

of the following Notifications making certain amendments to the Representation of the People (Conduct of Elections and Election Petitions) Rules, 1956:—

- (1) Notification No. S.R.O. 2719, dated the 18th November, 1956.
- (2) Notification No S.R.O. 3068, dated the 14th December, 1956.
- (3) Notification No. S.R.O. 412, dated the 4th February, 1957.

[Placed in Library. See No. S-21/57].

**AMENDMENT TO THE REPRESENTATION OF THE PEOPLE (PREPARATION OF ELECTORAL ROLLS) RULES.**

**Shri A. K. Sen:** Sir, I beg to lay on the Table, under sub-section (3) of section 28 of the Representation of the People Act, 1951, a copy of the Notification No. S.R.O. 140, dated the 10th January, 1957 making certain amendment to the Representation of the People (Preparation of Electoral Rolls) Rules, 1956. [Placed in Library. See No. S-22/57].

**NOTIFICATIONS UNDER THE COMPANIES ACT, 1956.**

**The Deputy Minister of Finance (Shri B. R. Bhagat):** Sir, I beg to lay on the Table, under sub-section (3) of section 641 of the Companies Act, 1956, a copy of each of the following Notifications:—

- (1) Notification No. S.R.O. 1281, dated the 23rd April, 1957.
- (2) Notification No. S.R.O. 1435, dated the 7th May, 1957.

[Placed in Library. See No. S-23/57].

**COMPANIES (APPEALS TO THE CENTRAL GOVERNMENT) RULES**

**Shri B. R. Bhagat:** Sir, I beg to lay on the Table, under sub-section (3) of section 642 of the Companies Act, 1956, a copy of the Companies (Appeals to the Central Government)

Rules, 1957, published in the Notification No. S.R.O. 1380, dated the 4th May, 1957. [Placed in Library. See No. S-24/57].

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**RISE IN FOOD PRICES**

**Shri S. V. Ramaswamy (Salem):** Sir, under Rule 197, I beg to call the attention of the Minister of Food and Agriculture to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The rise in food prices and steps taken by the Government in regard thereto."

**The Minister of Food and Agriculture (Shri A. P. Jain):** Sir, agricultural production is highly susceptible to vagaries of nature, but, nevertheless, it is clear, on a study of the production figures over the last 10 years, that the overall production of cereals as well as the yield per acre are considerably higher at present than at the beginning of that period. In 1947-48, the total production of cereals was 43.7 million tons and the yield per acre was 569 lbs. In 1956-57, the total production of cereals has been 56.2 million tons and the yields per acre 591 lbs. The following statement gives the 5-yearly moving average production from 1951-52:—

Quinquennium ending	Average production of cereals (in Million Tons)	Average yield per acre (in lb.)
1951-52	43.5	519
1952-53	44.6	514
1953-54	47.6	531
1954-55	49.6	544
1955-56	52.1	557
1956-57	54.8*	579*

\*Based on provisional advance estimates.

The above figures clearly establish that there has been a steady improve-

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ment in production. If we compare the figures for the quinquennium ending 1951-52 and the quinquennium ending 1956-57, we find that the production has gone up by 25.9% while the yield per acre has gone up by 11%. The figures for rice, wheat and coarse grains separately, which make up the total for cereals are given below:—

Percentage increase in quinquennium ending 1956-57 over the quinquennium ending 1951-52

	In total production	In yield per acre
Rice	20.0	13.1
Wheat	36.8	14.9
Coarse grains	29.9	12.2

The latest position is that the production of rice this year has been 28.1 million tons which is an all-time record. In spite of recent damage to wheat crop in certain parts of the country, the production of wheat is expected to be about 8.6 million tons as against 8.3 million tons last year.

It is very near the record production of wheat in 1954-55, namely, 8.8 million tons. The production of coarse grains this year is slightly better than last year, though it is still about 3 million tons less than the record production of 1953-54. Altogether the total production of cereals this year is expected to be 56.2 million tons which is higher than that of last year or the year before. There is, therefore, no justifiable cause for alarm, even though the wheat crop has suffered in certain areas due to the recent rains, hailstorms and rust. The overall supply position is such that no serious difficulties need be approached. Government have a very substantial import programme of wheat to meet the legitimate requirements of different areas where the wheat crop may have suffered.

The position in the different States and the steps taken by the Government to meet the difficulties where the Rabi crops have suffered are indicated below:

#### BIHAR :

The Minister of Food and Agriculture visited parts of the districts of Patna, Monghyr and Bhagalpur, where the Rabi crop, in particular wheat, had been damaged by rust, rains and hailstorms. The wheat grain was shrivelled and the yield was low. Other districts reported to be affected are Santhal Parganas, Purnea, Saharsa, Darbhanga, Muzaffarpur, Gaya, Palamau and Shahabad. The normal production of wheat in the State of Bihar is of the order of 4 lakh tons, out of which 60 per cent. is reported to have been lost.

