

12.06½ hrs.

CORRECTION OF ANSWER TO
STARRED QUESTION No 933

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): On behalf of Shri K. D. Malaviya I beg to make a statement in reply to supplementaries by Shrimati Parvathi Krishnan, enquiring why there had been delay in the supply of the specialised equipment and suggesting that one of the reasons for the delay was that the suppliers were not really experienced in the manufacture of such equipment, it had been stated that the suppliers did not send the supplies in time and the only alternative, therefore, was to spend a little more money and go ahead with the work. It had been stated further that there was delay in the schedule and that greater details as to why the agreement was not fulfilled would be furnished if needed. The fact is that the suppliers of those items of equipment had indicated certain probable dates of delivery on informal inquiry. This was prior to the issue of formal tender notices by the Lignite Project authorities. As the suppliers had accepted orders for the supply of similar equipment to other countries in the interval between their furnishing the preliminary information and the issue of tender notices by the Lignite Project, the dates finally quoted by them got extended beyond what they had indicated earlier. There have been no avoidable delays in the shipment of the specialised equipment after the placement of orders. The expenditure of Rs 62 lakhs on additional conventional machinery was not due to any non-fulfilment of contractual obligations by the suppliers.

As regards the suggestion that the firms were not specialists in the manufacture of the equipment, it may be stated that both firms, Messrs L.M.G. and Krupp, are firms of in-

ternational repute and orders were placed on them on the basis of competitive tenders.

12.09 hrs.

*DEMANDS FOR GRANTS (Contd)

MINISTRY OF FOOD AND AGRICULTURE

Mr. Speaker: The House will now take up discussion on Demands Nos 36 to 41 and 119 to 121 relating to the Ministry of Food and Agriculture for which eight hours have been allotted.

Hon Members desirous of moving cut motions may hand over at the Table within 15 minutes the numbers of the selected cut motions. I shall treat them as moved, if the Members in whose names those cut motions stand are present in the House and the motions are otherwise in order.

DEMAND No. 36—MINISTRY OF FOOD
AND AGRICULTURE

Mr. Speaker: Motion moved

"That a sum not exceeding Rs 69,17,000 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, 1960 in respect of Ministry of Food and Agriculture."

DEMAND No 37—FOREST

Mr. Speaker: Motion moved

"That a sum not exceeding Rs 2,37,69,000 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, 1960, in respect of Forest".

*Moved with the recommendation of the President.

DEMAND No. 38—AGRICULTURE

Mr. Speaker: Motion moved.

"That a sum not exceeding Rs. 9,21,10,000 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, 1960, in respect of 'Agriculture'"

DEMAND No 39—AGRICULTURAL RESEARCH

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs 4,52,60,000 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, 1960, in respect of 'Agricultural Research'"

DEMAND No 40—ANIMAL HUSBANDRY

Mr. Speaker: Motion moved

"That a sum not exceeding Rs 2,40,64,000 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, 1960 in respect of 'Animal Husbandry'"

DEMAND No 41—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF FOOD AND AGRICULTURE

Mr. Speaker: Motion moved

"That a sum not exceeding Rs. 10,78,08,000 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, 1960, in respect of 'Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture'"

DEMAND No 119—CAPITAL OUTLAY ON FORESTS

Mr. Speaker: Motion moved

"That a sum not exceeding Rs 12,81,000 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, 1960, in respect of 'Capital Outlay on Forest'"

DEMAND No. 120—PURCHASE OF FOOD-GRAINS

Mr. Speaker: Motion moved

"That a sum not exceeding Rs 1,65,56,30,000 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, 1960, in respect of 'Purchase of Food-grains'"

DEMAND No 121—OTHER CAPITAL OF THE MINISTRY OF FOOD AND AGRICULTURE

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs 33 39,92,000 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, 1960, in respect of 'Other Capital Outlay of the Ministry of Food and Agriculture'"

Mr. Speaker: Shri Nagi Reddy—Does Shri Asoka Mehta want to speak?

Shri Asoka Mehta (Muzaffarpur)
Yes

Mr. Speaker: I have called Shri Nagi Reddy

Shri Nagi Reddy (Anantapur): Mr Speaker, Sir, we are today to discuss one of the subjects which is the concern of every human being in this

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country. Probably it is the only department about which everyone, both in the cities and the villages, talks every day. Therefore, I went through the report that has been presented to the House by the Ministry very very carefully to find out as to what their review of the past has been and what suggestions they make for the future. I am sorry to say that the report is a report of self-justification of the past, and because of that, it is a report of self-complacency so far as the future is concerned.

We have passed through the most difficult year so far as the foodgrains situation is concerned, last year. I expected that the report would take into consideration the difficulties that are encountered by the people and the Ministry, and that there would be a kind of self-critical evaluation of the past so that we would be in a better position to adjust both the organisational and other matters for the future.

