

CONSTITUTION (THIRD AMENDMENT) BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move for leave to introduce a Bill further to amend the Constitution of India.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

Shri T. T. Krishnamachari: I introduce the Bill.

RESOLUTION RE ENHANCEMENT OF EXPORT DUTY ON RICE, RICE FLOUR Etc.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move:

"In pursuance of sub-section (2) of Section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry No. S.R.O. 2454, dated the 24th July, 1954, by which the export duty was enhanced from two annas and three pies per maund of 82.2/7 lbs. to 20 per cent. *ad valorem* on rice, husked and unhusked, including rice flour but excluding rice bran and rice dust, which are free, with effect from the date of the said notification."

The position in regard to this Resolution is comparatively simple. As the Resolution itself says there has been a duty on rice exports of 2 annas and 3 pies per maund. In the pre-control period India was both an exporter and importer of rice and it was during that time that this duty of 2 annas 3 pies per maund was imposed on exports. Export of rice

was completely stopped during the period of food shortage and the export duty that was imposed was more or less only of academic interest. With the increased production of rice in the country and the need for re-establishing contracts which were disrupted by the shortage of supplies, and also in order to ensure a market for our future surplus production, if that eventuates, Government have decided to allow some quantities of rice for export.

Sir, I would like to tell the House that in 1953-54 India had an all-time record production of 27.1 million tons of rice as against 22.5 million tons in 1952-53, and 21.6 million tons which was the average of five years' production ending 1951-52. The production this year was, therefore, higher than last year by about 46 lakhs tons. The exportable surplus can be determined by the fact that last year when the production was only 22.5 million tons we imported only 1.9 lakhs tons of rice. As a result of the increased production Government have been able to build up a sizable reserve—on or about the 21st August, 1954 the rice held by Government was about 12.3 lakhs tons; another 7 lakhs tons are expected from Burma against a contract recently made with them for the purchase of 9 lakhs tons of rice.

In view of the comfortable supply position of rice, it has been decided to re-establish the old pattern of trade and, as I said before, to permit some quantities for export. The import of rice from Burma which is a common variety has been arranged in order to enable the Government to build up a Central Reserve and it has not to be taken as an indication of any existence of shortage of supplies. In any case, a large proportion of the export, if that materialise, would be only of the superior variety of rice. Though the notification does not mention any ceiling, I would like to take the House into my confidence and tell them that the intention of the Government, generally, is that there should

[Shri T. T. Krishnamachari]

be a ceiling of about two lakh tons in regard to the export of rice.

In permitting any export of rice this fact also has to be taken into account that so far as the south is concerned, the overall position is not one of surplus and therefore, no exports are allowed from the port of Madras; exports have been permitted only from the ports of Bombay and Calcutta. The price of exportable fine rice excluding superfine, Dehra Dun rice, etc. ranges between Rs. 20-30 a maund which in terms of pound sterling means £40 to £60 per ton. According to the indications received and from the information that we got from our embassies abroad, the fine variety rice is expected to fetch £60-65 per ton f.o.b. Indian ports whereas the better varieties such as West Bengal, Patna which are superior would fetch a somewhat higher price,—about £70 per ton. All these facts were taken into consideration in deciding that a duty of 20 per cent. *ad valorem* would be justified leaving a reasonable margin of profit to the intermediary who undertakes to export.

Some facts might also be given in regard to the internal price of coarse rice which ranges somewhere between Rs. 14 to Rs. 16 per maund; at some places it goes up to Rs. 17 also which is equal to about £28-34. Burma has been selling at £50 per ton and Pakistan at one time offered some quantity of rice at £40 per ton. All these indicate that the world prices are on the down grade and that is also a fact which determined the quantum of duty fixed, i.e. 20 per cent. *ad valorem*.

I would like to tell the House something in regard to the progress of licensing of exports. The dealers have been asked to register their sales with the export controlling authorities. Up to 31st August, sales for 37,330 tons were registered at Calcutta and for 5,500 tons at Bombay but shipping bills have been passed

only for 50 tons in Calcutta and 20 tons at Bombay. That indicates that the problem is still, in size, a very small one and all that the Government have done is to seek to establish or re-establish the old pattern under which some quantity of our superior quality rice was going out of this country to supply the needs overseas; in some cases, rice went to Indians settled overseas who were expecting superior quality rice from India. Sir, I move that this may be passed.

Mr. Speaker: Resolution moved:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 2454, dated the 24th July 1954, by which the export duty was enhanced from two annas and three pies per maund of 82/2/7 lbs. to 20 per cent. *ad valorem* on rice, husked and unhusked, including rice flour but excluding rice bran and rice dust, which are free, with effect from the date of the said notification."

Shri Ramachandra Reddi (Nellore): I seek further clarification on this resolution. It is stated that only two ports—Bombay and Calcutta would be able to export the surplus from India. Might I ask whether Visakhapatnam port also may not be included in this because there seems to be a large surplus of rice—and finer varieties also—in Andhra? If that is not possible, I would like to enquire why it is not so.

It is stated that rice bran and rice dust or husk will be exported. We feel that there is not only a large deficit in our requirements but rice bran and rice dust are some of the essential foods that are given to the cattle. I would like to enquire whether it is not possible for the Government of India entirely to ban the export of rice bran and rice husk.

[SHRI PATASKAR in the Chair]

Shri T. S. A. Chettiar (Tiruppur): In this matter, I want to raise just two points. One is this. I hope Government will keep a watch over the price of rice so that any enhancement of the price of rice which will be to the disadvantage of the consumer due to these exports may not occur and so that the export may be stopped if it affects us thus.

Previously, in South India, large import of broken rice from Burma was allowed and it was considerably cheaper than the ordinary rice. I would like to know whether Government have considered the import of broken rice if the world price of rice is coming down. The price of broken rice has been considerably lower than the ordinary rice. I understand that the rice that we are now importing is ordinary rice. I would like the Government to consider whether broken rice, which will be considerably cheaper and which is used by a large number of labour classes in South India, specially Malabar, cannot be imported to our benefit.

I would now refer to the matter which has been raised by my hon. friend. We know that both from the point of view of fertilizers as well as fodder, rice bran is useful and generally our policy is that we do not export things of which we are in need. I would like to know why these are also being tried to be exported while we ourselves are in shortage of these things.

Shri Damodara Menon (Kozhikode): The hon. Minister stated that it is only a very negligible quantity of rice that we had exported and that too of the superior variety. That may be quite true. I want to know from the hon. Food Minister about our food position in regard to rice, especially in view of these unprecedented floods we are having. I would also like to

know whether we will have to face a deficit in our rice position. I am saying this especially because we, from South India, particularly Malabar, depend upon rice and if, as a result of floods and drought, which we are having in many places of India, the crop position becomes very bad and the stock of rice is not enough to meet the situation, then the people who will suffer most might probably be the people from the South India. Therefore, I want a clarification from the hon. Minister whether it will not be wise and prudent now to stop the export altogether. The enhancement of the export duty may diminish the quantity of export but I want to know whether, in view of the very bad position due to floods and other circumstances in the country, we may not think of stopping altogether these exports.

