

everywhere. Now, with partition, with a new consciousness coming about, we find it in Orissa the same way, in Bihar the same way. What is this Bengali-Bihari thing? It is exactly the same thing that has been taking place in Assam. What are these racial riots? And the communal riots we had in Rourkela only the other day? Let my hon. friends from Orissa answer that. What is it that must create a Jharkhand State? I am telling this to my hon. friends over there and those in the rest of the country who say, 'There shall not be a Jharkhand State', 'You cannot prevent it'. It is the same disease that is corrupting and corroding our country. Let us not run away from it.

From Gauhati, I thought it was my duty to meet the highest in the State and see what could be done, in a very inconspicuous way. So I went up the hill. On arrival, I discovered that the Governor was missing. He was in the capital here conferring with our Prime Minister and the rest of his colleagues. I had already written to the Chief Minister, an old colleague in this Parliament. He was not very well. Anyway, I saw him several times. It is wrong for Shri C. K. Bhattacharya to say that he was in a nursing home. He was not in a nursing home. At any rate, when I met him, he was in his own house. He was not very well, but he certainly was well enough so that both of us could talk freely about things, not only the riots but other interesting matters.....

Mr. Chairman: Will the hon. Member continue? I think he has had only ten minutes.

Shri Jaipal Singh: Yes***.....

Mr. Chairman: The hon. Member will continue tomorrow. The discussion is adjourned now.

17.05 hrs.

The House will now take up the half-hour discussion on foodgrain prices.

FOODGRAIN PRICES*

Shri S. M. Banerjee (Kanpur): Madam Chairman, on the 10th August, 1960, in reply to Starred Question No. 279, regarding the prices of foodgrains, the hon. Minister replied that the prices of rice and other kharif grains had actually risen to some extent during May and June, 1960, as this is the lean period for the kharif grains and also a statement was attached to the reply.

After going through the statement I found that the price of rice had increased in some of the States and the price of wheat, which according to the hon. Minister was in abundance in this country, out of 8 States, in 7 States, had increased. I am referring to the period up to the 25th June, 1960.

Supplementaries were put and a very pertinent question was put by you, Madam Chairman, about the retail prices in the country. Whenever we ask for the foodgrain prices, we are only given the wholesale prices. The difficulty is that when the consumer goes to the market he is not supposed to purchase the foodgrains at wholesale prices. He wants 5 seers, or 10 seers or 20 seers or even one maund. But, it is not possible for him to purchase bags of wheat or rice.

A question was put about the price of rice in West Bengal on 25th June, 1959. The hon. Deputy Minister replied that the price was varying from Rs. 26 to Rs. 30-4. In the statement, the wholesale price was Rs. 26; but when it actually came to the retail price, it rose to Rs. 30, according to the statement of the hon. Deputy Minister.

I put another question to him about the wheat prices in U.P. According

***Expunged as ordered by the Chair.

*Half-An-Hour Discussion.

[Shri S. M. Banerjee]

to the Food Minister there was no shortage in wheat and he was even prepared to abolish the zonal system regarding wheat. I put a question as to what was the reason that the prices rose in the case of wheat also. My question was:

"From the statement it appears that in eight States the prices have risen since June. In U.P. also it is so. In view of the hon. Minister's statement that there is no shortage, why are the prices going up in these States?"

The hon. Food Minister, Shri Patil replied:

"I have again and again said that the prices of foodgrains do not entirely depend upon foodgrains alone because there are other things also. The hon. Member here mentioned one such thing. The value of the rupee might have gone down. These are all factors that go into it. But I may make a statement of fact that so far as wheat is concerned, there is no dearth of wheat nor is there going to be any."

I know the recent agreement with the USA. I also know that with the help of imported foodgrains the country may be supplied or the people of the country may be fed. But the whole question is this.

Another very pertinent question was asked in this House. I would refer to a particular answer about State-trading in foodgrains. The question was put whether in view of all that is happening, that is the fluctuation in prices etc. the Government would reconsider their decision and implement the scheme of State-trading in foodgrains. The reply was that it was being done as far as possible. The Hon. Deputy Minister replied that it was being done as far as practicable. Another question was put on the 16th August, 1960, by my

hon. friend, Shri Prakash Vir Shastri and others.

