

who would be satisfied with gram in other parts of India because of their economic circumstances, were rather forced to use finer grains at higher prices and thus their economic stability was disturbed to that extent. So, this modification of administrative policy is also welcome.

In this connection, Sir, I would also like to refer to a statement made on the floor of the House by Pandit Thakur Das Bhargava that the rationing policy was causing some dissatisfaction to some people. He stated that in the Punjab, people were not willing to take rice; they liked wheat rations but because of the control and the rationing system, they had to take rice, while in other parts of the country which are rice-eating, as for example, West Bengal, people could not be persuaded to take wheat. So this sort of maladjustment of diet of people happens under the controls. But it cannot be helped so long as it is necessary.

So, both these administrative changes in the control administration are quite welcome. I would in this connection wish to state that if gradually we could decontrol the coarser grains, the prices of finer grains will automatically fall. We had such an experience in 1942 in the Punjab. When the Japanese entered the war and there was scarcity of food-grains and prices of food-grains began to rise, the Punjab Government found that grains were not coming to the Lahore market, in spite of the fact that there was enough food stocks. So they decontrolled wheat. At once within a month the price of wheat went up three times, but after reaching that level it began to come down and found its economic level at double the original price. I think the control price was Rs. seven and it stabilised at Rs. 14 ultimately and there was plenty of wheat in the Lahore market. The inference is this that when the price of a commodity is decontrolled it suddenly shoots up. But if there are other substitutes available at a lower price, people according to their economic standards take to them—people who cannot afford to purchase finer grains at higher prices take to coarser grains—and the pressure on finer grains reduces itself. And thus there is some adjustment amongst the prices of different kinds of grains. What I want to say is, that we should begin with decontrolling the coarser grains and then gradually we should take to the control of the finer grains.

I think that the Government is removing a great hardship by the policy of decontrol and I hope that the whole country will welcome it.

### **The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):**

Sir, I have hesitated to intervene in this debate because I wanted hon. Members to have as much time as possible to discuss this most important matter. My colleague the Food Minister will reply to the debate fully later on. Yesterday my colleague the Finance Minister gave a very lucid analysis of the situation and made clear what the basic policy of Government was. He spoke not only on behalf of Government but also of the Planning Commission—not that the two are separate from each other or are in opposition to each other—nevertheless he spoke with authority on the part of both, of Government and the Planning Commission of which he has to bear a considerable burden. Yet I decided to speak, to say a few words, because there has been in the recent past some confusion in the public mind on this issue, and many things have been said which appear to me to have no justification whatever, that is in so far as the Government is concerned. And that was one reason why I welcomed this debate in this House. When I was asked earlier in this session if we would have a debate, probably the hon. Member who put me that question was under the impression that some big changes were under contemplation. In fact he asked me if big changes would be introduced and the debate will take place afterwards—a kind of post-mortem—or before. As a matter of fact, as the House will realize, no change in policy was intended or is suggested. Certain changes are certainly suggested, but they have nothing to do with the basic policy that Government has attempted to follow and intends to pursue in future. But this confusion was caused and some of our friends in the newspapers gave big headlines and imagined many things which did not exist.

Now, this question of food has been one of our most difficult questions during the last few years, and I suppose the Food Ministry, whoever has been the incumbent of it, has had to face very difficult problems, as the House knows. We have all, of course, shared, that is the Government and the Cabinet have shared to some extent in the burdens that the Food Ministry carried, but ultimately it had to be carried by the Food Minister of the day. We have, I suppose, in the course of the past few years made mistakes. We try to profit by them. It has been an exceedingly difficult situation. On the whole we are somewhat better off; we are in a somewhat more favourable situation. Of course the favourable situation is not so much due merely to Government policy; it

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is due to other factors also. But naturally to some extent I think we are justified in saying that it is to that extent a result of Government policy also. And I should like in this connection to pay my tribute to my colleague, the Food Minister who has approached this very difficult and complicated subject with an energy and a vitality and an awareness which, I think, have produced certain results all over the country.

Now, I do not propose to go into any detailed analysis of figures. The House has had perhaps a fair dose of them already. But what is necessary is for us not to get lost, not to forget the wood for the trees. In such a debate each hon. Member is naturally concerned more with the particular situation that exists in his State or his particular area. And it is right that he should lay stress upon it. Nevertheless, the most important thing is that we should keep this whole picture of India, this whole question of food as a whole, and to remember what our basic policy is.