Pandit S. C. Mishra (Monghyr North-East): While I admire the astuteness of the hon. Commerce Minister in placing the proposition not in the form of an export duty before the House, but in the form of a sop of enhanced duty, I must join with my previous friend and request the hon. Minister not to allow one single bushel of rice to go out in view of the fact that the whole country is devastated on the one side by floods and on the other by drought. Instead of enhancing the duty, the Commerce and Food Ministers may be very pleased to let our people have whatever little rice they can.

Kumari Annie Mascarene (Trivandrum): I oppose this resolution tooth and nail and condemn the policy of Government in formulating a premature resolution which will increase the price of rice and thereby affect the standard of living of millions of people in the south. The time has not arrived to stabilise the price of rice on the basis of the cost of production and the capacity of the consumer to purchase. Coming from a deficit area I wish to inform Government that in spite of their removing control, the price of rice has not fallen sufficiently

[Kumari Annie Mascarene]

low for the common man to purchase. The lowest price that I have come across before I came here was between Rs. 37 and Rs. 38 a sack, and the highest was Rs. 75. The purchasing capacity of the common man in my State is too low even to buy at that price.

At this juncture when Government are not sure as to how much they have produced in excess of the demand of the people, they are formulating a policy. Perhaps the hon. Minister wants to help a few people to export rice and make a good gain on the transaction.

Therefore, on behalf of the people of the south I wish to inform the hon. Minister that, coming from the south, he is doing a great injustice to the people of the south.

The Minister of Food and Agriculture (Shri Kidwai): We are not allowing exports from the south.

An Hon. Member: He is not the man concerned.

Kumari Annie Mascarene: The blame can be transferred next door. Perhaps the hon. Minister is not aware that the projects in the south have not yet developed and that all the money is invested in developing projects and benefiting the north. And now that they have a surplus they want to export it at the expense of the south. I condemn the policy.

Shri M. S. Gurupadaswamy (Mysore): I want clarification from the hon. Minister on two points, firstly, whether there is now a surplus of rice in the country and, secondly, whether the time is opportune for export.

The Minister seems to be labouring under the illusion that the country is having a considerable surplus of rice which can be exported. I beg to differ from him. Some of the previous speakers have pointed out—they have not clarified the position—but they have pointed out that the availability

of rice in the country today is not due to a real surplus production. On the contrary it has been induced by the poverty of the people. It is a poverty induced surplus. It is not a surplus induced by excess of production, though there is an element of increased production. We have not been surplus in rice production. I do not know what are the figures in the hands of Government on which they depend and say that there is a real surplus.

There is another important factor that we have to take into consideration in this matter. The hon. Minister has been saying—he said even today—that the export that we are going to allow is only 2 lakh tons or so, and it is a meagre quantity. And he says that we have lost the foreign market during the war and post-war period, that we have to revive these foreign markets, that we have to look up to and expand these foreign markets for the surplus rice that we produce. Though the objective seems to be a little reasonable, I want to tell the House and the hon. Minister that the present time is not an opportune moment for rice export, and our first and main duty should be to find home market. The Minister must be able to know whether we are satisfying the demands of the home market fully. If people cannot purchase the rice at the prevailing rate, what are the ways which are to be found to overcome them.

As an observer I find that the difficulty of the home market seems to be the lack of purchasing capacity of the consumers. And this so called surplus with which the Government seems to be confronted is not a real surplus; it is a surplus resulting out of the incapacity of the people to purchase the rice.

Shri Kidwai: That is not the fact.

Shri M. S. Gurupadaswamy: That is the fact. It is very unfortunate that the Food Minister is not fully informed of the present situation. Notwithstanding the fact that he has been touring the country always, he

has failed to appreciate the real situation in the country. I wish to pose a question to him. If there is surplus rice in the country today, why did he import rice from Burma?

Shri Kidwai: To make the surplus more convincing.

Shri M. S. Gurupadaswamy: I know that Mr. Kidwai is a very honourable man.

Shri Kidwai: Thank you.

Shri M. S. Gurupadaswamy: I do not in any way cast any aspersions on his *bona fides*. He is a very honourable man. But unfortunately the people who are working under him are not honourable. He has been completely misled in the case of the Burma rice deal I know. But anyway, being a member of the Treasury Bench, he has to justify the actions of his subordinates. I know that he also knows that it is a very bad deal.

Shri Kidwai: Why is it a bad deal?

Shri M. S. Gurupadaswamy: You are aware of it.

Shri Kidwai: I am not aware of it.

Mr. Chairman: The hon. Member may proceed with his speech.

Shri M. S. Gurupadaswamy: If there was surplus, why did we import rice from Burma?

Shri Kidwai: To convince you that we are surplus in rice. I added to my stock simply to reassure the people here, the doubting Thomases, that we have got sufficient rice in our stock and that we can de-control.

Shri M. S. Gurupadaswamy: I cannot understand the cogency of this argument. If we have surplus in the land, then we could have built up a reserve with our own surplus. Why did you buy foreign rice for this purpose? If we really had a surplus, the reserve could have been built. The view of the Food Minister is rather fantastic. We cannot understand the logic of it. The Minister says "we

wanted reserve, so we purchased rice from abroad". At the same time he says there is surplus; so we export rice to foreign countries. I want to ask him, Is it the opportune moment to export rice. It is not in my view the opportune moment. It is dangerous and inopportune to permit export of rice at this particular time. Unless and until we are sure of our position, unless and until every man and woman in the country, is assured of adequate rice supply, we should not think of export. And the best and the only thing that we should consider now is how we should explore internal markets. The foreign market is still foreign to us. In the home market there is a lot of possibility. There is a vast area in the country where we can sell our rice surplus, or the existing rice to consumers.

So, I appeal to him that it is very dangerous and inopportune to allow exports in this manner. We may as well wait for one or two years more till our needs are fully satisfied. Unless and until we are fully convinced that our people have got adequate supply of rice, we should not permit exports.

Shri N. B. Chowdhury (Ghatal): Now that the price of rice has already gone up and.....

Shri Kidwai: Where?

Shri N. B. Chowdhury: In Delhi itself.

Shri Kidwai: In Delhi, yes.

Shri N. B. Chowdhury: And in West Bengal and in some other places also.

Shri Kidwai: In West Bengal it has not gone up. I was there recently and stockists were complaining that although there is so much talk of floods and scarcity of rains, every day the price of rice goes down a little because people have got so much stock that they cannot sell.

Shri N. B. Chowdhury: I think the hon. Minister is misinformed at least so far as certain areas are concerned.

[Shri N. B. Chowdhury]

Anyway, even the price index would prove that.....

Shri Kidwai: No.

Shri N. B. Chowdhury:...the price is rising at some places.

Shri Kidwai: The price of wheat is rising.

Shri N. B. Chowdhury: Because of this heavy flood and drought prevailing in different parts of the country, we are afraid that next year the production would be much less than what it was last year.

