

August, 1977 together with an explanatory memorandum.

(iv) G.S.R. 1189 published in Gazette of India dated the 10th September, 1977 together with an explanatory memorandum.

(v) G.S.R. 606 (E) published in Gazette of India dated the 12th September, 1977 together with an explanatory memorandum.

(vi) G.S.R. 626 (E) published in Gazette of India dated the 30th September, 1977 together with an explanatory memorandum. [Placed in Library. See No. LT-1012/77].

(3) A statement (Hindi and English versions) indicating the results of the market loans floated by the Government of India in October, 1977. [Placed in Library. See No. LT-1013/77].

12.42 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED ABOLITION OF FOOD ZONES

SHRI C. K. CHANDRAPPA (Cannanore): I call the attention of the Minister of Agriculture and Irrigation to the following matter of urgent public importance and request that he may make a statement thereon:

“Reported abolition of food zones creating difficulties for the deficit States like West Bengal, Orissa, Tamil Nadu and Bihar in the matter of cordoning off the movement of foodgrains and supplying adequate quantity thereof to the people at reasonable prices.”

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI BHANU PRATAP SINGH): Under the pricing and procurement policy for Kharif cereals for the 1977-78 marketing season announced by the Government of India, all zonal restrictions on the

movement of rice and paddy have been removed and such movements would now be free throughout the country. This policy was adopted, taking into consideration:

(i) Easy food situation, with expectation of bumper harvest from Kharif crops and with 19 Million Tonnes of food-grain stocks, out of which 4.8 Million Tonnes was rice, the continuance of controls and restrictions was considered unnecessary;

(ii) The well-being of the people—producers as well as consumers. It was expected that the producers in surplus States would be getting better price for their produce and the consumers in the deficit States would be getting their supplies at lower prices. Since the adoption of the new policy, these expectations have been fulfilled:

(iii) In view of good harvest, it was also expected that procurement of rice, even after the removal of restrictions on its movement would not be much less. This expectation has also been fulfilled. Efforts to maximise procurement are continuing. In fact, procurement of rice this year so far has been highest, 6.5 lakh tonnes against 4.9 lakh tonnes during the corresponding period last year; and

(iv) Indian people being one should have access to one common market to the extent it is possible.

2. There are ample carry over stocks of last year to enable the Government of India to meet the requirements of the rice deficit States.

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3. The States of West Bengal, Orissa, Tamil Nadu and Bihar were advised that it should be possible for them to procure adequate quantities of rice stocks even under the modified policy by resorting to a judicious combination of levy on traders as well as on millers and the proposals received from the State Governments in this regard have been or are being cleared. The West Bengal Government was desirous of continuing statutory rationing in the Greater Calcutta and Durgapur-Asansol Industrial Complex and wanted to cordon off these areas from the rest of the State, and this has also been agreed to.

4. The Government is closely watching the situation and will not hesitate to take corrective measure that may be required in the overall national interest.

SHRI C. K. CHANDRAPPAN: Sir, this new food policy of the Government reveals the contradiction of the Government's policies. On the one hand, the Commerce Minister, Shri Mohan Dharia, has said that the articles of essential consumption should be distributed through public distribution system—including food articles he has given about 12 items of mass consumption which should be distributed through public distribution system—and on the other hand, the Agriculture Minister, Shri Barnala, has scuttled the whole expectation about it. If you look at the first para of the statement, you will find that they are expecting a bumper harvest and it has also been stated that there is sufficient buffer stock in the godowns. Here, I would like to refer to a comment made by Dr. Swaminathan, Director-General of Indian Council of Agricultural Research. He warned the Government that there is no reason to be complacent about the food situation. He stated that if there is a stock with Government, as it is said, it is mainly due to the poverty of the people.

MR. SPEAKER: You can only ask a question. You cannot make a speech.

SHRI C. K. CHANDRAPPAN: Dr. Swaminathan has said that the poverty of the people and their incapacity to purchase food items are the main reasons for the low off-take.