The question asked was:-

"Will the Minister of Food and Agriculture be pleased to state (a) the further progress made so far in the state trading in food grains and (b) whether state trading will be necessary even after the import of foodgrains from America?"

The hon. Deputy Minister replied:

"Purchases of rice, paddy and wheat in most of the surplus States are continuing. During the crop year 1959-60, 6.14 lakh tons of rice have been purchased on Government of India's account and 1.94 lakh tons of rice and 2.05 lakh tons of paddy by the State Governments. Out of this year's wheat crop, the State Governments have also so far purchased about 3.45 lakh tons of wheat."

For Part (b) he replied:

"About the value and need for state trading opinions may differ, but it would be correct to say that purchases of wheat in any case have become unnecessary as a result of the recent agreement with the USA".

I would now read from the various speeches delivered by the hon. Food Minister and his predecessor, Shri A. P. Jain. After a meeting of the National Development Council Shri Jain said that a decision was taken in 1959 that State trading in foodgrains was necessary and it was to be implemented.

Speaking about State trading in foodgrains in the Rajya Sabha on August 31, 1959, the Central Food Minister, Shri Patil, said that he was neither in favour of nor against it. Speaking in the Rajya Sabha on December 14, 1959 he said that with re-

gard to the scheme of state trading this really came into the picture in a food surplus economy. In the Lok Sabha on December 16, 1959, he said that he would see that controls and rationing were banished from the country and that the restrictions could be justified only by an emergency and that with the war 13 years behind us, controls should have gone long ago.

I am not a supporter of control. But surely the prices should stabilise somewhere. If State trading is not the solution what is the solution? Even today we do not know how the price will rise. I have got figures here but the time at my disposal is short and I may not be able to read them all.

Shri P. R. Patel (Mehsana): What was the price in 1951 of the foodgrains and what is the increase? What was the price of the other commodities other than foodgrains—industrial or manufactured goods—in 1951 and what is the increase?

Shri S. M. Banerjee: I am happy to know that the hon. Member has changed his entire views after he had gone that side; I am happy he is defending the hon. Minister.

Shri Braj Raj Singh: Are we sure, Madam Chairman, that he is in his seat?

Shri Nath Pai: Prices do not change if we cross the floor.

Shri S. M. Banerjee: I would read for the information of the hon. Member and also the hon. Minister the wholesale prices of cereals, pulses and food articles for the years 1954 to 1959

Year	Cereals	Pulses	Food articles
1954	84.1	65.7	98.2
1955	72.8	55.8	85.4
1956	92.3	78.2	99.0
1957	101.7	84.5	106.8
1958	104.7	94.0	112.0
1959	104.3	99.8	118.2

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Shri Bibhuti Mishra: Does hon. Member want to integrate the price of food stuffs with the price of industrial goods.

Shri S. M. Banerjee: I am coming to that. I would read the index for all the commodities including industrial goods. They are 99.6, 91.5, 102.6, 108.7, 111.0 and 115.5 for the respective years commencing from 1954. Everything is included there. It is in the book supplied to the hon. Members and had they cared to read it they would not have put this question. The prices are given upto 1960 June and not for July, August or September 1960. Something should be done. If the hon. Minister feels that State trading is not the proper solution, what is the proper solution? We should control production, from production procurement and, last but not the least, distribution comes. What is happening in the country? We can see that the prices are soaring high. I cannot say that in some of the places the prices have not come down. But the other day a question was put in this House by me and my hon. friend from Uttar Pradesh: "Why not remove the zonal restrictions?" Shri Braj Raj Singh asked: "If you are so sure of your food production and the availability of foodgrains including imported foodgrains, why not remove the zonal restrictions?" I hope I am correct in saying that the hon. Food Minister's reply was that he will not wait for a minute if a chance comes or an opportunity arises to abolish the zonal system.