What do we find in the report so far as the past is concerned? It is said that the prices of cereals, particularly rice, did not go up as much as could have been expected. I do not know by how much it was expected to rise, because I cannot get into the mind of the hon. Minister to find out by how much he expected the prices to rise. But I find from the report itself that last year the price of rice has been the highest that was reached in the past, say, ten years, and yet we are told that the situation was not as bad as was expected. Probably the Minister has forgotten that last year one of the greatest battles was fought in this country by the people for foodgrains, especially in his own State of U.P. and in the neighbouring States of Bihar and West Bengal. The people had to fight very bitter battles, because the Government did not think, as per the report, that the price had risen as much as was expected and the Government was complacent in regard to the difficulties of the people.

This self-laudatory attitude in the report is going to give them much more difficult problems in the future. The price of rice last year had risen from 99 points in February to 118 points in September. The price of wheat had risen from 84 points to 125 points in January this year. The difference is so vast and it is very clear that neither the peasant in the village nor the consumers in other places got justice done. Then, who got the Himalayan profits last year? Quite naturally, the middleman, the trader, because he purchased rice at 99 points and sold it in the lean months at 118 points, and, he purchased wheat at the lowest point of 84 and sold it at about 125. I do not know why the Ministry did not take note of it in the review. They are so very self-complacent of the future that they have said in the report that we need not worry about the future at all and it is going to be excellent. They have told us that we need not worry this year, because the crops have been very good; we are having the best crops compared to the last so many years; the market is going to be better than what it was; our troubles are going to be less; we have got enough stocks in our hands and probably we are going to import more. This is what they have told us.

As for the fact that we have had very good crops this year, there is no doubt. But is the Government aware that in 1956-57 we did not have a bad crop—I should say, we did have a good crop. But still, what was the position? We were told then that "the crops are good and the position is going to be better". But the price of rice in 1957 stood at 91 points in January and 111 points in August. So, a good crop by itself does not mean that the prices are going to be reasonable. In the present state of affairs, with the type of trading being conducted in the country, with monopolists functioning and with black-marketers almost left

scot-free, there is no doubt that the Government cannot be complacent of the future. That was exactly the experience in 1956-57.

The Government refuses to review the past properly and try to relate the past experience to the future. Today we are told that we need not worry and the position is going to be much better. We were told in a statement laid on the Table of the House on 10th February that "the price of rice had already recorded a substantial fall and that the index number of the wholesale prices which had risen to 118 in September, 1956, had fallen to 91.4" I am surprised at the word 'already' It is not at all surprising that the prices have fallen, for the simple reason that every year in January and February, the prices of rice do fall. Then, where is the surprise and why should it be said that they had 'already' fallen? This shows that Government cannot imagine a natural situation in natural terms and they are not able to look to the future in the proper perspective.

Let us take the position in the past few years in the months of February and September each year. In 1956, it was 77 points in February and 101 in September. In 1957, it was 91 and 111. In 1958, it was 100 and 116. I had read the figures previously also. In 1959, is there a guarantee that it is not going to be like that? This self-complacent statement of the Minister after the past experience that we can look to the future with confidence because the prices are better in February is probably because the Ministry does not know the A,B,C of economics of the agricultural prices. That is why we are told that "the supply and price position would remain satisfactory". We are already given the guarantee that we need not worry about the future. We are told that "no special difficulty would be experienced during the lean period of the year 1959". I am really surprised at the manner in which after all this experience, this Government has tried to face the problem of food prices, not only in the

interest of the consumers, but also of the producers. So, I would only warn the Government to be careful about the future. This complacent attitude in you and the way in which you are trying to lull the people in regard to the future is not going to be of any help.

We are in the most critical position in the second Five Year Plan. Everything hinges on the manner in which you are going to tackle this food problem. If the Food Department and the Ministry refuse to take note of these grave features in our economic life, they will be called in the not very distant future as the saboteurs of the whole of the second Plan. I only wish at least now the Government would take note of these factors and try to evolve a proper policy; not only evolve a policy, but act up to it boldly.

Then we were told for the last 3-4 months that a new policy is going to be evolved and it is coming. Well, the country is eagerly waiting for it, and that is State trading in foodgrains. There was a lot of talk about it, but all the talking was only from the side of the Prime Minister and not from the side of the Department of Agriculture. They had been ominously silent all these days. When there was an uproar from certain sections of the country who have been opposed to this trade in foodgrains, when speeches were made in the country by certain people as to how it is dangerous, when certain people were being mobilised against State trading and the very policy of State trading, I expected that the Food Department would come forward and tell people and educate the people as to how it is important, why it is necessary and how it is in the interest of the consumers and producers. I thought it was the duty of the Food Department, before implementing a particular policy, to educate the people, try to tell them that this is in the interest of the people for various reasons. But I find they have been extremely silent, and the result of it we know today. We know how State trading in foodgrains has

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been sabotaged not by the people who have been talking against it but by the very Department which has to implement it. I sometimes feel that the Department has been silent all these days only to allow a certain amount of mobilisation of certain sections of the people against State trading in foodgrains, which will have its repercussions on the Plan, so that they may not be accused for having failed to implement the programme which was announced, announced probably not with enthusiasm by the Food Ministry but announced with enthusiasm and conviction by the Prime Minister. The reactionaries have, in the past three months, taken it into their heads

Mr. Speaker. The hon. Member will have three more minutes.