The House can discuss, of course, the basic policy. So far as we are concerned, no question has arisen to discuss it or to change it. And so far as we can see, no question is likely to arise when we should change that basic policy. I would add that however much you may vary, however much you may bring relaxations or adjustments here and there, that basic approach will continue even though the food position may be much better. I might even go so far as to look into the future somewhat and say that instead of our being deficit in food as we are at present—at least to some extent we are, or at any rate (although statistics apparently differ even about that) let us presume that we are deficit in food, but I would go a step further and say that—if we are clearly and demonstrably surplus in food, even then the basic approach would continue. You may change the method of approach, you may change many things, but the basic approach will have to continue, I think.

Why do I say so? Well, my colleague the Finance Minister referred of course to the inter-connection with planning. That is there. I put it in a more homely way: it is a kind of house-keeping for the nation. Now, we are not going to give up house-keeping for the nation and leave it to all kinds of odd forces even though we might be better off. Of course, if the method of house-keeping is wrong—we have to improve the method.

But in regard to food supply and in regard to other necessities of life, if we are to plan we have to look after this house-keeping for the entire community. We have not merely to see, first of all, that there is a fair distribution, that some people do not suffer at the cost of others and so on and so forth, but we have to see also—there is an aspect of it—that we get the best out of it for our development and planning programmes. That is to say, suppose we become a surplus nation in food. Well, we would not like all our surplus to be, in a sense, not used to the best advantage. We would of course like better feeding, etc., but, if I may say so with all respect, even that with some limitations. Because, the pressure on us for development is so great and we want to develop the country, we would like to use some of the surplus we get for export, if necessary—there is no question of export now; I am merely putting the argument before the House—so as to get more capacity for importing essential goods like machinery, or whatever it may be. Perhaps the House may remember that many years ago, about twenty years ago or slightly less, in Germany there was a phrase which became rather notorious: guns *versus* butter. That is, the Nazi Germany of the day said they preferred guns to butter; they would rather do away with butter, export it, get money for it so that they could get guns. Well, we are not interested in guns that way, and we are not going to give up butter for guns, too.

We might have to give up butter for something more useful for our economic development. In regard to development I think the country should realise that we should be prepared to tighten our belt here and there even though we may possess the thing necessary in order to get something more necessary, something quite vital for future growth. Of course there are limitations to that. We want the entire community to have adequate food, healthy food, and we must provide for that, but I see no reason why we should waste food and allow circumstances to flourish which involve wastage of food and all that, or something which may not be absolute waste. Therefore all this requires careful house-keeping. Now it is a difficult matter, I suppose at least for some of us, even to be in charge of our own house-keeping, and to think about house-keeping of the entire nation becomes a very intricate and a very difficult matter; but the principle remains that we must house-keep for the



nation and the basic issue before the House therefore is whether we can entrust these vital and important matters to what is called free enterprise and an absolutely free market. The whole conception of free enterprise and an absolutely free market is today out of date. It goes out of control. Things happen and in a country like India where our resources are limited, where we have to spread them out, we cannot allow this business of free enterprise and an absolutely free market. That again does not mean that there is no free market left for anything. Inevitably we have to control strategic points so that we may control the basic economic situation in the country. That applies to food. Now I am not prepared to say that there should be no free market in food. Certainly there might be. I am not prepared to say that this particular control elsewhere should not be relaxed. It may be. It depends on circumstances. Let us discuss them. I am prepared to say we must keep the tightest grip of the situation in regard to food and as regards other matters we must always be in a position to control the situation. How can we do that? It is a matter of circumstances and factual data. I may give the House a military parallel. An Army controls an area or a State. He would be a foolish General who spreads his army in every village and every part of it to control every independent individual there. He cannot really control the situation as effectively as if he controls the strategic points. He has a firm grip on them. He can swoop down on any place when any untoward incidents take place. He is in complete control of the situation and yet it is really that he controls the strategic points. What the strategic points are is a question to be considered. But the point is that the strategic points have to be controlled and we cannot allow forces, very important forces to be set in motion which will upset our basic policy, upset our basic policy of proper food distribution, etc. So, I wish the House to appreciate fully that now and later even though there might be—and, as I hope, there will be—a continuing improvement in the food situation, I cannot base any policy on a hope. I must base a policy on the possibility or even the probability of untoward contingencies and we cannot obviously build up a firm policy hoping for a good harvest for all the time. Take Pakistan. Pakistan flourished like the green bay tree in regard to food for three years or more. Then prices shot up because of the Korean war and they made lots of money and very unfavourable comparisons were made between India and