Now there is no question of shortage of wheat. Why should there be the zonal restrictions? Why can't Punjab U.P. and Delhi become one zone. The point is, the entire food policy will have to be reviewed. We will have to see whether we could bid good-bye to the State trading on foodgrains. If not, we will have to consider what is the other alternative. Should we not the prices? If money has lost its value by whom has the value been lost? After all, we are not responsible. The check the soaring prices and stabilise

[Shri S. M. Banerjee]

other day Shri Ranga put a question and asked whether it is a fact that money is losing its value. The hon. Minister said: "It may be so, but it is not the concern of my Ministry."

Therefore, my suggestion is that the Ministers, whether it is the Food Minister or the Finance Minister or the Cabinet as a whole must consider this problem more seriously.

Madam, when the hon. Minister replies to the debate—I admire, rather I envy his eloquence—he will definitely create a bumper crop atmosphere in this House. We also feel convinced when we are in the House, but when we go out I do not think that bumper remains a bumper; then the bumper crop starts jumping at us and we are left absolutely in the lurch and we are not able to answer the people who are not able to buy foodgrains at the reasonable rates. In Kanpur alone, the rate at the fair-price shops is 2 seers and 10 chattaacks for wheat whereas if you go in the open market you can get only two seers or even less. Why is there this difference? If wheat is available then there should not be any difference.

I hope the hon. Minister will kindly enlighten me and enlighten the country as to the efforts made by the Government with regard to checking food prices which has become a chronic disease, almost a cancer in our mind

Some Hon. Members rose—

Mr. Chairman: Shri Braj Raj Singh may put a question.

Shri Braj Raj Singh: May I know whether in view of the large quantity of wheat to be imported from the United States of America the Government propose to fix the floor price of wheat for the next crop; if so, whether the Government propose to so fix the price of wheat and other foodgrains that in no part of the year the

prices of foodgrains will rise by more than an anna per seer or Rs. 2-8-0 per maund? May I also know whether the Government have finally decided about the abolition of food zones as indicated by the hon. Minister the other day and make the whole country as one single zone at least with regard to wheat?

Shri P. R. Patel: May I put one question?

Mr. Chairman: No, the hon. Member has not given his name.

Shri Bibhuti Mishra: May I put one question?

Mr. Chairman: No. The hon. Minister—

The Minister of Food and Agriculture (Shri S. K. Patil): Mr. Chairman,

Some hon. Members: Madam Chairman,

Shri S. K. Patil: This is correct according to the House of Commons convention. I wanted to correct it. That is why I emphasise it. I again say Mr. Chairman, notwithstanding by whom the Chair is occupied.

Mr. Chairman, my hon. friend Shri Banerjee has his grievances. I can quite understand. But the remedy that he advises me to employ is so dangerous that this disease will not disappear.

Questions were asked by my hon. friends Shri P. R. Patel and Shri Bibhuti Mishra whether, compared to the prices of other necessities of life, other than food, the food prices behaved in any alarming manner. To that, the reply is, one could see that the food prices have kept at a stage as they could be expected under the circumstances. I am not exaggerating at all nor do I want to take credit for anything if I say that the food situation and the food prices that exist today are much better than they had

existed during the last ten years at any time. Therefore, if, as a result of the developing economy, the prices rise, we will watch the situation.

The other day, I raised the question and I would raise it here in this House, in all humility. I am not a statistician nor am I a believer in statistics, but I understand that there is no progressive country anywhere in the world today where the prices are not slightly found higher than they are in India. This is actually the result of the developing economy in any country and in this country, particularly, when you are injecting some kind of credit, howsoever small, into the pockets of the poor people, the farmers, and when they have nothing else to buy and even the consumer articles in this country are very few, and it is very difficult to get them.

What I am suggesting is this: the portion of this little economy that we inject into the farmer ultimately goes to increase the pressure on food. It is bound to result in that. Besides, I mentioned that the value of the rupee has deteriorated. But it is not the Government that has deteriorated it. It is not merely the Finance Minister that has deteriorated it. It is this Parliament that did it, because, with open eyes, it resorted to deficit financing. The results of the consequences of it are bound to be there to some extent. But, in a developing economy, these consequences also are not disastrous, because we have willingly and knowingly, with open eyes, accepted those consequences.

What is the position today? My hon. friend wants that State trading should be adopted as it is the sovereign remedy.