The question is whether the Government will have a policy, whereby the poor will be provided food at reasonable prices. Dr. Swaminathan says that the consumption of food items in the country, which is one tonne for a family of six members for one year, is considered to be one of the lowest, compared to the situation elsewhere. When the people are starving and their purchasing capacity is less, naturally, there is a rise in the godown stocks and the Government says, we are very complacent about it. Sir, this policy is a policy against the poor people.

Secondly, this policy has been adopted without consulting the deficit States. You can see that the deficit States did not take up this matter as a party matter or a party question. When the Food Minister of West Bengal, Bihar, Orissa and Assam assembled—they were from States ruled by Janata, Congress and CPM-led left front—all of them felt that the Central Government had arbitrarily taken a decision, which will starve the people, which will disrupt the public distribution system and which will leave the fate of this country and the poor people to the black-marketeers and hoarders.

The Minister says that the expectations are proved to be correct. The statement makes that clear. Yesterday only, the Prime Minister in the Parliamentary Party has said that the country will not pardon and the country will not be satisfied with whatever explanation they may give about the growing tendency of the price rise.

MR. SPEAKER: Please come to the question.

SHRI C. K. CHANDRAPPA: When the food will be in the hands of private traders, if the weather is bad and if people will have to be given a little more food, what is the guarantee that the Government will keep the promise that they will supply food to the deficit States and maintain the public distribution system? Is it not the policy of this Janata Government to find a little more food for the Janata who are living below the poverty line? If the food is controlled by the private traders, will it help this policy?

SHRI BHANU PRATAP SINGH: This government has no intention of scuttling the public distribution system. We do hope to feed the public distribution system without these restrictions. It has happened in the case of wheat. There were no restrictions and we were able to procure more than what we had planned. Similarly in the case of rice also, we hope to procure enough to feed the public distribution system. The off-take from the public distribution system in past years has varied between 3 to 4 million tonnes of rice. To begin with, we have a carry-over stock of 4.8 million tonnes of rice with us today and we expect to procure at least 3 million tonnes in the coming months. So, there is absolutely no danger that we will run short of foodgrains to feed the public distribution system. Regarding the poor man, after the announcement of the new policy, there has been an allround reduction in prices. Except in Andhra where there has been a marginal rise of Rs. 5 per quintal and in Kerala, in all other States there has been a decline in the price of rice ranging from 5 to Rs. 32 per quintal. We are receiving reports that procurement is going ahead satisfactorily and we are also daily monitoring the price of rice in the various markets of the country. In fact, there is no such danger as has been expressed by the hon. member.

About consultation with State Governments, we have consulted them. It is unfortunate that all States can never be of one opinion. On various issues there have been divergent views. If some States wanted the retention of restrictions many others were of the view that the restrictions should be removed. We have taken an overall view and in the national interest, we have removed all restrictions. We hope very satisfactory results will follow.

SHRI SIVAJI PATNAIK (Bhubaneswar): This will harm both the small producer and the consumer. After this, practically procurement has been given up. With this policy, even the price that has been fixed, viz., Rs. 77 per quintal, has not been assured for the small producers and they are making distress sales. On the other hand, prices will go up after some months and because of that the consumers will have to suffer.

In this connection the Orissa State Assembly also passed a unanimous resolution urging the creation of the single State food zones but that has been ignored. Again, the Food Ministers of the five States also asked for the same thing—for the single State food zones and for procurement and other things. But those things also have been ignored. This will harm both the small farmers and the consumers.

SHRI BHANU PRATAP SINGH: I have already submitted that we have not disturbed procurement. In fact, procurement is going on and we have procured more this year as compared to the corresponding period last year. We have also information on market arrivals and purchases made by millers and we are confident that we shall be able to procure enough to feed the public distribution system. As regards the fear that later on the prices may rise, I may

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state that the traders are shrewd persons. They know that the Government has adequate stocks to rush stocks wherever there is a scarcity and I do not think any hoarder or foodgrains trader will be so foolish under the present circumstances as to resort to hoarding. If he does that, he will lose his money.