Shri Nagi Reddy. I have taken only ten minutes.

Mr. Speaker: Twelve minutes. He will have three more minutes. I will give 15 minutes. I will call Shri Sarju Pandey also and will give him some time.

Shri Nagi Reddy. Then I think I must conclude without even coming to the main points.

Mr. Speaker: All right, let him have 20 minutes.

Shri Nagi Reddy: I expected more because every day the first speaker is given more time.

Mr. Speaker. I will give him 8 more minutes.

Shri Nagi Reddy: Then we are being told that the whole of the people are being mobilised against State trading, saying that State trading is not in the interests of the consumers or the agriculturists.

Producers know as to how they are being fleeced by the whole salers, and if it is the experience of every producer in agricultural goods, not only in food but also in other

agricultural goods. We know what happened in the case of jute last year. We asked for a big production. Big production came and the agriculturists lost, because they produced more, unfortunately. If they did not produce as much as they did, probably they would have got a better price. Today we are seeing as to what is happening to the tobacco market in Andhra. So, the wholesalers as a whole have got such a grip over the market that the producers themselves are not getting a proper price for whatever they produce.

We are told that in the interest of the consumers, in the interest of the producers, there should not be State trading. And State trading is being opposed by people not only in ordinary terms but with vehemence. There is resistance against it and people are talking of bloodshed. Probably the Minister also must have received a copy of the speech that was delivered in the All India Foodgrains Dealers Conference by Shri M. R. Masani, in which he said—

“If this were to be pursued then it will result in bitter resistance, bloodshed and a fall in food production.”

An Hon. Member: Bloodshed?

Shri Nagi Reddy: Yes. And he has appealed to the people that, “there can be no question of millions of ordinary people throughout the country, who cherish their homes and families, their temples and religion, their farms and shops and their entire way of life, would find it difficult to share the Prime Minister’s indifference to appalling catastrophe.” And he says that the Prime Minister’s words have been “reckless and irresponsible.” All this is being allowed by the Department without giving a proper reply. My contention is that this department has remained silent in spite of the attacks that are being made on State trading in foodgrains. Instead of coming forward to defend their policy

in the interests of the consumers and the producers, they have allowed it to go unprotected.

Mr. Speaker: Why not the hon. Member help the Government?

Shri Nagi Reddy: That is what we are doing. Just because they would not do it, I have to do it for the simple reason that the Ministry had to be helped at least by the Opposition, when the Opposition feels that particular cause which they have enunciated is good and the department have failed to implement it or failed even to argue their case properly.

Shri Vasudevan Nair (Thiruvella): Then nobody can help them.

Shri Nagi Reddy: A certain section is being mobilised against this policy. There is nothing surprising in it. The only surprising thing is that Government have not taken adequate precautionary measures to guard themselves against the attempts by the vested interests to sabotage our plans. When one reads the latest Report which has been presented to know how they are going to implement State trading in foodgrains, one feels that he cannot be convinced of the policies which are being enunciated. We are told that today we have not enough money, that today we do not have enough organisation to collect all the food from the people and, therefore, as a beginning we are going to license wholesale dealers. This licensing of the wholesale dealers, I should say, is not going to solve the problem. I will warn the Government that it will only lead to greater corruption and administrative inefficiency. There is no doubt about that. Because, when you take a step, you must take a reasonable step, at least to a certain extent. Why is it difficult, I ask, for the Government to come forward and accumulate at least some portion of the foodgrains and then gradually extend it fully to every area? It is not a difficult thing. For example, the Government have given so many loans

to the peasants like Taccavi loans. They are being recovered. They can collect the taccavi loans from the peasants in the form of grains. But the co-operation of the people is necessary for that. If they will have to take that step—it is not a small step; it is a serious step—it requires the co-operation of the panchayats in the village; it requires the co-operation of the co-operative societies in the villages; it requires the co-operation of the people who should be convinced first of the importance and the necessity of this. Therefore, the Government has failed in their duty in the past in this regard and now it is failing in their duty in this regard. Licensing of the wholesalers will only hit the small wholesalers. It will increase the profits of the big wholesalers. Because, it is always the case in this society that bigger fish swallows the smaller fish. That is our experience.

An Hon. Member: That is in satellites.

Shri Nagi Reddy: This programme which is being enunciated today is not going to solve the food problem. For example, last year we had certain zones where we fixed certain prices. The prices were not implemented. Who should implement them? The people who had to implement them would not implement. Difficulty arose. The Southern Zone was formed. That zone was said to be a self-sufficient zone. Prices were fixed. Each Government was expected to go and purchase from the areas which had produced more. There is a pithy sentence in Telugu: A Reddy of this village is a non-entity in the neighbouring village. He is the Reddy in his village, he is a powerful man only in his village, not in the neighbouring village. What was the use of fixing the price in Andhra which is ruled by a separate Government and asking some other Government which is a neighbouring Government to go and purchase there at the controlled rates? Who is going

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to hear them. In the same way, today what is happening is, the Madras Government has stopped the export of paddy from the Madras State from the Tanjore area into Kerala. Again, we will be told that the Kerala Government can go and purchase in Andhra at the controlled rate. Who is going to give at the controlled rate? If they won't give, what is it that the Kerala Government can do? They can't touch an ant in Andhra. It is impossible; they can't. They have no right. They have no power. All this is good talk.