Shri Kidwai: I question that, about rice.

Shri N. B. Chowdhury: So, we feel at this time we should not allow this export.

Regarding this export of rice bran. I have strong objection to this because we know that the zamindars have leased out their grazing lands. So, it is very difficult for the peasants now to have sufficient cattle feed, and so this export of rice bran would create a serious situation. So far as Bengal is concerned, I know there the people are in great difficulty to feed their cattle and so we should not allow the export of this rice bran.

And as regards this fine rice, we do not want to allow export at this time. And then, if there is any need for exporting a very small quantity, we must know what that small quantity would be.....

Shri Kidwai: Two lakh tons.

Shri N. B. Chowdhury: ...and whether Government cannot themselves undertake to carry on this trade through Government agency.

Shri Kidwai: We have tried that for six months.

Shri N. B. Chowdhury: As already mentioned by the hon. Commerce and Industry Minister, the prices prevailing in other countries are much higher than those prevailing here in

India, and even taking into account the duty that is now being proposed to be imposed on export, there would be sufficient margin. So, why should not Government themselves undertake this task of conducting the trade?

These are the things I had to say. We do not want that there should be any export of rice now.

Shri S. S. More (Sholapur): I did not desire to speak on the merits of the resolution, but hearing the speeches I find that we are proceeding to the discussion of this important resolution with no data at our disposal. Why should not Government supply us with the relevant data? Now, we have been here for the last two years, more than two years. Government very well can understand the trend of arguments which are usually advanced. They can have that much power of anticipation, and if they use that power of anticipation intelligently they will be ready to supply us with the necessary data. I will inform you how under very serious handicaps we proceed to discuss this matter, and possibly give our ignorant support to this resolution.

Now, according to this resolution, the original duty of two annas three pies per maund will be increased to twenty per cent *ad valorem* on rice. Now, what are the present prices per maund of rice. Looking to my own experience, which is not very much informed, let us say that the price prevailing per maund is Rs. 20. Then, from two annas and three pies the duty will jump to about Rs. 4 or Rs. 5.

Shri Kidwai: No harm.

Shri S. S. More: The Minister for Food and Agriculture is nodding his head to indicate agreement with my very crude estimate. But is it not necessary that we should have more reliable data. When they issued this order, what was the state of the prices ruling in the bazaar? What will be

the percentage of increase over the previous duty prevailing. If my figures are accepted that the increase will be about Rs. 5 per maund, then what are the economic implications of this very steep rise? How will the consumer be affected? How will be the price of rice in this country affected from the producer to the wholesaler or exporter or to other persons who cater for the consuming market?

Now, it is very elementary economics that if the export duties are increased, and so steeply, the result will be that the quantity of exports will undergo a necessary and very substantial shrinkage.

Shri Kidwai: Yes.

Shri S. S. More: If it undergoes shrinkage, then it means that there will be lesser demand for the purpose of export, and if there is a lesser demand and the demand of the consumers in this country is not sufficiently pressing due to the want of purchasing power, then prices for the producer will be very seriously affected. And looking to our small peasants who are producing rice—because from whatever little knowledge I possess of Indian agriculture I know that rice is not produced by large producers, it is only the small peasants having one acre, two acres, four acres, who are the main producers, and if an outlet for.....

Shri Kidwai: May I know what is the advice of the hon. Member? Does he want to reduce the duty, or is he under the impression that we have got a large exportable market just now and it will shrink on account of this export duty?

Shri S. S. More: I am not competent to give any advice and particularly to the Ministers concerned. But I am only emphasizing the argument which I am advancing, that it is the duty of Government to supply us with all the relevant data. Otherwise, what happens?

Shri Kidwai: Nothing happens.

Shri S. S. More: The Ministers get up, hastily reply to the queries from the hon. Members, and we find that even written replies to questions are found to be incorrect and corrections are given on the floor of the House.

Shri Kidwai: Very good.

Shri S. S. More: What would happen to the figures given *extempore* and on the spur of the moment? I am not going to accuse our Ministers of a very great insight into the problems with which they are dealing. I say that we must be supplied with all the data. It is the duty of the Government to educate the House and after educating and placing all material facts in the possession of the House, give time to the Members to digest them. We might not be able to digest the food which is being supplied to us, but we might be able to digest to some extent if the data is given to us in digestible form. So, my submission is that this is treating the House very unfairly. What will be the position of us who are responsible to our constituencies? This resolution will have different repercussions on different sections and elements in the country. We are all of us accountable, at least theoretically and constitutionally, to our constituents. If the interests which are adversely affected come to us and ask our explanation—"Well, Mr. More, you have given support to this resolution, did you take our interest into account?"—I will have to look very shameful in their eyes, very bad in their eyes, and that will not do any credit to our infant democracy that is developing in our country. Our democracy must be a well-educated democracy, our democracy must be a well-informed democracy, our democracy must have all the necessary data in its possession, but the Ministers in charge of this Department are out to develop a democracy which can be as ignorant as possible, because unless we are kept sufficiently

[Shri S. S. More]

ignorant, there is no chance of their measures going through. Therefore, I again sound a note of protest. Now, it is the habit of the Ministers to talk about.....

Mr. Chairman: Let us talk more of the resolution than of the Ministers or democracy.

Shri S. S. More: I am coming to it. But you will appreciate the point that I am making.

Mr. Chairman: I have appreciated it. Let us come to the resolution now.

Shri S. S. More: Leave me some discretion. I am supposed to know my job here. I am prepared to be guided, but I will be presenting the case in my own way.

The Ministers are in the habit of talking about surpluses. Now, the word 'surplus' is used in different senses. In what sense is the word 'surplus' used here? Our state is a welfare state, and as a welfare state, it is its foremost responsibility to see that every man, woman and child in this country is well-fed, whether they have any job or not, and whether they have any purchasing capacity or not. If that is our responsibility, then when we are out to compute surpluses, we must see what is the total number of population here. what would be the requirement for a healthy diet *per capita*, and on that basis, we must see whether the total stocks that we have of different kinds of foodgrains is sufficient to meet that demand. It is only after all this that we can say there is surplus, and that it can be exported.

But now the surplus that the Ministers are talking about is the surplus over and above that purchased by the people.

Shri Kidwai: That is called surplus.

Shri S. S. More: In the absence of adequate purchasing power and in the face of the growing unemployment,

the surplus is bound to inflate. There may be growing starvation in the country, as well as object. poverty. Many people will not be getting even a morsel of food to touch for days together, and yet the hon. Minister in his rosy optimistic way will say, well, I have succeeded in my food policy, I can show you our godowns which are full of foodstuffs, and that shows that the country is in the best possible way, on a sort of tide of prosperity. That sort of picture will be a misleading picture; it will also be an illusory picture.

Therefore, I would revert back to my original point and say that all such figures ought to be supplied to us, so that we can have a complete picture, in our own way, of the situation as it prevails, and then we shall be in a position competently and with full knowledge of the facts to accord either our support to this resolution, or if we are so convinced, to voice our protest against this particular resolution.