SHRI DINEN BHATTACHARYA (Serampore): Sir, I may put this in the form of a question. My first question is: Is it not a contradictory attempt? Already you have declared a policy abolishing the zonal system. On the one hand you are emphasising maximum procurement. On the other hand, you are abolishing the zonal system. That is, all the cordons will be removed, all the check-posts will be removed. So, the peasants and the farmers will be left at the mercy of the blackmarketeers and hoarders. In the past also we have had enough experience of how they exploit the poor farmers who are forced to make distress sales at the beginning of the harvest season and at the same time the consumers who have to purchase the same rice at the exorbitant price which is entirely at the control of the blackmarketeers and the hoarders. It is good that you have permitted the West Bengal Government to continue the cordon system in and around Calcutta and Durgapur, but may I know whether you are also allowing the Tamil Nadu Government and the Orissa Government, as has been already mentioned here, and the West Bengal Government to cordon the surplus areas and the districts so that there may be easy procurement by the Food Corporation and the surplus stock may be stored there? Specially, in this connection I may mention that where there is necessity of supplying parboiled rice to the West Bengal people, a very bad quality of rice is always supplied for which there is a strong grievance by the people of West Bengal, not only by the people who are covered by the

rationing areas, but also the rural people who have to depend on the fair price shops for a considerable period of time specially in the lean season. So my question is: How will you protect the interests of the poor farmers from the clutches of the big hoarders who will make purchase at their sweet will at any price at the beginning and at the same time, how you will see the interests of the consumers, who are not to suffer not only within the rationing areas, but outside the rationing areas also? These are my two questions. Please explain whether it is contradictory to the policy statement which you made earlier, viz., that you will make as much procurement as you can. You are withdrawing all zonal barriers. How do you reconcile yourself with the contradictory policy that you are now adopting.

SHRI BHANU PRATAP SINGH: As far as the first part of the question is concerned, i.e., whether we are allowing the State governments to impose restrictions on the inter-district movement, my reply is 'No'. The thinking is that if we allow such an imposition of restrictions within the State from one district to another, similar requests will be received from other States; and it will not be possible to deny that kind of request. If we allow all these States to impose restrictions on inter-State movement whereas the State-to-State restrictions have been removed, it would nullify our policy. So, we have no intention of allowing State governments to impose restrictions on inter-district movement.

But as far as the second part of the question on supplies to the poor people is concerned, we have given an assurance to all the deficit States that whatever maybe their requirement, it will be met by the Central Government. So there is no question of any shortage arising anywhere. We have

ample stocks. Let the West Bengal government or any government come with a request for more allotment. We are ready to meet that kind of request.

SHRI P. K. KODIYAN (Adoor): I am not satisfied with the reply which the hon. Minister has just now given, to the effect that there are ample stocks of rice, and that the deficit States need not have any fear regarding their requirements. The stock now in the possession of the government is not very much. In the last several years, the procurement of rice has never been higher than the actual requirements. And the food stock which Government has got to-day consists mainly of wheat. Regarding rice, whatever stock the government now has, can be finished within no time. If any natural calamity occurs the situation will become all the more worse.

The hon. Minister's statement also has not answered the several questions put by the previous hon. Members, i.e., regarding the contradiction between the policy of free trade and the distribution of essential commodities through the net-work of a public distribution system. As far as procurement of rice is concerned, government has not fixed any target at all. The Minister says that it is going on smoothly. But what is the target, and how are they going to achieve it—now that they have withdrawn all the incentives for procurement?

My second question is whether government are prepared to give an assurance to the deficit States like Kerala where—as the hon. Minister himself has admitted—there has been a rise in the price of rice. Will the Central Government give an assurance that the requirements of Kerala at the present rate of distribution through fair price shops *viz.* 12 Oz. per person will be fully met, whatever happens?