The Minister of Food and Agriculture (Shri A. P. Jain): How did they get 50,000 tons themselves?

Shri Nagi Reddy: The Kerala Government went and purchased in the open market. They got it. Later the Andhra Government came to its rescue. They got it. That is a different matter. It is the duty of the Central Government to see when they fix the prices that the prices are implemented. Implementation is a serious thing which should be taken note of. If the Government simply enunciates the policy and refuses to implement its own policy and give administrative sanction to that, naturally it is not going to help the position so far as it is seen today.

In the end—I would conclude because there is not time enough and I generally do not take more time than is allotted. I will take only one thing, and that is the difficult situation that the tobacco growers are facing today due to the complete monopoly over the trade by the I.L.T.D. The Andhra peasant is not able to sell his tobacco at all because the I.L.T.D. has formed certain grades. There are 13 grades of tobacco. They purchase only the first three grades, the best. What happens to the rest, we do not know. The peasants have accumulated so much of tobacco today that they are almost in ruin. It is, therefore, that the Andhra peasants have been requesting the Government for a long time that this grading system should be stopped. You can have three

grades. I hear that in America they have only three grades. How is it that in India a foreign company like the I.L.T.D. with a complete control over the market has come forward to create 13 grades? The first three are purchased and the rest is left. The Government must be able to give immediate protection to them. I would only say that the best course would be for the State itself to intervene in the tobacco trade as it did once, I think, 2½ years ago, and see that the peasants get the proper market which they require and the proper price which they should have.

Then, I would only remind the Minister of the sad plight of the jute growers in our country. It so happened unfortunately that the Government did not intervene in time and the result was, the jute industrialists together controlled the prices. It is not a free market. We are being told that there is a free market in this country. There is no free market in this country for certain goods that are produced by the peasants. There is a monopoly market in this country. This monopoly market has ruined the jute grower and the tobacco grower. We know that quite a number of agricultural commodities, pepper, coconut, turmeric and other things have fallen below the production price and the peasants today are finding themselves in difficulties. The most serious trouble that the whole country is facing today is the complete breakdown of the purchasing capacity of the people, of the consumers who are mostly peasants in this country. Their consuming capacity, their purchasing capacity has been reduced to such an extent that the increased production in our country is not finding sometimes the increased market that is essential. As a matter of fact, I should only read in the end a small sentence from an Economic Research Centre report which has been published by the Viswa Bharati University. Reviewing the condition of a village in 1956 they say, unless there are certain social

conditions which could be brought about in this country, unless we are able to give greater attention both in the matter of production and marketing and changes in special relations, we cannot produce a new life in the villages. They say, though there has been abolition of the zamindari system, "it has no visible impact on their economic resources and their economic resources", etc. It says, "neither the structural organisation of production nor the social leadership in our hierarchical structure has undergone any major change" in these ten years of our policies which are being implemented only in talk and not in action. This Ministry is one of the most important Ministries not only because it is concerned with all the people in the country but also because it is the base on which any Plan has to be implemented. I hope the Government will enunciate proper policies. Not only that I hope the Government will educate the people on its own policies and act up to them with much greater vigour and conviction than what they have done so far. Now they have sabotaged State-trading in foodgrains. I hope that they will not do the very same thing as regards land reforms and other social reforms that are expected to be implemented in this year as has been promised by the ruling party itself.

Shri Asoka Mehta: The Minister, on more than one occasion, has claimed that this year we are having a record crop. It is true that this year the crop promises to be very good. But, I believe we would be making a mistake if we consider it as a record crop for the very simple reason that even though this year's crop is higher than in any previous years, we have already reached of 40 crore mark as far as our population is concerned. This is a very simple and obvious point which I am labouring on at the very beginning because it is necessary that we in this country realise that as far as food production is concerned, as it is for all other production, the target is bound to be a moving target. We should not get satisfied in terms of absolute

figures. Absolute figures have got to be viewed against certain developments that are taking place and I am therefore surprised that the Minister should have looked at the figures only in terms of their absolute number. Every year, merely to mark time, we require about 8 lakhs tons more of foodgrains—merely to mark time. If any macklog is to be made up, if any improvement is to be made as far as the food requirements of our country are concerned or if prices are to be brought down of course a greater effort will be necessary.

