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GOVERNMENT OF INDIA
DEPARTMENT OF FOOD

Third All-India Food
Conference



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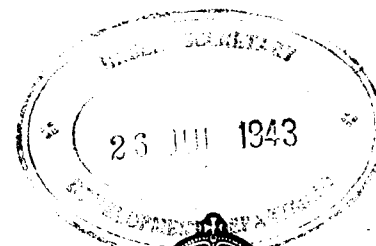
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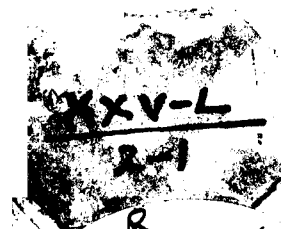


Third All-India Food Conference

HELD IN NEW DELHI

ON

5th, 6th, 7th and 8th July, 1943



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THIRD ALL-INDIA FOOD CONFERENCE HELD IN NEW DELHI ON
5TH, 6TH, 7TH AND 8TH JULY 1943.

- LIST OF REPRESENTATIVES.

Government of India.

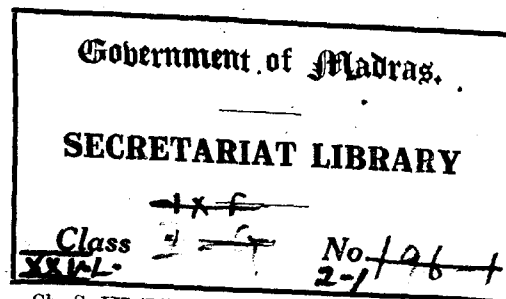
- (1) The Hon'ble Sir Azizul Huque, C.I.E., D.Litt., *Chairman.*
- (2) The Hon'ble Sir Jeremy Raisman, K.C.S.I., C.I.E., I.C.S.
- (3) The Hon'ble Sir Edward Benthall.
- (4) The Hon'ble Sir Joginder Singh.
- (5) Major General E. Wood, C.I.E., M.C., Secretary to Government of India, Department of Food.
- (6) Mr. M. S. A. Hydari, C.S.I., C.I.E., I.C.S., Secretary to Government of India, Department of Industries and Civil Supplies.
- (7) Mr. J. D. Tyson, C.B.E., I.C.S., Secretary to Government of India, Department of Education, Health and Lands.
- (8) Mr. H. D. Vigor, O.B.E., Food Adviser, Department of Food.
- (9) Sir Theodore Gregory, D.Sc., Economic Adviser to Government of India.
- (10) Lt.-Genl. T. J. Hutton, C.B., M.C., Secretary, War Resources Committee.
- (11) Mr. N. C. Mehta, I.C.S., Sugar Controller for India, Department of Food.
- (12) Mr. J. V. Joshi, O.B.E., Deputy Economic Adviser to Government of India.
- (13) Lt.-Col. R. R. Burnett, O.B.E., Deputy Secretary, Political Department.
- (14) Col. R. H. Stubbs, Deputy Director, Supplies (Quarter Master General's Branch).
- (15) Mr. A. A. Phillips, V.D., Controller of Railway Priorities, War Transport Department.
- (16) Mr. W. H. J. Christie, O.B.E., I.C.S., Deputy Secretary, Government of India, Department of Food.
- (17) Mr. N. T. Mone, I.C.S., Deputy Secretary, Government of India, Department of Food.
- (18) Mr. R. L. Gupta, I.C.S., Joint Financial Adviser (Food).
- (19) Mr. N. G. Abhyankar, M.Sc., Under Secretary, Government of India, Department of Food.
- (20) Mr. A. Hilaly, I.C.S., Under Secretary, Government of India, Department of Food.
- (21) Mr. A. R. Vyas, Information Officer, Government of India.

Regional Commissioners (Food).

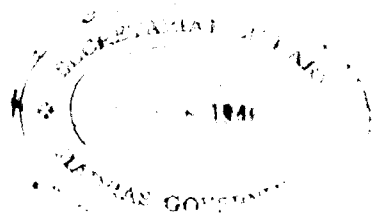
- (1) Major Général G. de-la P. Beresford, C.B., M.C.
- (2) Rai Bahadur Col. Dinanath, C.I.E.
- (3) The Hon'ble Mr. Justice H. B. L. Braund, Bar.-at-Law.
- (4) Mr. J. B. Ross.
- (5) Khan Bahadur Sir Abdul Hamid, C.I.E., O.B.E.