Mr. Chairman: Now, I would call upon Shri Velayudhan. I believe, most of the arguments have already been advanced. I, therefore, hope that hon. Members would not repeat the same arguments. This is not only for Shri Velayudhan, but for other hon. Members as well.

Shri Kidwai: If they do not repeat the arguments, they have nothing to say.

Shri Velayudhan (Quilonum Ikkara—Reserved—Sch. Castes): I am sorry to say that even though this resolution looks like a harmless sheep, it has behind it a dangerous dragon, which is not satisfied even after eating away the vitals of our millions of people in the country for the last six years.

In recent months we hear that there were surpluses of paddy in the country, and there was clamour from the producers as well as those engaged

in the business, that the price of paddy and rice was falling down.

Shri Kidwai: Yes.

10 A.M.

Shri Velayudhan: I agree with the hon. Minister of Food and Agriculture, when he says, yes. It is true that the price was falling. At the same time, he must know that the price charged by the producers of paddy in the country for the last six years was very high and I think it was the highest that we could expect at any time. I would like to ask the hon. Minister a simple question as to whether he has gone into the statistics relating to agricultural expenses, in arriving at the paddy price in 1940, a bag of paddy in our State was costing about Rs. 5½ to Rs. 6½, per maund of about 82 lbs. Now, it is costing about Rs. 36 to Rs. 38 in that State. I can tell the House through you in that the actual cultivation expenses and other things, including the capital investment etc. will not come to more than Rs. 20 per bag of rice. So, when the hon. Minister took into consideration the surplus in the country, he should have taken up this matter also as *prima facie* factor, in order that the price of paddy which is reflecting on and inflating the price of the other commodities in the country could be liberalised. If that had been done, the inflation which exists in the country even now, could have been diminished or eliminated to a large extent. I do not think that the hon. Food and Agriculture Minister will have any argument against this particular suggestion. When the last General Budget was presented before the House, the hon. Finance Minister had stated that the total price structure in the country is controlled by the price structure that prevails in regard to foodstuffs. I do not know what the Finance Minister has to say now about this particular matter. Does not the hon. Minister of Food know that even today there are millions of people in the country who cannot purchase even a seer of rice, and are therefore living

on the starvation point? We find that when there is a clamour from Uttar Pradesh, Punjab, Bengal or some other State, and that from some of the producers who have earned and who are earning huge amounts, the hon. Minister is prepared to come to their protection, and help them immediately. Of course, I know; the cry of the starving millions will be a cry in the wilderness. But at the same time, it is the responsibility of a Democratic Government, and especially of the Food and Agriculture Minister to see that the poorer people in the country, the starving millions in the country, are well-fed. Of course; the hon. Minister will say that there is enough rice in the country. Of course, there is. Who has protested that there is not enough rice in the country? In fact, I was of the opinion that there was enough of food grains in the country even in 1949 or 1950.

Shri Kidwai: Very good.

Shri Velayudhan: The hon. Minister was not there at that time.

Shri Kidwai: I was in India.

Shri Velayudhan: He is only enjoying the reputation which could have gone to others because I know even at that time, the food production would have been surplus, whether there were statistics or no statistics. There was a surplus of rice even from the beginning. It was the way in which Government administered the control measures, and the producers' anxiety to have the controls continued, that were responsible for the artificial shortage of rice in the country.

Now, coming to the point directly, I will have to say that not only in South India, but even in the other parts of the country, there is an increase in the price of rice. The fall in price is only in the wholesale market, and not in the retail market.

Mr. Chairman: The hon. Member may come to the resolution on hand.

Shri Velayudhan: I am coming to the point. This is a very important resolution, and if we had time enough to deal with this matter, it should have been dealt with not within a limited period of one or two hours, but in one whole day's debate.

I must see why Government are going to export these two lakh tons of rice. I can understand it if there is an overwhelming surplus. Of course, even conceding that there is a surplus, will it not affect the retail price of rice in the villages.

Shri Kidwai: No.

Shri Velayudhan: I do not know if the hon. Minister of Food and Agriculture is a retailer, but I must tell him that there are millions of poor people in the country who are purchasing from the retail shops, from the markets in the villages, from private hands.

Shri Kidwai: They will gain.

Shri Velayudhan: This system of trade has been there for years; the big merchants supply commodities to the retailers who take it to the villages. The price of paddy itself has increased. The hon. Minister is ignorant of it. I do not say that if there is a surplus and if there is a loss for the actual agriculturist, he should be put to a loss, but that is not the case. Millions of people in the country will suffer if this resolution is passed because there will be an artificial increase in the price of paddy with the retailers and the consumers, will actually suffer by the House passing this resolution and bringing it into effect.

Dr. Jaisoorya (Medak): May I put a question to the hon. Minister?

Mr. Chairman: Before we proceed, I would like to say one thing. The resolution makes mention of one thing that they want to increase the duty on export of rice. Naturally, as Mr. More pointed out, there will be less export if there is enhanced duty; that means there will be a reduction in

price. That is one kind of argument; I do not say what the result of that will be. I do not speak for any view. But hon. Members should, when they try to put forth their views, naturally connect them with the resolution and its effect.

Shri Kidwai: They are opposing the resolution without understanding it.

Dr. Jaisoorya: May I put a question? There is an assumption that there is a surplus of rice. May I ask the hon. Minister whether he has read the latest report of the United Nations that said that, though there is an improvement in the food situation in the country, the calorific deficiency is still very great? That is the point. The second question I want to ask is about the fall in the prices. Is the market price of rice lower than the cost of production? Let him please tell me.

Shri S. S. More: He has no figures!

Shri N. B. Chowdhury: May I crave your indulgence to point out one thing I heard from the hon. Food Minister that prices are falling. (*Interruption*). Here is a bulletin which says that the price is rising everywhere as compared with July except in U.P.

Mr. Chairman: The hon. Member has already had his say.

Shri N. B. Chowdhury: It is called the "Bulletin of food prices".

Shri Kidwai: That is all right.

Shri V. G. Deshpande (Guna): Our capacity to be surprised has been considerably enhanced by the resolution which the hon. Minister, Shri T. T. Krishnamachari, has moved today. All our ideas about India's problem will be revolutionised by this resolution.

Shri Kidwai: Why?

Shri V. G. Deshpande: Before this we had thought that there was great deficiency in respect of every food-grain, but particularly of rice. We were advised to eat less rice. In Bombay a very small amount of rice used to be given to us. Then a big

rice deal was entered into with Burma about which there was much criticism in this House. Now, suddenly, our hon. Minister comes here and tells us that there is a surplus of two million tons of rice. I must really admit that if in 1954.....