When we look at this, we find in the last ten years if the figures are to be believed the area under cultivation undoubtedly has increased by about 22 million acres. If the figures are reliable, that is an achievement for which the country can legitimately be satisfied. But there has not been a marked improvement as far as the yield is concerned. Here as elsewhere it needs to be remembered that we have reached a stage where, as one authority has put it it is probable that in the future, the loss in cultivable land or at least in the fertility will be about as great as the gain unless heroic conservation and expansion measures are undertaken. On a previous occasion, I, together with some other Members had raised the question of finding out what has been the net improvement in irrigation potential in the country, particularly in minor irrigation. I then pointed out Sir that both the figures for gross irrigation and net irrigation should be made available. We are publishing figures only for gross irrigation. I pointed out how such a provision tends to be deceptive. We have the report saying that on soil erosion, 171 schemes have been taken up and that 8.5 lakhs acres will benefit by this scheme. For the same year, how many acres of land have become eroded? This is the gross figure. The net figure will be difficult to determine. On a previous occasion I pointed out how in the Punjab, on the one hand they have been improving irrigation facilities while on the other

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hand, water-logging has been encroaching upon fertile lands available for agriculture. It is absolutely necessary that both sides should be brought forward. If the report is to be meaningful, and if the Minister is not to be misled by his own figures, he should try to place before himself both the gains made as well as the loss suffered during the year.

The production figure has got to be a moving target and in terms of any achievement we must remember that the gross figure is likely to be deceptive and the key figure is that of the net advance. These are two preliminary observations which are very obvious. I have to make them from time to time because I find that when these matters appear in the reports these facts are either not kept in view, or, even if the persons concerned are aware of them, no effort is made to bring them to the attention of those who are going to read these reports.

On the question of prices, it is true that prices have started coming down in some parts of the country. We have learnt from our mistakes in the past. Certain fall in prices has occurred in certain parts of the country. The Government's policy of purchase has started providing some kind of price support and one would, therefore, say that we have learnt something from the mistakes that we had made in the past.

In this connection, Sir, I would like to invite the attention of the House to page 4 of the Report of the Ministry of Food and Agriculture. In page 4 you find the index numbers of wholesale prices of foodgrains from August, 1957 to January, 1959. It covers probably about eighteen months. In that short period, Sir, you will find that very sharp fluctuations have taken place. There have been rises and falls. Fluctuations and variations have been very marked. We have been told that one of the policies that

the Government wants to pursue is that of price stabilisation. What is being done? What steps are being taken to introduce element of stability? This Report itself shows that in a brief period of eighteen months there have been sharp fluctuations. It has gone upwards and downwards. Now, there are various reasons for it. I am aware that for every movement, upward and downward reasons can be put forward. One can say, looking back over these fluctuations for the last so many years that almost for every fluctuation some reason can be put forward. We have to find out if institutional changes can be made and such policy changes initiated whereby these fluctuations can be reduced. Now, this was one of the questions that the Foodgrains Enquiry Committee was asked to go into. It had made two recommendations. One was about the Foodgrains Stabilisation Organisation to which I shall come in a minute and the other was about price stabilisation Board. The suggestion about price stabilisation Board has been completely neglected. I do not know what alternative the Government has. I have already said that to some extent the present policy of purchase is having good effect. It has already been stated by the Government that there are all kinds of difficulties and dangers in this policy of price fixation. Even if Co-operatives come up, it has been suggested that there will always be a certain amount of pressure from certain sectors in the country to see that the prices are fixed at a higher level. So, this question of fixing prices at the proper level is a matter that bristles with difficulties. These things can either be done by some kind of an independent Board supported by an Advisory Committee, or, it can be done by Government, or by the Parliament, as is done in Sweden. If it is done by Government then again, the question comes up before Parliament. Now, therefore, it is felt that the fixation of prices for the agricultural produce is likely to become increasing-

ly difficult because of various pressures that will be exercised and therefore it becomes necessary to think out a machinery which would be insulated to the extent possible against such pressures. In this respect the Government seems to be talking with two voices. Care has to be taken to see that these pressures do not influence price fixation. There is a considerable amount of diffidence about the way the price fixation policy is going to work.

Government invited almost the entire and perhaps the inadequately informed opposition of various forces in the country against itself. In a matter sensitive like that of price fixation, I think, Government should try to get support from all sections before it announces any policy and before it starts with price fixation.

Then, Sir, regarding State Trading certain announcements have been made. I am surprised to find that The Prime Minister had set up a Committee consisting of some Members of this House, including some on this side. This is a Committee before which major questions of food policy are to be brought up. I happen to be a member of the Committee. We were assured that before any decision on these matters is taken the Committee will be consulted. The whole idea was to settle these questions outside the arena of parties and politics and to bring them on a table where serious discussions could take place, where the necessary information could be provided beforehand to people belonging to the ruling party as well as the Opposition parties. I am surprised to find that certain decisions have been taken and certain policy announcements have been made here without taking the trouble of convening this Committee. Is this the way in which the so-called High Power Committee of this House are going to be treated?

Shri A. P. Jain: I may inform the hon. Member that this is only a provisional scheme. It has been put before the National Development Council, and

it had also been before the House. I may inform the hon. Member that the scheme will again come up before the Committee and any suggestions coming from the Committee will receive due consideration.