Shri S. M. Banerjee: I did not say so.

Shri S. K. Patil: Yes; though he did not, I am using that term in order to make my point very clear. But I can assure him that it is State trad-

ing that is responsible for the higher price in the country today. I would quote figures, because hon. Members should know what is happening in the country. While we have got abundance of wheat in this country, and for the first time I also say that while we have not got abundance but have a large stock even of rice in this country today—1.2 million tons as never before—in spite of that, if the prices are slightly rising, then you must find the reasons somewhere else. Not because the poor farmer has done anything. He has produced and has perhaps got not even what he expected to get: slightly less and not more. In spite of that, if the prices slightly appear to be rising,—I do not really accept the claim that the prices are rising—considering the circumstances to which I am making reference, what are the reasons?

I can tell you what happens in States which are supposed to be surplus States—Punjab and Madhya Pradesh. I am taking these two States. In Madhya Pradesh, they buy the wheat at the rate of Rs. 14 or perhaps Rs. 13 and I might put it even less than that, but I hope they do not buy for less, because the farmer is cheated out of what legitimately belongs to him. Even assuming that wheat is bought at a price of Rs. 14, they sell it in the State itself for Rs. 17, as a process of State trading, because they say, "we must add that Rs. 3 which is the cost for doing all these things," and they call it no profit, no loss business. It may be that there is no profit and no loss, but in order to secure a commodity which you need not secure, because there is no need for securing it, you employ a machinery that costs you Rs. 3 more per maund, and in order to make that wheat unsalable in the market by making its price to amount to Rs. 17, you are doing no good to anybody.

Shrimati Renuka Ray (Malda): What would the private trader get?

Shri S. K. Patil: Not a question of the private trader. If the other man commits ten murders, my hon. friend has no right to commit even one murder! Therefore, this need not be trotted out always. It can be done in a better manner by a co-operative society and by other means. Surely, I have heard enough of this argument. Every time, when the argument goes against the grain of a particular person or a particular system, the poor private trader is trotted out. There is no private trader in this business. It is the Government that employs the useless machinery, redundant machinery, which really adds to the cost, and if the cost of the wheat has really gone up a little bit, it is because you have added Rs. 3, as expenses, to Rs. 14. It works out to somewhere about 20 to 21 per cent. which you have yourself added. In Punjab, they buy the wheat at Rs. 14 and in the name of State-trading make its price Rs. 17. I am told that the Punjab Government has made a profit of lakhs of rupees on trading alone. It is the Government that has made the profit. But it is no concern to the consumer whether the Government makes the profit or somebody else makes the profit. The question remains that wheat which should have been available cheaper becomes dearer, because you have resorted to a practice which is unnecessary in these days. (*Interruption*). Prices of food never will remain the same throughout the year. During the lean period, prices are bound to increase everywhere. If you try to peg them on to the same price, you have to create a machinery for pegging it down and the machinery itself will add to the price of that commodity.

Whether it is Rs. 60 lakhs of profit on wheat alone or on some other commodities also, I do not know; but the Punjab Government made a profit of Rs. 60 lakhs last year on account of State-trading by buying and selling. The House asks me as to why prices have risen. Prices

naturally rise because, when there is absolutely no necessity to do it, you employ a very costly machinery and add the cost of that to the price; ultimately it is passed on to the poor consumer who has got to pay the cost.

Both the Punjab Government and the Madhya Pradesh Government are asking me how they can sell their wheat now. There is no market and the wheat is rotting, because nobody is bound to buy that wheat at the price at which the Punjab and the M.P. Governments are selling it. Look at the U.P. Government, from where my friend Shri Banerjee comes. He should have taken the matter first with his own Government. At no persuasion from me, no compulsion whatsoever.....

Shri S. M. Banerjee: Compulsion there was.

Shri S. K. Patil: Not even persuasion. I did not even write to them, because U.P. is a separate zone by itself and they never bother us; we never bother them. One fine morning, I read in the papers that they stopped doing State-trading. And, they were wise. Why? Because they knew there was such abundant supply of wheat in the country and why should they go on acquiring wheat? Where would they keep it? To whom would they sell it? That is the trouble.