The demand of the State Government for wheat distribution in the affected areas has been accepted in full. It has been agreed that for the three months—May to July 1957—60,000 tons of wheat will be supplied. Additional 15,000 tons of wheat will be supplied for stocking so that in the event of floods during the rainy season, this wheat may be readily available for meeting the emergency. Already a number of special trains have been despatched from the port towns where wheat is in stock, and it is expected that before the end of May, about 35,000 tons of wheat will reach Bihar. I may here add that four trains have already reached the place—that is, about 4,000 tons.

The position will be reviewed in July and the programme of supplies during the subsequent months, will then be decided upon. If Bihar gets a good maize crop in August, the position is expected to ease. In order to enable early sowing of maize, the State Government have reduced the rate for tube-well water by 75 per cent. The Bihar Government are undertaking relief works to provide employment in the scarcity affected areas.

**UTTAR PRADESH:**

The demand of the U.P. Government for the hill districts and Eastern U.P. where the Rabi crop has suffered, has been accepted in full 15,000 tons of wheat per month will be made available to the U.P. Government for distribution in these areas up to the end of September when the position will be reviewed.

**RAJASTHAN:**

In Jodhpur Division, the Rabi crops have been damaged, and the distribution of wheat is, therefore, being continued at an augmented rate in Jodhpur. Substantial stocks of wheat are being built up in the other Central depots in Rajasthan.

**BOMBAY:**

In certain parts of Bombay, the jowar crop was damaged. It has, therefore, been agreed to make available adequate quantities of wheat to the Bombay Government for distribution in the districts. This will relieve the adjoining areas of Madhya Pradesh from the pressure of demand from Bombay. The full wheat requirements of Bombay City, which is cordoned off, will continue to be met by the Government of India.

**WEST BENGAL:**

Although the aggregate production of rice in West Bengal has been about 2 lakh tons more this year as compared to last year, difficult conditions continue to prevail in some districts including Burdwan, Murshidabad, Nadia, Hooghly and Howrah which were affected by floods in October last year. There has also been damage to rabi crops in certain districts. In addition to 3,000 tons of wheat per month, which was being issued for distribution in the districts, another 6,000 tons of wheat will now be supplied per month to meet the additional requirements.

Like Bombay, the full wheat requirements of Calcutta, which is cordoned off, will continue to be met by the Government of India. During

April and May, 1957, 14,000 tons of rice have been made available to the West Bengal Government against a total demand of 15,000 tons. West Bengal Government have also sent the estimates of their requirements for the remaining months of the year and suitable allocation will be made to them from time to time.

**KERLA:**

In this State the rice crop this year has been normal but owing to high density of population and crop pattern, large quantities of rice and paddy are generally imported every year from Andhra and Tanjore District of Madras. Those sources are open to the State but the Government of India, have, during the four months from January to April, supplied 78,000 tons of rice for distribution through 4000 and odd fair price shops. The State Government has reported that the prices are showing an upward trend and expressed a desire to open more fair price shops. Discussions are likely to be held with the representatives of the State Government shortly and additional supplies will be given in the light of the overall availability of stocks.

Reports of difficulties from some areas in Mysore and Assam have also been received. Adequate steps are being taken to meet the situation.

In spite of the record rice crop and the improvement in the total production of cereals this year as compared to the last year, the prices continue to be generally higher this year than last year. It is natural for the consumers, therefore, to complain of these high prices, but for a proper appreciation of the situation it is very desirable to have the proper perspective. Against 100 as the price index for 1952-53, which is now generally taken as the base year, the latest wholesale price index for rice is 103, for wheat 90 and for cereals taken together 100.5. This shows that the current prices are not generally higher than in 1952-53. 1954 and 1955 were unusually low price years and a conti-

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nance of these low prices could not be expected.

While prices have been rising generally from the latter half of 1955 the rate of increase in 1956-57 has been less than in 1955-56. For example, the rice prices increased by over 20 per cent. from November 1955 to the beginning of May 1956 while the increase from November 1956 to May 1957 has been only 4 per cent. Similarly, for wheat the increase was 2.7 per cent. from November to May in 1955-56 while there has been a drop of 5.3 per cent. during the same period in 1956-57. The same pattern is seen in the case of the coarse grains also. In other words, the prices are steadier this year than last year. This is an encouraging sign.

The prices of wheat have been showing a definite decline at present. The marketable surplus of wheat normally is probably of the order of 3 million tons. In 1956, Government distributed 1.2 million tons which meant a substantial addition to the marketable surplus. During 1957, already about 7.5 lakh tons of wheat have been distributed during the first four months of January to April. The import programme is such that Government would be in a position not only to distribute all the wheat that is needed until the next harvest but also to build a sizeable stock.