Shri Kidwai: May I interrupt the hon. Member for a minute? It is not as if for the first time this has been mentioned, in this House, that we are in a position to export and we have said that we will export. All that this resolution is concerned with is to raise the export duty from a petty amount to a large amount so that even if it is exported, it should be at a price which will not raise the price here. This is the only question that is before the House. Now the hon. Member seems to have been surprised by this decision because he thought that we had never said so. For the last eight months, Government have been trying to export, but they could not do so on account of trade technicalities. They sometimes felt that private trade could export. And what has been the export? Some petty figures that have been mentioned by the hon. Minister of Commerce and Industry who introduced this resolution. We have also, side by side, allowed imports so that cheaper rice can come to this country and be made available to poorer people, and the finer quality of rice may go outside. Only recently, about a week ago the Travancore-Cochin Government agreed to import 6,000 tons at a price which is cheaper than—though the quality of the rice is better—the issue price of rice in the Government shops. They were up to now paying a subsidy, but on account of this new policy, they will be able to distribute rice at the same price at which they have been distributing for the last two or three years, without paying any subsidy. This policy is to have imports and exports; it does not mean that exports will lead to a contraction in supply. Government will in every case see what will be the effect. If the rice which is imported is at a price which will be advantageous to the people, it will be im-

ported, and if the rice that is exported is exported in a quantity which will not affect the supply, then it will be allowed to export.

Shri V. G. Deshpande: This is exactly what I am protesting against. My objection to it is because Government themselves are not convinced about the surplus. I do not know and still I am puzzled about it. I want to know specifically whether the Government think that we are surplus in foodstuffs, and particularly in rice.

Shri Kidwai: Only in rice.

Shri V. G. Deshpande: If that is the idea of the Government, then my capacity to be surprised is really strengthened because our First Five Year Plan is still not over and according to the calculations in that Plan, with our capacity to increase the population, we would not be able to manage with the food that will be grown in the country, and therefore a propaganda is going on that there should be family planning in this country. Our Census Commissioner is shouting at the top of his voice; advisers from outside the country, our Health Minister—all are very anxious that there should be family planning. And if our Food Minister comes and says that India is already surplus in foodgrains, and when the country is faced with so many floods, he thinks that in spite of the floods even in 1954 India is surplus in foodstuffs, then we have to change all our ideas.

Shri Kidwai: Of course.

Shri V. G. Deshpande: I must protest, and I demand that this House should be taken into confidence. The country should be taken into confidence. If the picture of India's food position is not so gloomy as it was being painted, even our population policy has to be changed and people have to be instructed accordingly. This difference has to be met. My protest is this. Even presuming that we are surplus, sending the finer quality of rice to outside countries and bringing in coarse or cheaper rice—or perhaps, as he said, the same quality

[Shri V. G. Deshpande]

of rice at cheaper rate—from outside the country is a thing which really needs more detailed examination.

It seems that Government first enhanced the export duty and now they have come to the House for approval. I again appeal to the Chair that this, as our Minister seems to think, is not a very simple matter, whether exports should be discouraged or encouraged. By enhancing the duty on export, export is discouraged. I understand that. If the export had been decreased instead of being increased, there would perhaps have been greater export. But still we find that the policy of the Government here is to send the finer quality of rice. Our fear, as I have told you is that the element of surprise is there, your study and assessment of the situation may not be accurate and a situation may arise when the country may be confronted with a very grave deficit in foodgrains and rice..

Dr. Jaisoorya: It is coming.

Shri V. G. Deshpande: I do not know whether it is coming. Our Food Minister is all-knowing. He has performed miracles and now all our ideas, calculations and planning have to be revolutionised. I believe that there may not be—I hope at least that there may not be—a deficit, but I do not know how much the Government of India will get by this export.

Shri Kidwai: We do not want any income.

Shri V. G. Deshpande: If it is not a question of income, we request that a reserve should be kept up, a very big reserve because ours is a very large country with vast population and Nature has not been uniformly kind to the country. There are droughts in different parts of the country. Our old kings maintained an equilibrium in foodstuffs by maintaining very big stocks of reserve and they used to control food prices also by building up reserves. Therefore, instead of being in a hurry to earn small amounts—

as our Minister has assured us that he is not very keen on earning money or having revenue—we should set apart large stocks. Enhancement of export duty means prospects of export. Instead of the few sentences that we are surplus in rice, we should have expected a fuller statement from the hon. Minister which we can readily accept and we should have more figures that we are really surplus in rice. For the present rice should not be exported.

Mr. Chairman: I will ask the hon. Minister to speak so that hon. Members will be in a position to know the facts.

Shri Raghavaiah (Ongole): Only one or two questions, Sir.

Mr. Chairman: Yes.

Shri Raghavaiah: In view of the fact that a Government Publication has been cited by one of the hon. Members here to show that the prices have shot up and not gone down, may I know whether the hon. Minister has got another Government Publication which shows that the prices have gone down? If so, is the Government capable of producing two kinds of bulletins, one contradicting the other? That is my first question.

The second question is this. May I know whether the hon. Minister is aware of the fact that, perhaps from the side of the profiteer the prices may be coming down, though he says the prices have been falling down by 50 per cent. the purchasing power or the capacity of the consumer is also going down and that it is not in comparison with the falling down in prices?

Shri Kidwai: An hon. Member has expressed surprise at our coming forward with the proposal that is before the House I think, in the course of the last 8 or 10 months, it was stated more than once in this House that we are allowing export of rice to foreign countries. We found that there was a big margin between the internal prices and the foreign prices and if we allowed export on the existing duty then

a large quantity will be exported. Therefore, we revised the export duty and that is why we have come to this House.

The hon. Member who was surprised at this proposal, also mentioned that we should take into consideration the rising population of this country. I may tell him that just before we decontrolled the movement and the prices of rice, we were asked this question, that if we found our production this year...

Shri V. G. Deshpande: Population or production?

Shri Kidwai: I say that if the same quantity is produced in 1960 as it is produced this year, then without any increase in production, it will be sufficient for the increased population of 1960. If that is the method of calculating the surplus, then we are very much surplus.

Now, we have got in the course of the last 12 months, since the last crop was harvested the experience that the producer was keen to supply us at the price at which we were procuring in the previous year because the outside prices were very low. As hon. Members from Bengal are aware, we had stopped procurement in Bengal but we had to resume it because the rice prices or the paddy prices went down to Rs. 6 a maund, which was very low compared with the price of previous years.

Shri N. B. Chowdhury: That was at the time of harvest.

Shri Kidwai: I am talking of four or five months later. Whenever Government thought that they would stop procuring rice, there was a demand from the different areas from the producers that Government should continue to procure rice; otherwise they will not get a fair price in the market.

Then, about consumption of rice in the rationed areas. So long as control continued, there was no reduction in the consumption. It is said that people are not purchasing rice because

there is less of purchasing power. But, what is the indication in all the rationed areas of Bombay and Calcutta? The quantity that was being supplied was consumed and when we had decontrolled and allowed the people to purchase from outside, then the offtake from the government shops disappeared because the outside prices were much lower than the prices at the Government shops.