I am today experiencing another difficulty. Kashmir is a deficit area and they require wheat and rice, as the House knows. But they are not prepared to buy wheat at the rate of Rs. 17 in Punjab so that it becomes Rs. 20 or Rs. 22 in Kashmir. The Kashmir Government does not take it until the price is brought down and the Punjab Government does not bring down the price.

The remedy of State-trading is not the sovereign remedy for all evils. I have always said and I

repeat it now again: I never swear at it or swear by it. It is a means to an end and not the end in itself. State-trading has got to be utilised whenever it is necessary. If the emergency requires it, you have to use it effectively. Surely it is not a thing by which alone you can improve the situation. The time has come in the country when we shall require State-trading—not the State-trading of the type Shri Banerjee wants, but State-trading of another type. When the prices fall, we shall have to hold the prices, in order that the farmers in this country may not suffer.

In 1954 the prices were low, because you cheated the farmer out of his income. The farmer had a disadvantage. When he produces more, the prices fall. Even the Government does not help him, because they say, "You have produced more and therefore prices come down". An inducement is given to him, he works hard and produces a good crop—bumper crop or call it by any name. Ultimately you tell him, because you have got a bumper crop, you have to get less price. That is a phenomenon that is occurring. And, surely, if I must be true to the interests of the farmers and the agriculturists, it shall be my bounden duty to see that the agriculturists in this country do not suffer. If I make a law for 30 per cent of the consumers of this country that everybody has to pay a higher price, and if it fails because the price is higher, and then I change my policy and make the price lower, notwithstanding what the farmer gets or not, that is not my policy.

I can assure this House that if there is a necessity to have State-trading, we can have it. But what my hon. friend wants is not merely State-trading. By State-trading you can get it. But after having got it, where will you keep it? Just now Madhya Pradesh and Punjab Governments do not know what to do

with their stocks. They are after me, asking me that I should buy that stock at that rate of Rs. 17 and then make it up. Now who is going to buy it at that price? And if we buy this, then this country must be prepared to lose crores of rupees as a subsidy in order to maintain this State-trading which they regard as the panacea for all the evils. I am not going to do it. Therefore, the question boils down to this. Under these circumstances, is it necessary that the zonal system should remain? In my view, it is not necessary, especially so far as wheat is concerned. Because, if it was the point that people from Delhi and U.P. will go to Punjab and buy that wheat, surely that cannot be objected to. Because, people like indigenous varieties. They are prepared to pay even more for a particular kind of variety which they like. If they like Khandwa wheat, the place from which my hon. friend comes, the Bombay people will pay even Rs. 5 per maund more to get that wheat. Let them pay it. Why not the farmer get a little more? What is wrong with it? Now, if the Bombay consumers of Khandwa wheat have no objection to the increase in price of wheat, why should we not increase it, or permit its increase, if it is going into the pockets of the farmer? I shall be very pleased to do it.

Therefore, no case at all has been made that there is anything wrong with the food prices just now. These are the lean months and in a couple of months the new crop would be coming to the market. There are calamities now in Orissa, in parts of Andhra, Assam and Mysore. If as a result of that, anything develops, of course, the position would be different. I am not really sure these calamities are always bad. Sometimes after the flood the yield would be better still and the position becomes better. So, we are well prepared for anything and we are so well equipped that there is absolutely no danger whatsoever.

[Shri S. K. Patil]

When the Government does not want it, when Andhra has not demanded it and Orissa has not demanded it, I cannot understand how the hon. Member could say that this is the only remedy by which the prices could be pegged. Therefore, the policy that the Government is pursuing just now is the only correct policy. We are meeting here on the 13th, and if I can take this House into confidence, I can tell you that when I was talking to the Chief Minister of Madhya Pradesh and when I asked him why we should not do away with the wheat zone, he

asked "Why not for rice also?". I asked him whether he was prepared for it and I mentioned that I am very much for it. Therefore, you can see in what direction the wind is blowing, and that is the direction we have to follow, so far as the food requirements of this country are concerned.

17.34 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, September 2, 1960|Bhadra 11, 1882 (Saka).
