs. 1,644 per ton, and oil Rs. 2,464 per ton. These prices were inordinately high as compared with the prices ruling in Colombo, Singapore and Djakarta markets. The protection afforded to the coconut industry was partly by import levy by us which has been periodically varied, and partly by the export duties levied by Ceylon on copra and coconut oil exported by them. Some time in March, 1952, the prices in India dropped. Copra prices came down to Rs. 871 from Rs. 1,644,—that was in March, 1952—and coconut oil prices to Rs. 1,300 from Rs. 2,464. Since then prices have again been steadily rising. There was a sharp upward trend in October, 1952, consequent on the reopening of the hedge market in Travancore-Cochin, but prices settled down next month. Thereafter, the prices have been steadily rising. The November 1952 price for copra was Rs. 1,132 as against the March, 1953 price of Rs. 1,253.

Figures speak for themselves. I cannot cook these figures. Similarly, the November 1952 price of coconut

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oil was Rs. 1,648 as against the March 1953 price of Rs. 1,887. And I also find that the cocoanut prices have been steadily rising Rs. 60, Rs. 65. The quotation that I saw in the Cochin market day before yesterday was Rs. 70.

Since last May, there has been a progressive and satisfactory decline in the prices of industrial commodities which are consumed by the mass of the people, like cotton textiles. We cannot as a Government, allow, in the circumstances, the prices of agricultural commodities to rise to offset any reduction in the cost of living achieved by the drop in prices of certain manufactured goods.

I suppose it is not necessary to provide any further answer to the hon. Member as the figures speak for themselves. I would like to reiterate that the Notification No. 13 of February 28, did not, in effect, reduce the duties. The duties remained what they were after the 28th February. That is a grim fact. Hon. Member need not repeat about the Notification. In fact, I cannot hide the truth if the truth was otherwise.

The second fact which I would like the House to note is the prices between November, 1952, and March, 1953, both in regard to copra and in cocoanut oil—in one case it has risen from Rs. 1132 to Rs. 1253 and in the case of cocoanut oil from Rs. 1648 to Rs. 1687.

There is another factor which, I think, the House will agree, as a Government we have to look upon also. The groundnut crop this year has been very poor. The oil market has been showing signs of a considerable spurt in price, and it is causing us a great deal of anxiety. In fact, I should not be surprised if the upward trend in cocoanut oil prices goes up rather rapidly in sympathy with groundnut oil which is also going up. And hon. Members there who are really interested—of any rate, so they say—in the cost of living of the common man and also in his purchasing power being maintained, would share with me the alarm which I express when I see the cost of living index going up steadily. The whole scheme of the future—it may be that our plan is no use; it may not be ambitious—but the whole scheme of our plan is based on our keeping the price line firm. And in this connection, I do not mind admitting to the House that I am rather perturbed at the tendencies that now show which

would make the cost of living go up. The Government have to take all precautions to keep the prices down. In fact, I have another fact to add.

A reference has been made as to whether the Indian Central Cocoanut Committee was consulted. We have committees galore. The Agricultural Department, I think, have got 20 committees. I have got a number of committees myself. If we have to listen to every committee's advice, the result would be like the story of the Miller's son and the ass.

Shri Punnoose: Then, scrap them.

Shri T. T. Krishnamachari: We have to take their advice in regard to development of the particular product, not in regard to Government policy. But, I would like to mention that the Cocoanut Committee which publishes a journal—and you cannot say the Cocoanut Committee is not responsive to the interests of the Cocoanut grower has, in its issue of April/June, 1952, on Page 136—they have been very modest—said:

"If the price of cocoanut oil is somewhere about Rs. 1,620 per ton, then the grower must be satisfied."

Actually, the price is Rs. 1,887 per ton. It was that some time back, but today it has gone up.

The Minister of Agriculture (Dr. P. S. Deshmukh): The Committee has given sensible advice.

Shri T. T. Krishnamachari: It was Rs. 1,648 in November. It is now Rs. 1,887, but even the Committee says Rs. 1,620 would more than compensate the cocoanut grower. I am very sorry that in these circumstances I have to reiterate once again I made tremely modest charge that I made that there is much ado about nothing.

But about this fact that my hon. friend Mr. A. M. Thomas drew my attention to.....

Shri Punnoose: That is an exception?

Shri T. T. Krishnamachari: As I said, this question of reduction of duties has been over a period of years, from 1950, and thereafter 1952. It may be we will have to reduce the duties a little further later, perhaps. But this is a matter on which we cannot share

our responsibility with anybody else. The moment any vehement representation is received, I feel, that there is no need for a representation, because the facts prove otherwise. The prices have been going up. The fact that we have been allowing imports has not in any way affected local prices.

There is one other point to which my hon. friend Shri N. Sreekantan Nair drew my attention. That is a matter which causes me deep anxiety, not merely because of the fact that the copra crushing industry is suffering, but many other industries also are suffering. That is the power cut. The Government are not unalive to the needs of Travancore-Cochin. I am personally very much interested in it, and I may say in all humility that I have been taking a little amount of interest in it, and I have got the co-operation of the Travancore-Cochin Government. This power cut is very unfortunate, because it is going to stop all the factories roundabout Alleppey. And it is possible that there is a little distress, because of the power cut, and the oil mills which use power are not

buying copra. May be; but oil prices will rather go up, rather than go down, if oil is not crushed. The point was made by Mr. Sreekantan Nair in his own inimitable way, but it did not lend me support in the manner in which he put it. But to my mind that is a factor which should make the oil prices go up rather than go down. It is a matter which neither the Travancore-Cochin Government nor we can help, because we are very much in the hands of what we—you and I, Sir—consider to be Providence, and we have to bear the penalty of having faith in Providence. That is all that I have to say. There is no basis of fact behind any of these complaints that have been made today.

Shri V. P. Nayar: May I seek a clarification, Sir?

Mr. Deputy-Speaker: No. The House will stand adjourned till two p. m. tomorrow.

The House then adjourned till Two of the Clock on Saturday, the 28th March, 1953.