Shri Asoka Mehta: As far as the question of State trading in foodgrains is concerned, it has had a very chequered career. In September last year, this suggestion was summarily dismissed by the Food Minister. In November, 1950, it was suddenly accepted. We do not know what developments took place in between. Now, in April, 1951, the provisional scheme, whatever it is, waters down considerably whatever was accepted at least in principle in November, 1950.

Going through the statement that the hon. Minister has made, and trying to understand the scheme as it has been evolved, I am reminded of what used to be said in 1919 or 1920 about progressive realisation of responsible government in fulness of time in this country. Here is a scheme which promises us that there will be progressive realisation of socialisation in the trade in foodgrains in the fulness of time.

Now, the marketable surplus in India is calculated at 18 to 20 million tons. Rice is about 9 to 10 million tons, and wheat is about 3 million tons. In 1950, the total purchases made by Government amounted to half a million tons. Out of a marketable surplus of 18 to 20 million tons, our total purchases were half a million tons. Is this sufficient to enable Government to exercise strategic control? We do not know how much more they are going to purchase this year.

But, here again, let us look at the position of the storage facilities, because without storage facilities you cannot put through a policy of socialisation of wholesale trade in foodgrains. It has been estimated by

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those who are entrusted with that task that storage facilities to the tune of 5 million tons would be needed. In 1958, storage facilities for 76,000 tons were completed. I leave it to you, Sir, to decide how many years it will take to build up the storage facilities for 5 million tons, if this is the rate at which we are to progress. In 1959, it is said, storage facilities for 2.9 lakh tons are under construction or are likely to be taken up for construction. On a liberal estimate, at this rate, it will take twenty-five years before we shall have the storage capacity for 5 million tons.

That was why I said that this seemed to be a policy of progressive realisation. If that is the policy, one should make it clear, because then we shall not be evoking or arousing opposition and resistance. My hon friend read out just now the speech that Shri M. R. Masani made the other day at a conference of merchants dealing in foodgrains. I was present at that conference. I wanted to know how the merchants felt. I knew and I found that they were greatly excited, they were greatly agitated; they were excited and agitated when nothing was going to happen, nothing very much was going to happen which need excite or agitate. But we agitate the people on both sides, friends who want that there should be certain changes, feel agitated when they find that those changes are promised and nothing happens, then there are those who get agitated because they are opposed to these changes. I do not say who is right and who is wrong that is immaterial, but there is no point in agitating both sides and getting nothing done at the end of it. That seems to be a policy where Government are anxious to have the largest number of people arrayed against them. I just cannot understand a government whose main purpose is to mobilise the maximum possible ill-informed opposition against them. If that kind of situation arises, the responsibility lies squarely on those who are today sitting on the Treasury Benches.

Now, let us look at the warehousing. As far as warehousing corporations are concerned, the five-year programme is that one hundred warehouses would be built by the Union corporation with a capacity of 1.5 million tons. In the first year, the achievement has been that 9 warehouses have been taken on hire, and in the second year, 10 more are going to be constructed. In the States, out of 250 warehouses to be built with a total capacity of one million tons, only 50 are expected to come up. This is the pace at which we are going, and even these warehouses are being used to provide facilities to traders. These warehousing corporations were set up to provide facilities to growers. We are told now that the growers are not coming forward to take advantage of it. What is wrong with all these things? If these facilities are going to be taken advantage of by the trades, then there is no point in our saying that our policy is to socialise the trade in foodgrains because as I say, to enunciate a policy and to undermine it or to permit it to get undermined is to invite opposition from both sides.

In this foodgrains trade, a dyarchy has been introduced now. The purchases will be made on behalf of Government and also on behalf of the traders themselves. This dyarchy in foodgrains trade is likely to be disastrous. This dyarchy is likely to be very disturbing because this particular system if I am not mistaken was thoroughly examined by the Thirumala Rao Committee—my hon friend is there—in 1951 or 1952. Again, subject to correction by my hon friend, Shri Thirumala Rao who headed that committee and produced a very valuable report at that time—I hope he will say something on this subject later on—that committee came to the conclusion in the light of all available experiences that that particular system was not desirable. I know there are influential people in this Government, who, for the last ten years, have been trying to foist that programme upon Government. Every

time that particular scheme has been opposed or rejected, like King Charles's head, it has the habit of coming up over and over again. It has come up again this time.

I would like to know from my hon. friend Shri Thirumala Rao whether in the light of the maturer thought that he has given to the subject, and in the light of the longer experience that he has now, he would not endorse once again the strong criticisms that he made some years back when this particular scheme was analysed by his committee.

Shri A. F. Jain: I would like to interrupt the hon. Member for a minute. I would like him to explain whether he has not advocated dyarchy in his own report, where he says:

"Our policy should, therefore, be of progressive and planned socialisation of the wholesale trade in foodgrains....",

and where he further says:

"We feel that step by step conditions should be created so that in the course of the next three or four years, the foodgrains stabilisation organisation may be in a position to control a substantial portion of the wholesale trade in the country."