Pakistan in regard to the food situation. It is not for me to criticise their policy. I do not know the details but it is obvious that one bad season has upset them completely this year. They have had a bad time in regard to food; and here is a country which is surplus in food suddenly becoming deficit and having to go to the extreme course of bringing food from the far corners of the earth. Therefore we cannot base any policy on hopes. Let us by all means work up to realise that. We have to base a policy expecting that untoward occurrences will take place. I go a step further. Even if we are fairly satisfied that our hopes will be realised, that circumstances are better and will be better, even then we cannot let go of the strategic points from every point of view. I would like to make it clear therefore that strategic controls over the food situation must remain.

The only other question that is to be considered is the application of those strategic controls or the relaxation from time to time of non-strategic controls. It really is a detail although it is a very important detail and one has to see whether that does not affect the strategic control somewhere. Now, again, it does not necessarily follow that any absolutely uniform policy is essential or necessary for the whole country. Conditions vary in different States and one has to adapt oneself to those circumstances keeping in view that basic thing. The basic approach is the same but the implementation of that basic approach in any part of the country, in any State, may vary, may differ due to so many conditions. That has to be remembered because I find that there is a slight confusion in the basic approach, of its particular implementation in a particular area or State. That implementation will depend on so many factors which are peculiar to a State, more especially on the food situation, but some other factors too have to be considered. Then again while you have these strategic controls, if you spread them out too much, as in the case of military control, it means less control. I am talking in terms of military analogy. A spread-out army is a weak army. It is not controlling the situation. Therefore look at that from this point of view. I heard the other day that in one State the Government was proceeding against a large number of, I think it was 15,000 young men, boys, for the pettiest offences of carrying a handful of rice or wheat from here to there. It was an offence. Now when a State spends all its energies in catching little boys, there is something wrong in the method of approach. There is nothing wrong in the controls. That is a different thing.

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but there is something wrong in the energy being spent while probably the major offenders get away. It is far better to impose some kind of procedure which, if I may repeat here again, gives you control over the strategic points, and not to catch hold of every boy and girl for technical breaches. Now, if the proposal that has been placed before the House, with this small provision added, that head-loads will be free of movement—head-loads are obviously not going to change the general food position in the country.....

Shri T. K. Chaudhuri (Berhampore): Whether head-loads of all grains will be free of restrictions, or only millets?

Shri Jawaharlal Nehru: This applies to millets only. However much people may carry in head-loads, that cannot much affect the major situation. It is a nuisance if you think of it. After all, we talk of this State and that State. There is a tendency for each State to consider itself as something apart from the rest. But, the poor men who live in the borders of the States have possibly no such distinctive feeling. They may have their relatives on the other side; they may have their land on the other side; the nearest market may be on the other side of the border and it will be natural for them to go there. So, the less we unset the normal functions on the border, the better. It is a needless burden and a most harassing situation is created without any effect on the basic economy that you are trying to pursue. You may utilise that analogy elsewhere. In that sense, if you relax the controls here and there, it is worth while provided it does not affect your basic control of the situation. You can examine this from time to time and see how far, in view of the situation, you can adjust yourself or relax something here or there, always remembering that the basic policy to be pursued remains the same and has to remain the same.

We are not dealing at the present moment with rice and wheat. It must be made perfectly clear that this has nothing to do with rice or wheat where the situation remains exactly where it was. We are dealing with millets. Millets form a fairly considerable part of our food consumption, about 40 per cent. or thereabout. Whatever that may be, nevertheless, millets, normally, have been produced for local consumption. A large part of the millets are consumed locally. Movement of millets has been much less than the movement of rice and wheat, and it

has not affected the situation so much as the movement of rice and wheat does. Although forming 40 per cent. of our food consumption,—I speak subject to correction—actually, within the rationing system, only about eight per cent. came in.

The Minister of Food and Agriculture (Shri Kidwai): Only seven per cent. was procured.