I will convince you that we have got surplus of rice and we are not taking any control measures. At the time of decontrol, the State Governments and the Central Government had a stock of 13 lakh tons. That was a stock which we never possessed, although in the previous year we had not imported our full quota of import. Instead of six or seven lakh tons, we had imported one lakh and fifty thousand tons from Burma and still our stock—without taking into consideration our purchases from Burma—was 13 lakh tons. Never, in any year in the past did we distribute from the Centre more than six lakh or seven lakh tons. So, we had got two years' stocks for distribution. Then we made that deal with Burma because many of our people here were afraid of our production and to assure them that decontrol will not harm the country and that Government will always have sufficient stock with them to fall back upon if there is any emergency, we purchased 9 lakhs tons from Burma. Now, our stocks are about 22 lakhs tons. With this stock in hand, I think, we can safely allow imports and exports by private parties. A larger number of applications were received from private trade for imports. But, because the prices in this country were lower than the prices at which the rice was available from countries like Burma and Thailand, a very small quantity was imported and that small quantity was of finer varieties from Pakistan and Persia. Similarly, we never said that people can export. As the hon. Commerce and Industry Minister has said, only a small quantity, a few hundred tons, has been exported. Therefore, there is no

[Shri Kidwai]

danger of any precipitate fall or rise in the prices of rice so long as Government has got a stock of 22 lakhs tons and it is not disposed of. Hon. Members are aware of the fact that we had large stocks of wheat and that we used that to reduce the prices of wheat in the market. Two years ago, the issue price of wheat from government stock was Rs. 20/8/- a md. Every three months we started reducing the price by one rupee and today the issue price is Rs. 14/8. After 15 days, it is going to be Rs. 13/8. Similarly, we will use the rice stocks that we have got. We will keep them to reduce the prices later. This is the time when we can safely revert to the normal trade and see that the prices remain low.

Shrimati Renu Chakravartty (Beshihat): Sir, I do not think the hon. Minister has answered our doubts regarding the fear of shortage due to the terrible floods and the drought especially the drought—flood is there in our minds.....

Shri Kidwai: I am sorry I did not say anything about floods. I will say just a few words about floods. We have got floods and drought. I think our losses in Assam will be considerable in paddy crop. Our losses in Bengal will not be very high. I think the reduction will be about 10 per cent. of production. Although, generally, people who had seen the floods did not agree with me. I am glad to say that the day I was in Bengal a report from the Agriculture Department was sent to me and in their estimate they have supported what I have said.

Shrimati Renu Chakravartty: West Bengal Government Agriculture Department?

Shri Kidwai: Yes.

Shri S. S. More: When was it?

Shri Kidwai: It was before today.

The Deputy Minister of Finance (Shri A. C. Guha): I do not know why the hon. Member is so suspicious of the West Bengal Government, the Chief Minister of which is her own uncle.

Shri Kidwai: Sir, now speaking about drought, there is drought in Rajasthan but it is not a rice cultivation area. There is drought in Punjab, but it has got only a very small rice cultivation area. There is drought in West Uttar Pradesh partially and drought in Orissa which is mainly a rice cultivation area. But, as the Chief Minister stated a few days ago, the damage to crop was not much.

Shri B. N. Misra (Bilaspur-Durg-Raipur): Sir, what about C.P.? Is there no drought in C.P.?

Shrimati Renu Chakravartty: The whole of C. P. and South Bengal?

Shri Kidwai: I am coming to that. Therefore, there was drought in Orissa. The Chief Minister who went round the different areas said that the damage to crop is not as much as was feared. Then, we are having good rains in Orissa for the last three days. I hope that rain will extend to West Bengal also. (*Interruption*). Then there is drought in South Bengal, districts of South Bihar and so on. We are a vast country and we will always have droughts and floods. But, we have an excellently good crop this year in South India which will make up for the deficiency.

Shrimati Renu Chakravartty: So, does the hon. Minister assure us that there will be no cause for scarcity or shooting up of prices inspite of the drought and inspite of what the Prime Minister said today that, that is the most serious problem?

Shri Kidwai: That is my assurance.

Shrimati Sushama Sen (Bhagalpur South): Now in Bihar there is drought. Will the hon. Minister assure us that we shall get rice there?

Shri Kidwai: I assure the hon. Member that I can supply them twice the quantity that they usually produce.

An. Hon. Member rose —

Mr. Chairman: I think I will now ask Babu Ramanarayan Singh to speak.

Shri B. S. Murthy (Eluru): Sir, this is a very important question and there are some doubts to be cleared.

Mr. Chairman: Order, order.

बाबू रामनारायण सिंह (हजारीबाग पश्चिम) : सभापति महोदय, मैं किसान हूँ। अभी खेती करा रहा था और वहाँ से आ रहा हूँ। जिस प्रकार से सरकार का काम चलता है उस को मैं जानता हूँ। मुझे मालूम होता है कि सरकार दश की कोई बात जानती नहीं है, और यदि जानती है तो उस पर चलती नहीं है।

श्री एस० एस० मोरं : चलती है तो भागती नहीं।

बाबू रामनारायण सिंह : अभी बात हो रही थी कि दाम बढ़ रहे हैं, लेकिन हमारे मंत्री महोदय पृष्ठते हैं कि कहां दाम बढ़ रहे हैं? मैं समझता हूँ कि इसी जगह पर, इस दिल्ली शहर में शायद गेहूँ १२ रु० मन बिक रहा था दस या बारह रोज पहले और अब करीब १६ या १७ रु० मन हो गया है।

श्री किशबर्ह : आप आज का अखबार पढ़ें, उस में १२ रु० मन है। मैं ने खुद कहा था कि यहाँ दाम बढ़ रहे हैं। (Interruptions.)

बाबू रामनारायण सिंह : यहाँ दिल्ली में दुकानों पर गेहूँ का भाव क्या है?

श्री किशबर्ह : हम लोग चावल की बात कर रहे हैं।

बाबू रामनारायण सिंह : अजी साहब, गेहूँ का दाम बढ़गा तो चावल का भी बढ़गा और चावल का बढ़गा तो गेहूँ का भी बढ़गा, इस नियम को तो आप को जानना ही चाहिये।

सभापति जी, मंत्री महोदय कह दिया करते हैं कि उन के खजाने में बहुत सा चावल भरा है, कभी कभी कहते हैं कि सर्प्लस है। लेकिन अभी तो खेती हो ही रही है, अभी से उन को यह कहने का क्या अधिकार है कि सर्प्लस है? और अभी उन्होंने यह कहा कि “Inspite of so many talks of floods”

यानी उन के जानते हुए फ्लड है ही नहीं। सिर्फ 'टाक' हो रही है। सभापति महोदय, यह जो बिहार, उड़ीसा और बंगाल का इलाका है वह सब धान का इलाका है, यहाँ अधिकतर चावल ही पैदा होता है। बिहार का उत्तरी हिस्सा तो प्रायः सभी पानी में डूब गया है। दीक्षण बिहार का रहने वाला मैं हूँ, वहाँ पर कहीं कहीं पर थोड़ा बहुत पानी है और कहीं पर कुछ भी नहीं है। कहीं पर धान कुछ रोपाना है और कहीं पर कुछ भी नहीं रोपा जा रहा है। जब से मैं आया हूँ रोज रोज मरं पास चिट्ठी आ रही है चारों तरफ से कि पानी नहीं बरसता है। लेकिन यहाँ पर सुनता हूँ कि हमारे पास चावल का सर्प्लस है।

सभापति महोदय : वह तो ठीक है, लेकिन आप का कहना क्या है एक्सपोर्ट ड्यूटी बढ़ाई जाये या न बढ़ाई जाये?