This year the Government are in a better position to counteract increases in wheat prices. The imported wheat will not only meet the entire demand of the port towns of Calcutta and Bombay but will also be distributed in the neighbouring areas which, but for the larger releases from the Government stocks, would have been compelled to import wheat from the northern and other States. This will reduce avoidable movement as also discourage rise in prices.

It is true that after the last kharif harvest the rice prices did not show the usual decline and are now showing increases. The fact that the rice production is an all-time record this year and the rate of increase in prices

this year is substantially lower than the last year are solid bases for discouraging any feeling of alarm. The import programme of rice this year is higher than last year and by judicious use of these imports it should be possible to avoid serious distress anywhere.

The distribution of the stocks released by the Central Government is normally done by the State Governments through the Fair Price Shops. Their number sometime back reached the peak figure of about 20,000. These shops have done fairly well, yet there is need for greater supervision and control over them in the interest of the consumers. The system obtaining in different States is being examined to achieve that end.

There are probably several reasons why the prices of foodgrains are generally higher than last year in spite of better production. Apart from increased consumption arising from higher incomes, one obvious reason may be hoarding both by traders and producers. To discourage hoarding by the traders, the Reserve Bank of India, at the instance of the Government, directed the scheduled banks to limit advances against foodgrains. From all accounts it seems that due to better credit facilities available to the farmer and increase in the prices of cash crops, the agriculturists are generally in a better position now than in the past to hold on to their stocks in order to get better prices later in the lean months. This improvement in the position of the agriculturists is no doubt welcome from one point of view, but the natural consequence from the consumer's point of view is that now they have to pay higher prices. Government have been fully alive to the complex issues which arise out of this situation and have taken steps from time to time to minimise the difficulties of the consumers. While Government will continue to watch the situation and will take further steps whenever necessary, they have come to the conclusion that the whole question requires thorough investigation and have decided to set up

a high-powered Committee to investigate fully into the causes for rise in prices despite higher production and to suggest immediately and from time to time remedial measures which would prevent speculative hoarding and arrest undue rise in prices.

**Shri S. V. Ramaswamy:** May I submit that this statement be circulated to the Members?

**Shri A. P. Jain:** Yes, Sir. I shall get it circulated.

**Pandit Govind Malaviya (Sultanpur):** May I suggest that the hon. Minister, before getting the statement circulated to the Members, might add a few more statistical figures to it, regarding the total requirements for the year in the matter of foodgrains, etc., the total expected crops, the existing stocks and the deficit to be made up etc., so that in the general discussion, we may be able to make such observations about the matter as may be necessary?

**Shri A. P. Jain:** So far as this statement is concerned, I think it should be circulated in the form in which it has been read out. But, if any hon. Member wants any additional information, I will only be too glad to supply it.

**Shri Punnoose (Ambalapuzha):** It was thought necessary that a statement should be made in the House in order to allay the anxiety in the minds of the public regarding the food situation. Therefore, a little clarification regarding the matter may be helpful. I want to know one or two small things about this.

**Mr. Speaker:** If any hon. Member wants further clarification regarding the statement that has been made, he will kindly pass on a chit to the Secretary here and I shall pass it on to the Minister, or the hon. Members can write to the hon. Minister and ask him to issue a supplementary statement and lay it on the Table of the House.

**Shri Simhasan Singh (Gorakhpur):** The hon. Minister, while reading out

his statement, mentioned the name of eight States where scarcity prevails. Out of the 14 States that exist today, eight States are suffering from scarcity. The figure given in respect of total production is much higher. May I know how the figure is so much higher? States including U.P., Bihar and Assam are all suffering from scarcity. So, I want to know how he has given these figures.

**Mr. Speaker:** The hon. Member is aware that no supplementary question is allowed on the statement of this kind. If he wants, he can send in a chit and get enlightenment. If he wants enlightenment of the House, he can send a chit to the Secretary and an answer might be laid on the Table of the House.

#### ELECTION TO COMMITTEES

#### INDIAN COUNCIL OF AGRICULTURAL RESEARCH

**The Minister of Food and Agriculture (Shri A. P. Jain):** I beg to move:

"That in pursuance of Rule 2(6) of the Rules of the Indian Council of Agricultural Research, read with Rule 6(2) thereof, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, four members from among themselves to serve as members of the Indian Council of Agricultural Research."

**Mr. Speaker:** The question is:

"That in pursuance of Rule 2(6) of the Rules of the Indian Council of Agricultural Research, read with Rule 6(2) thereof, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, four members from among themselves to serve as members of the Indian Council of Agricultural Research."

*The motion was adopted.*

**Mr. Speaker:** The dates and other instructions will find a place in the bulletin that will be issued this evening or tomorrow.