Shri Jawaharlal Nehru: I am merely saying that any step that we may take, we should examine from the point of view of the effect of that step on the general situation, and on the rice or wheat situation. As far as one can see, the millet situation does affect, but does not affect very much. If you go a step further and if, as is proposed, you maintain State barriers for millets, and there is only internal freedom of movement, and you only allow one State Government to purchase from the other State Government, you are really maintaining quite a great deal of control even on the millet situation, although the millet situation by itself does not affect very largely the entire situation. It does affect somewhat, but it does not affect as much as wheat or rice, though it forms 40 per cent. of our food consumption. Even that you are controlling. So that, step that we are taking, from the point of view of the larger policy, appears to be a fairly safe step. At the same time, it removes a good deal of petty troubles and petty harassment. It allows us to see how things develop and if they do not develop rightly, it is always open to us to go back and do something else. I suggest to the House that that is the proper approach to the question, I believe there is one amendment that has been put in, to the effect: accepting and approving of the general policy of controls, but accepting also adjustments or modifications keeping in view that basic policy. The amendment runs thus:

"and having considered the same, this House approves of the policy of Government regarding general control of food grains and welcomes the desire of the Government to adjust the same to suit local or temporary conditions without prejudice to the basic objectives."

I think that amendment represents correctly the position of the Government.

Shri S. S. More (Sholapur): Is the latter part of the amendment necessary, because, control, by implication, will mean all that.

**Shri Jawaharlal Nehru:** It is a question of wording. I did not draft this amendment. I should like it as it is. It is good enough. It may have been slightly differently worded. That is immaterial. The main thing is, I should like the House to lay stress that the basic fact of controlling the food grains remains. At the same time, recognising that our approach is not merely a doctrinaire approach, which has no relation to changing facts and changing situations, an approach which merely harasses people without producing results, we adjust it from time to time, always keeping that basic thing in view.

**Pandit L. K. Maitra:** (Nabadwip): May I ask for some clarification, Sir? The hon. Prime Minister has explained the effect of the continuance of this new scheme. I want to know whether the policy that is going to be pursued from now onwards, will have some salutary effect on the general consumers. You know, at the moment, in the whole of India, the total rationed population is about twelve per cent. The rest i.e. 88 per cent, are not under rationing. In the case of State Governments their Food Ministers feel that if they can meet the statutory requirements, their work is over. For instance, in the city of Calcutta rice is sold at Rs. 17/8/- a maund. Ten miles outside Calcutta, or in the district from which I come, for the last six months, price of rice have been ranging between Rs. 30 and 38. The purchasing power in the city of Calcutta is much higher than in the rural areas. The general thing is, the Government always thinks in terms of the statutory requirements, as necessitated by statutory rationing. As was pointed out to the hon. Mr. Kidwai, take for instance, Bihar, Jamshedpur is rationed. The coal field area is also rationed. Elsewhere, where there is free movement of grains, they somehow get them at cheaper rates. In West Bengal, for instance, Calcutta and other industrial areas, such as Darjeeling, Asansol, Kalimpong, etc. are areas under statutory rationing. In the rest of the places, 88 per cent. of the population, has to pay more throughout the year much more—sometimes twice the price in the rationed area—excuse me, for the strong language, but I am not speaking perfervid language. You can have it verified any time you like. Even today, prices range about Rs. 30.

**Shri Velayudhan** (Quilon cum Mavelikkara—Reserved—Sch. Castes): There is no rationing?

**Pandit L. K. Maitra:** Sometimes there is a sort of modified rationing.

Sometimes people of these areas get some foodstuffs at controlled rates. Normally, that is not the case. There are classifications of consumers and a certain limited percentage only gets the benefit under modified rationing. Under the present scheme, as propounded by the hon. Prime Minister, elucidating the position after other Ministers and Mr. Kidwai have spoken, I am not clear in my mind whether the common man who is not fortunate enough to live in Calcutta with a higher purchasing power, or in Bombay, whether the common man living within 20 or 15 miles away from Calcutta or their cordoned off rationed areas, is going to benefit by it. High hopes were raised that if these internal barriers were lifted, and sufficient buffer stocks rushed, prices, would go down. (Interruption).

**Shri Bansal** (Jhajjar-Rewari): Is it a speech or a point or order?

**Pandit L. K. Maitra:** It is only seeking clarification. Why are you worried? The Chair is there. I was just asking, Sir, whether it would be possible for him to throw light on it. If it is a speech, I cannot help it.