बाबू रामनारायण सिंह : सभापति महोदय, कैसे आप कहते हैं कि यही सवाल है कि एक्सपोर्ट ड्यूटी बढ़ाई जाये या न बढ़ाई जाये? एक्सपोर्ट ड्यूटी बढ़ाने के साथ साथ आप यह मान लेते हैं कि आप के पास चावल इतना है कि आप उसे दश के बाहर भेज सकते हैं। लेकिन मरं कहने का मतलब यह है कि अगर आप में अक्ल है तो आप एक छटाक चावल भी यहाँ से बाहर नहीं भेज सकते हैं। यह कौसी बात है कि आप एक्सपोर्ट ड्यूटी बढ़ा रहे हैं? एक्सपोर्ट ड्यूटी बढ़ाने के साथ आप एक्सपोर्ट करने की इजाजत द रहे हैं कि यहाँ से खूब एक्सपोर्ट करो। सरकार को तो इस से कुछ एक्सपोर्ट ड्यूटी मिलेगी, इस लिये उन को इस से कोई मतलब नहीं कि दश में चावल की क्या स्थिति है। सभापति महोदय, यहाँ पर इस तरह की बातें कही जाती हैं कि सरकार

[बाबू रामनारायण सिंह]

के गोदामों में चावल भरा है। मैं जानता हूँ कि जिस दिन चावल के बिना दश में लोग मर रहे थे, उस दिन भी गोदामों में चावल पड़ा सड़ रहा था, लेकिन देने वाला कौन है? वह चावल खर्च थोड़ा ही किया जाता है, वह तो सिर्फ उन के गोदामों में सड़ने के लिये ही रहता है। लोगों के खाने के लिये नहीं है।

मैं और अधिक नहीं कहना चाहता, सिवा इस के कि दश की हालत बहुत बुरी है और चावल का एक्सपोर्ट नहीं होना चाहिये और वह प्रस्ताव पास नहीं होना चाहिये।

Shri B. S. Murthy: Sir, I only want to put one question.

Mr. Chairman: Have we not had enough?

Shri B. S. Murthy: I have not spoken about South India.

Shri Kidwai: Does he want exports from South Indian ports?

Shri B. S. Murthy: No, no. The hon. Minister has stated...

Mr. Chairman: There is no purpose in criticising what the hon. Minister may have said or otherwise. It is better to confine to the subject. If there are statements, counter-statements and criticisms on that, there is no end of discussion.

Shri B. S. Murthy: Sir, the hon. Minister was pleased to state that by exporting our finer quality of rice and importing, not finer, not ragged, but coarse rice, the maximum or minimum benefit to India will be nothing as far as finances are concerned. I am unable to understand, Sir, why; if no monetary benefit is envisaged by such a measure as this the government come forward with a Resolution as this? Moreover, the hon. Minister of Food was pleased to state that South India today stands in a good position. He said that there were droughts in Bihar, Orissa etc.; and floods in Assam, Bengal and other places, and that South India could export rice to these places. I would like the hon.

Minister to go to certain parts of Andhra. Today the transplantation season is over and until the harvest season all the landless workers there will have to starve.

Shri Kidwai: Why?

Shri B. S. Murthy: I receive a number of complaints from even surplus parts of Andhra—Circar districts—that the agricultural labourers are not having food because all the stocks have been locked up with the ryots and they are not releasing them. I think, Sir, the Government have some other plan in trying to come to this House with this Resolution. It is not a matter of exporting finer rice and it is not a matter of importing coarse rice. But there may be something which the Government are not willing to take the House into confidence. I am sure the Commerce Minister and also the Food Minister would be pleased to take the country as well as the House into confidence because we are threatened, as the Prime Minister has stated with floods here, drought there and scarcity everywhere. Therefore, if something happens tomorrow and the country has to face a very serious situation, I think both these Ministers will be held responsible, and I do not want the Parliament to be playing with the lives of millions of people in the country, especially the agricultural labourers, who are not having enough to eat. It is the height of folly to export rice when in certain parts of India, the lower middle classes and the lower strata of people are not having sufficient food. Therefore, I oppose the resolution and want the Government to reconsider whether it is wise on their part to play with the future and with the lives of millions of people in the country.

Shri Lokenath Mishra (Puri): Is it the point made by the hon. Minister that we propose to export less and import more at the same price?

Shri Kidwai: Yes, we are importing more.

Shri T. T. Krishnamachari: The discussion in one sense has been very

helpful, though I am afraid most of the Members that have spoken missed the main point. The resolution does not ask for permission to export; it merely asks for raising the export duty, so that exports would not go up freely. It is a resolution which is inhibitory in its nature and it is not one that throws up export freely. At the same time, I must also mention to the House that apart from Government imports of rice, we also allow private people to import rice. We have been giving licences to various people, and as my own colleague pointed out, though the licences have been given freely for the purpose of import to people who are in the trade, subject to certain ceilings, a very large quantity has not come in merely because of the price factor. The real attempt is more or less to allow the safety-valve to open if it is necessary for it to open. The valve will open if there is a surplus of high-quality rice, for which there is not any excessive demand in the country or in certain parts of the country, and which will go out to those countries which are in the habit of importing rice from India. I think the figures that I have given will convince anybody in this House, excepting my hon. friend, Mr. More, that at the present moment, the rice position is satisfactory. I did give the figures already and let me repeat them. There has been a surplus production in the current year of 46,00,000 tons of rice.

Shri S. S. More: Surplus in what sense?

Shri T. T. Krishnamachari: Surplus over the previous year, and taking into account the imports of last year, the surplus is definitely a very large one (*Interruption*) and the overall consumption cannot straightaway increase from 22.5 million tons. Taking into account the two million tons imported last year, it cannot increase from 22.7 million tons to 27.1 million tons. Our capacity to eat rice...

Shri S. S. More: It is difficult to grasp the figures that the hon. Minister has given.

Shri T. T. Krishnamachari: I have a very high opinion of the powers of my hon. friend for purposes of grasping, but the only trouble is that he would not exercise that power and all that he wants is to oppose the resolution. If he grasps the figures, he will be convinced that there is a surplus production of rice in the current year, but what could I do with one who refuses to grasp the figures. I have a very high opinion of my hon. friend's intelligence...

Shri S. S. More: My submission is...

Shri Velayudhan: One doubt I wish to clear...

Shri T. T. Krishnamachari: Hon. Members may ask questions at the end of my speech.

Shri Velayudhan: On a point of information, Sir,.....

Mr. Chairman: No interruptions please.