MR. SPEAKER: About the second question you have already given an assurance.

13 hrs.

SHRI BHANU PRATAP SINGH: So far as the requirement of Kerala is concerned, I have to mention that there is large-scale smuggling of rice outside the country from the sea shore of Kerala. If the Kerala Government is vigilant enough to stop that, I visualize no difficulty and all their reasonable requests or demands will be met. We have already given that assurance. I would like to point out that we are not in a situation of scarcity.

SHRI VAYALAR RAVI (Chirayinkil): Sir, on a point of order. The hon. Minister made a very serious charge that smuggling of rice outside India is going on from Kerala coast. This is a very serious matter and a reflection on the Kerala Government. May I know whether the hon. Minister has any material in his possession to substantiate his charge?

MR. SPEAKER: It is not a point of order. He is merely disputing a fact.

SHRI BHANU PRATAP SINGH: My statement was on the basis of the reports we have received. I have not cast any aspersion on the Kerala Government. We have to be vigilant, both the Kerala Government and ourselves, to see that there is no smuggling of rice from our country.

SHRI P. K. KODIYAN: That is only one part of the question. Has any target been fixed for procurement of rice?

SHRI BHANU PRATAP SINGH: We are not in a situation of scarcity. In fact, we are in a situation of abundance. The difficulty is that we have not yet got out of the old attitude of mind. It is only for the sup-

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port operation we purchase a large quantity of rice. The hon. Member is ignoring Haryana, Punjab and West U.P., which have produced so much that we can feed the public distribution system without any difficulty. There is so much of over-production that the producers bring their produce to the Government purchase centres, and they are being helped by giving the support price.

SHRI SHYAMAPRASANNA BHATTACHARYYA (Uluberia): Our experience is that West Bengal is constantly a deficit State in rice production mainly because it is producing a large quantity of jute in place of rice. It is our sad experience that whenever free movement of rice is allowed in our State, the price rises steeply. No pious hope or goodwill on the part of Government can save the position. Only the rationing system can save our State, because we are a deficit State. While our industrial areas have more purchasing capacity, the poor people living in the rural areas have very little purchasing capacity. So, the only solution is rationing, where even the poorest of the poor can get rice at a reasonable price. In order to save the State from the clutches of big hoarders and stockists, there should be State trading throughout the country. The new Government of the left of West Bengal is fully alive to the situation. I would appeal to you to arrange for the supply of 11 essential commodities at a uniform price throughout the country, so that we can feel that we are in one country and no trouble is possible. Whenever things are left in the hands of the traders, as Government has no control, they can manipulate everything. They manipulate even the State Trading Corporation by supplying bad rice to them and taking away the good rice from the open market.

I come from Calcutta. For a few days parboiled rice was not available in the city, and bad rice was supplied

in the rationed areas. Even in Delhi it was the case.

So, I request the Minister to consider the problem of the deficit areas deeply from a long range point of view. Then he will see that things are not so simple as he thinks. I appeal to him not to be complacent, thinking that everything is going on well. That is dangerous. He must be very cautious, and he must understand the situation not only of the deficit areas, but of the rural poor.

SHRI BHANU PRATAP SINGH: We have no great adherence or regard or love for any system. What serves the need of the people we are prepared to do always. We are watching the situation and as and when any occasion arises, we will take corrective measures. That I have already said. If any serious situation is brought to our notice, we will certainly take all possible steps to ameliorate the condition.

Distribution in West Bengal or any other State is the responsibility of the State Government. We are prepared to co-operate with them. If rice of the desired quality, is not available in Calcutta, perhaps that is due to the cordoning off of that area. Otherwise, perhaps good rice could reach there.

PUBLIC ACCOUNTS COMMITTEE
(SEVENTEENTH REPORT)

SHRI C. M. STEPHEN (Idukki): I beg to present the Seventeenth Report of the Public Accounts Committee on Export of Bicycles and Bicycle Components during 1970's relating to the Ministry of Commerce.