Shri Asoka Mehta: That is quite right. That is the whole point. I said, in the next three or four years. But considering the rate at which my hon. friend is going, I say it will take twenty-five years.

Shri A. F. Jain: The point is whether the hon. Member has advocated dyarchy or not.

Shri Asoka Mehta: It all depends. After all, you may say there was dyarchy when the interim government was formed, but that dyarchy was of a basically different nature from the dyarchy that the Montague-Chelmsford reforms had put forward. I do not think it is necessary to take time in going into that kind of thing.

Then, it has been admitted that there will be serious limitations to

the effectiveness of enforcing statutory price control. Now, these limitations will be there. I agree. If these limitations are to be overcome, then the period during which these limitations will operate has got to be reduced.

13 hrs.

It has been said that it is not known whether dealers are submitting regular returns, and whether such returns are being checked. This august House two years back passed a legislation saying that regular returns must be obtained from the wholesale traders. Are these returns coming? Well, nobody seems to know; at least, nobody in authority seems to know whether these returns are being checked up and any kind of significant conclusions being drawn; again, those in authority do not seem to know this. Well, this is the position. What should we do? The question might be asked, as the Food Minister has asked it, what do I suggest, and what is to be done. I would say that there are only a limited number of districts where there is a marked surplus in rice or wheat. I know in the statement that he made the hon. Minister has said that the question is still under consideration whether for certain limited regions a more firm and a more comprehensive policy cannot be put through. I say that is where he has an opportunity to show that he means business. While it is not possible to give a firm figure about the number of districts,—again the hon. Minister has said that for the time being State-trading and wholesale trading in foodgrains will be confined to rice and wheat—may be in 12 to 15 districts, as far as rice and wheat are concerned, a different policy a comprehensive policy, a comprehensive approach, can be made. I am not satisfied with the explanation that he has given or the arguments that have been put forward in the statement that he made here about his objection to a corporation. It may be that a corporation for the whole country may or may not be possible but for these limited areas, I believe a corporation

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is likely to serve the purpose better, unless, of course, the hon. Minister is confident that in the next three years all the co-operatives that we are anxious to create in the country are going to come up. We cannot link up the different reforms, one with the other. If you link them all together and if in any particular sphere or particular sector the reforms tend to fall behind schedule, then everywhere, all along the line, you find that the progress is hampered.

It would be a good thing if we can achieve integrated progress, but looking at the results, looking at the way we have been functioning in the last ten to twelve years, I doubt very much if there is even a single Member in this House who will get up and say with a clear conscience that we have the strength, the means, the vision and the determination to move forward in an integrated way. If that is so, where there is this kind of lukewarmness all round, would it not be better not to link up some of these things so intimately and so completely that our failure on one front may result in our failure in other fronts also? I would therefore say that on both these points, the need have intensive State trading in limited number of districts and the advisability of having one or more corporations for that purpose, need to be gone into once again. I am glad to know from the hon. Minister that the suggestions he has made are of a tentative character, and I hope and trust that the matter will be given further attention.

I would be failing in my duty if I did not invite the attention of this House to something which the Public Accounts Committee in Bombay has recently pointed out. The Public Accounts Committee in Bombay went into a particular deal, a deal for purchasing 10,000 tons of jowar, worth about Rs. 29 lakhs and this particular deal, was entered into by the Government of Bombay because the Government of India had recommended the

name of a particular firm. Later on when enquiries were made it was found, in the words of the committee:

"The Madhya Bharat Government, however, informed the Bombay Government that they could not help them in the matter as the firm was not registered in their State. The Government of India also, when the matter was taken up for enquiry, informed the Bombay Government that there was no such firm in existence.

"The departmental representative who appeared before the Committee explained that since the firm was recommended by the Government of India, and as the rates and other terms and conditions had already been settled by them, the Bombay Government was only required to enter into a formal agreement with the agents."

The Government of India was supposed to have checked it, but later on it was discovered by the Government of Bombay that no such firm existed and the Government of India also could do nothing about it. The Committee therefore comes to the conclusion:

"Strangely enough, no attempt also seems to have been made to inquire of the Government of India as to the circumstances in which the firm which was not in existence came to be recommended by them. Perhaps the Public Accounts Committee of the Lok Sabha may also look into this matter."

I am raising this question for a very simple reason.

Shri A. P. Jain: What report is that?

Shri Asoka Mehta: The latest report of the Public Accounts Committee, Bombay State, 1958-59.

Whether our Public Accounts Committee will go into it or not, I do not

know, but the hon. Minister should go into it, because the scheme which we are adopting, as I said, envisages a certain dyarchy. There is going to be no machinery for direct purchases or only a limited machinery for direct purchases, and great care has to be taken. If that care is not taken, we shall find similar complaints coming up in future.