Shri T. T. Krishnamachari: The position, therefore, is that there is a surplus. My hon. colleague has mentioned the fact that this production has been affected to some extent by the floods and drought, and his experts have advised him that this surplus is enough to cover us in any contingency. What is now sought to be done is something very infinitesimal and small. There is a certain quantity of rice which is high-priced and for which there is a market. We would allow that to go out subject to a duty. If my hon. friends had said that the duty of 20 per cent. is not enough, that it should be 25 per cent. or that it should be a specific duty of Rs. 7, or Rs. 8 or Rs. 9 so that the inhibitory effect might be enhanced, I would certainly reconsider the position and come back to the House again with my proposals, but no such constructive suggestion has come forward. We have allowed imports to come in. Imports are coming in small quantities. My hon. colleague just now told me that Travancore-Cochin is importing a certain quantity of rice from Pakistan and they have asked for the licence for imports to be expedited. Once decontrol is established, a certain amount of nor-

[Shri T. T. Krishnamachari]

malcy will operate within limits. So far as imports are concerned, we give the licences. We know exactly what will come in and what will not come in. So far as exports are concerned, we have this export duty of 20 per cent. which inhibits exports. Put this picture against what my hon. friend, Mr. Ramachandra Reddi has said, namely, why should Madras be shut out of this advantage? As a matter of fact, a very great amount of thought has been bestowed in this matter. It was found that in this area rice is barely sufficient and the quality of rice produced is fairly high-quality rice, and so we did not want this stock to go out. Put the picture of the story as given by my hon. friend, Mr. Ramachandra Reddy, who says that there is a lot of surplus and that Vizag should be thrown open for export, with the picture as given by my friend, Mr. Murthy, who says that there is not enough rice. As a matter of fact, I think the answer to Mr. Reddi comes from Mr. Murthy. We have taken care to see that Vizag is not thrown open for export because we do not want any contingency that Mr. Murthy envisages, to occur. All care has been taken in this matter and the figures that I have given in regard to registration shows—I am mentioning for the first time the ceilings which will be 2,00,000 tons and I have not mentioned the ceilings at all before—that they have been very much less than 36,000 tons and actual shipments have been much less. This is a very small matter. In effect, what we are doing is to take into account the variation in export, and to put up a higher duty if we feel that the duty should be enhanced. The whole idea of export duty in regard to allowing normalcy to operate is to act as a check and it is a safety valve. If in some places there is a surplus, and if they will be getting, say, Rs. 25 or Rs. 27 or Rs. 29 per maund, allow them to export and the duty is there as a check. I would, however, repeat once again that if hon. Members felt that the export should be limited to a very small quantity then the obvious suggestion for them to make is that the export duty is not

enough. We will probably have in the other resolution that I shall be moving if the House permits me, the converse of the picture, and I am very grateful, therefore, that I have found a very large body of opinion in the House against exports...

Kumari Annie Mascarene: We do not want any export of rice.

Shri T. T. Krishnamachari: Which means that the export duty should be higher.

My hon. friend from Travancore-Cochin will feel that we have safeguarded the position. We have not allowed the South Indian ports to export. We are only allowing Bombay and Calcutta to export what she has in mind.

In the circumstances, with the controls more or less in our hands, I would like to assure the House that no serious harm will happen into and Government will take the House into confidence if there is anything going wrong. We will keep the House informed. So, at the moment, this measure is pretty innocuous and I would commend the resolution to the House.

Kumari Annie Mascarene: Is the hon. Minister aware that the extreme south depends upon the north for rice?

Shri T. T. Krishnamachari: As a matter of fact, the South will not pay Rs. 25 or Rs. 27 a maund for the rice from the north.

Mr Chairman: The question is:

"In pursuance of sub-section (2) of Section 4A of the Indian Tariff Act, 1934, (XXXII of 1934), the Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O: 2454, dated the 24th July, 1954, by which the export duty was enhanced from two annas and three pies per maund of 82·2/7 lbs. to rice flour but excluding rice bran and rice dust, which are free, with 20 per cent. *ad valorem* on rice, husked and unhusked, including

effect from the date of the said notification."

The motion was adopted.

RESOLUTION RE EXPORT DUTY ON GROUND-NUT OIL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move:

"In pursuance of sub-section (2) of Section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry No. S.R.O. 2520, dated the 29th July, 1954, by which an export duty of Rs. 350/- per ton of 2,240 lbs. was levied on ground-nut oil with effect from the date of the said notification."

The present motion is in effect to get the approval of the House to a very small quantity of export that has gone out and on which this rate of duty has been levied. Parliament has already sanctioned a levy of a duty of Rs. 300 per ton on ground-nut oil and it is on the Statute Book. This amount of duty is varied from time to time, and the variation on the side of lowering it is made by the executive powers vested in Government. But on this particular occasion, we found that the duty of Rs. 300 would not be enough and therefore, the duty was raised to Rs. 350. Since then, the duty has been lowered to Rs. 225 per ton, which is well within the limits of the statutory duty that is already on the books. So, the approval of this House will in effect amount to an approval of the higher duty levied on the figures that are with me. The figures may be subject to correction. The total quantity of groundnut oil on which this higher duty has been levied is just 997 tons. The lower duty which is well below the level already approved of, came into effect last week. So, I want the House to realise that this is more or less confined to an approval of the higher duty levied on 997 tons or thereabouts.

The history of the position of exports of groundnuts is fairly well known to hon. Members who are interested in groundnuts. We have been permitting export of groundnut oil during the year 1952-53, and I think the quantity released was about 60,000 tons. Out of this, 20,000 tons were released during the period July—December, 1952. A further quantity of 36,000 tons was released in the next half-year—January—June, 1953, keeping in reserve about 4,000 tons for newcomers. But due to the unexpectedly poor crop of groundnuts, coupled with a general rise in the consumption of edible oils in the country, the prices of oils and oil-seeds, especially groundnuts, shot up. By the middle of 1953, the price of groundnut oil reached the highest level attained in recent times. It went up nearly to Rs. 2,000 a ton. In order to help the consumer and with a view to curtailing speculative activity, exports were suspended after August, 1953. That is, nearly half of the quantity on which export duty was to be realised remained unexported. Also, the position in the middle of 1953 was so serious that very many States like Bombay, Saurashtra and some of the North Indian States began clamouring, and that is why we have to take the action to stop further exports. We also took care to see that the people who used groundnut oil for non-edible purposes were given other oil. We lowered the duty on palm oil and people who are using it for non-edible purposes like soap-makers were induced to import palm oil in large quantities. Those imports have come in. All this plus a fairly good crop, brought down the prices. Prices came down to Rs. 1,800, Rs. 1,500, Rs. 1,400 and so on, until the time when we released this notification imposing a duty of Rs. 350 per ton, the price was in the region of Rs. 1,160. Rs. 1,150 in Madras and about Rs. 20 or 30 more in Bombay. The duty was worked out on the basis of the prices ruling in foreign countries at that time. At that time, the prices were in the region of £130 in the European markets. We had allowed for export costs, the containers, the middlemen's profits, etc., and then