**Shri Jawaharlal Nehru:** I think that the point mentioned by my hon. friend, Pandit L. K. Maitra, is very important, and must be borne in mind. We cannot just function by thinking in terms of ten or fifteen per cent. of the population, forgetting the others. Well, among the others, there are a large number of those who are food producers. The real difficulty comes in in the case of the others who are neither food producers, nor city dwellers or dwellers in rationed areas. They get into these difficulties. Any policy that we frame must keep that in mind, i.e., to keep the price down for these people too. Obviously, the point suggested by the hon. Member has to be borne in mind. How it is to be worked out, of course, is a different matter. In fact, suppose there is internal free movement of millets in the States, that itself, so far as millets are concerned, will probably equalise things. The other points also must be taken into account, but my main point was that essentially control must remain because, after all, what are we working for? We are working for a steady and, as quick as possible, reduction of imports of foodstuffs from outside by growing more in our own country, and by better distribution of it.

Hon. Member Dr. Lanka Sundaram yesterday reminded me of a statement I made—not a statement, but repeated statements—three years ago,

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I think, it was, to the effect that we must put an end to food imports by 1952—March or April, 1952. I said that, I think, in 1950 or 1949—I forget when—and when I made that statement, I did so with all honesty of purpose, and with every intention that we should try our best, but I regret that my words were falsified, and I felt thoroughly ashamed of myself for having made that kind of, almost, a pledge to the country and therefore. I am very much averse to making any definite statement or pledge now (laughter).

**Shri Gadgil (Poona Central):** An occasion for experiment?

**Shri Jawaharlal Nehru :** But I do not see why I should not say that we intend making every effort to reduce these food imports, and, if possible, within the period of the plan, put an end to them, except in a very grave emergency. That is our intention, and statistics, as they appear now, give us some hope that is a feasible proposition. That is all I can say.

**Pandit L. K. Maitra:** Have you got any idea of progressive decontrol?

**Shri Jawaharlal Nehru:** When you say "progressive decontrol", I would say "progressive adjustments", but always the full strategy, particularly strategic positions, must remain in control: otherwise, you can only progress round about the outskirts.

**Shri T. K. Chaudhuri:** May I seek another clarification, Sir? The Food Minister, in his speech, criticised the procurement system both in north and south India. Do the Government have in contemplation an over-all revision of the procurement system, because in the rural parts, control means procurement. In the deficit States, control means procurement. I recognise there is necessity for retaining some sort of procurement, so long as controls are there, so long as the Government is under statutory obligation to feed a certain part of the population. But my specific point is whether there is going to be an over-all revision of the procurement system?

**Shri Jawaharlal Nehru:** I think it was made clear—the Finance Minister also made it clear—that any attempt to have uniformity all over is very difficult, and I think it is undesirable to have the same method everywhere. The conditions are different, and after all, we have to work through the State Governments, and it is largely for the State Governments to consider and decide. There is no doubt that

procurement must continue. I would go a step further. It is perhaps not quite self-contradictory to say that even if we have no control, we require procurement. We must keep enough stocks in our hands. We must supply stocks to the deficit areas. There are obviously deficit areas in the country. Conditions have improved generally, but, for instance, the State of Madras has been peculiarly unfortunate year after year, and the situation there is bad at the present moment—bad in the sense there has been no rain again, and they have to go through the next few months, and we have to face that. Some of the Karnatak districts, and some other areas of India, are deficit areas. They have not been having rain or something has happened. We have to supply them. Where are you going to supply from? Obviously, either from purchases abroad, or procurement locally. We want to restrict food imports from abroad. Anyhow, we cannot buy everything from abroad. Procurement has to continue and stocks have to be got, whatever methods of local control there might be. It is a matter of adjustment and suitability.

**Shri S. S. More rose—**

**Mr. Deputy-Speaker:** The hon. Food Minister will reply at the end, and will answer all the questions put to him.

**Shri Bansal:** I am sure this House will be thankful to the hon. Leader of the House for taking out this debate from the confusion into which it was inevitably led yesterday. It is not a discussion between control and decontrol. It is a discussion as to what types of controls are necessary for our developmental economy. I take my stand in this House four-square on a developmental economy, and I was happy to hear from the Finance Minister yesterday that he was in favour of embarking on a developmental programme where controls would become necessary. I hope, Sir, he will keep to his word and increase investments to the extent that controls will become necessary.

But, what type of control? When we discuss controls, we cannot discuss them in a vacuum. After all, what is the type of control that we have got used to? These controls were not devised for a developmental economy. They were devised to meet a situation created by war-time contingencies. And in my opinion we will have to examine the balance sheet of these controls in a dispassionate manner very carefully as to whether these controls are go-