In the limited time that is at my disposal, I would just like to say that this scheme is linked up with this whole question of co-operatives. The question of co-operatives has been made somewhat confused and complicated by the controversy that is being carried on about joint farming. I have no desire to go into that controversy just now, but I would like to draw attention to the suggestions for agricultural self-sufficiency that were recently made, before this controversy was stirred up, by Sir B. P. Singh, Roy, Shri C. H. Bhabha, Shri Tulsidas Kilachand and Shri B. M. Birla. On page 19 they say that they recommend tractors for use to improve our cultivation. Then they say:

"The difficulties in using these tractors in small holdings of land will also have to be worked out. This aspect will have to be discussed and decided on the village unit level where it should be possible by mutual agreement to ensure that a group of farmers with land holdings up to 100 acres may be enabled to make use of tractors .. an arrangement under which a group of farmers with requisite land is able to come together with proper demarcation of land and removal of barriers in order to utilize the facilities for scientific farming "

These gentlemen, before this controversy came up, looking at this problem in a non-political, detached manner, also came to the conclusion that some kind of removal of boundaries or demarcations will become necessary if agriculture was to be im-

proved. I am saying this just for this reason that the whole problem of building up co-operatives in India is getting bedevilled today by this controversy, a controversy which, to my mind, is unreal because neither are those on the Treasury Benches anxious just now to put through these changes, nor are those opposing them so vehemently from this side of the House really vehement in their opposition because their own colleagues only a few months back, when this controversy had not come up, made more or less the same kind of suggestions that some others have been making today.

This particular controversy has resulted in side-tracking attention from the more important question of developing our co-operatives, because this question is intimately linked up with the development of State trading in foodgrains, and, I would say that it is amazing that so far there has been no response from the Government to the very strong criticisms that have been made by those who are engaged in the co-operative movement against the recommendations of the Law Commission on the co-operative law, as to what kind of law has to be created.

I have seen recently the working party's report that has been produced on the co-operatives in the country. A large number of co-operatives are in a very weak state. Simultaneously we have to embark upon a double programme, a programme of expansion and a programme of consolidation. It is a two-pronged attack, a two-pronged attack where consolidation will have to be given much greater importance than expansion, because there is no point in expanding unless we are sure that the fabric that is being created will be strong enough to stand the various burdens that are going to be thrown upon it.

I think this whole question of what kind of legal framework is going to be provided, what kind of powers are

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going to exist, is of paramount importance.

All the arguments that the Food Minister has put forward that we hope to develop these co-operatives in the next three or four years and this State trading in foodgrains will therefore be taken over by these co-operatives within a measurable distance of time and that corporations need not be set up because they will have their own vested interests later on and might duplicate unnecessarily the work that has to be done, all these arguments are valid to the extent these co-operatives are going to come up, and the co-operatives will come up to the extent the controversy on the legal framework for the co-operatives is set at rest. I hope that, that will be done and that as far as State trading in foodgrains is concerned, the Food Minister will be willing to review the matter afresh and see how far this tentative scheme can be so strengthened that people may find that there are real teeth in it as far as the purposes for which this particular scheme is being put forward.

13-16 hrs.

BUSINESS OF THE HOUSE

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): With your permission, Sir, I rise to announce a slight change in the order of business for the current week. It is now proposed that the Demands for Grants in respect of the Ministry of Defence be taken up for consideration immediately after the voting of demands relating to the Ministry of Food and Agriculture. Consequently, discussion on the demands under the control of the Ministry of Rehabilitation would take place after the discussion and voting on the Demands for Grants in respect of the Ministry of Defence.

Shri Nagi Reddy (Anantapur): Why this change?

Mr. Speaker: The Minister of Defence has to be elsewhere.

Shri Satya Narayan Sinha: On the 10th there is an Investiture ceremony in Madras for military honours. The Minister of Defence has to go there. This change has arisen because the House took more time than that indicated in the schedule.

Shri Nanshir Bharwaha (East Khandesh): Which is more important—Parliament work or some other work?

Mr. Speaker: Both are important.

Shri Satya Narayan Sinha: There is no difficulty in this.

Shri Braj Raj Singh (Ferozabad): The notice is very short.

Shri Satya Narayan Sinha: The Rehabilitation Ministry have not much to say about it.

13-18 hrs.

DEMANDS FOR GRANTS—contd.

MINISTRY OF FOOD AND AGRICULTURE—contd.

श्री० राम सुबग सिंह (सहस्रनाम) : अध्यक्ष महोदय, यह मेरे लिये एक समाचार था कि हमारे ऐसे भी अच्छे अच्छे दोस्तों ने, जैसे कि श्री अशोक मेहता जी हैं, एक घोर तो सरकार को यह राय दी कि स्टेट ट्रेडिंग जारी की जाय, और उन्होंने बताया कि यह राय सितम्बर, १९५८ में दी गई थी, और दूसरी घोर मार्च, १९५९ में वे उस जल्से में शरीक हुये जो कि इस चीज का विरोध करने के लिये किया गया था।

Shri Asoka Mehta: May I correct my hon. friend? I did not sympathise with them. If the foodgrains merchants have any complaints against some suggestions I have made, I think democratic etiquette demands that one should go and listen to what they