Provinces and Administrations.

- (1) The Hon'ble Mr. H. N. Chakrabarty, Minister (Assam).
- (2) Mr. K. W. P. Marar, I.C.S., Director of Food Supplies (Assam).
- (3) The Hon'ble Mr. H. S. Suhrawardy, Minister, Civil Supplies (Bengal).
- (4) Mr. N. M. Aiyar, C.I.E., I.C.S., Director of Civil Supplies (Bengal).
- (5) Mr. E. C. Ansoorge, C.S.I., C.I.E., I.C.S., Adviser (Bihar).
- (6) Mr. R. A. E. Williams, I.C.S., Secretary (Bihar).
- (7) Mr. H. F. Knight, C.S.I., C.I.E., I.C.S., Adviser (Bombay).
- (8) Mr. A. D. Gorwala, I.C.S., Supply Commissioner (Bombay).
- (9) Sir Geoffrey Burton, K.C.I.E., I.C.S., Adviser (Central Provinces).
- (10) Mr. H. S. Kamath, I.C.S., Director of Food Supplies (Central Provinces).
- (11) Sir Hugh Hood, K.C.S.I., C.I.E., I.C.S., Adviser (Madras).
- (12) Mr. W. Scott-Brown, C.S.I., C.I.E., I.C.S., Civil Supplies Commissioner (Madras).



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- (13) Mr. H. H. Thompson, I.C.S., Secretary to Government, Revenue Department and Director of Food Supplies (N. W. F. P.).
- (14) Mr. G. H. Emerson, I.C.S., Deputy Secretary (N. W. F. P.).
- (15) The Hon'ble Raja of Parlakimedi, Premier (Orissa).
- (16) Mr. C. S. Jha, I.C.S., Secretary, Supply Department (Orissa).
- (17) The Hon'ble Sir Chhotu Ram, Minister (Punjab).
- (18) The Hon'ble Sardar Baldev Singh, Minister (Punjab).
- (19) Sir William Roberts, C.I.E., M.L.A., Price Controller (Punjab).
- (20) Mr. N. M. Buch, O.B.E., I.C.S., Director of Food Supplies (Punjab).
- (21) Mr. E. N. Mangat Rai, I.C.S., Assistant Price Controller (Punjab).
- (22) Mr. J. C. Bolton, I.C.S., Secretary, Finance and Director of Civil Supplies (Sind).
- (23) Mr. R. F. Mudie, C.S.I., C.I.E., O.B.E., I.C.S., Chief Secretary (United Provinces).
- (24) Mr. L. P. Hancox, O.B.E., I.C.S., Secretary, Civil Supplies (United Provinces).
- (25) Mr. S. Khurshid, I.C.S., Chief Commissioner (Ajmer-Merwara).
- (26) Rai Sahib M. Jawahar Lal Rawat, Director, Food Supplies (Ajmer-Merwara).
- (27) Capt. I. S. Chopra, I.P.S., Assistant Political Agent (Baluchistan).
- (28) Mr. K. Chengappa, B.A., Chief Commissioner (Coorg).

Indian States.

- (1) Sir C. P. Ramaswami Iyer, K.C.S.I., K.C.I.E., C.I.E., Dewan (Travancore).
- (2) Mr. Narayana Iyer, Director, Food Supplies (Travancore).
- (3) Capt. H. C. Dhauda, Commerce Minister (Indore).
- (4) Rai Bahadur S. V. Kanungo, Assistant Director, Food Supplies (Indore).
- (5) Sir Joseph Bhoré, K.C.S.I., K.C.I.E., C.B.E., C.I.E., Economic Adviser (Bhopal).
- (6) Mr. H. Dayal, I.C.S., Under Secretary to the Resident (Kathiawar).
- (7) Lt.-Col. C. P. Hancock, C.I.E., O.B.E., M.C., Resident (Eastern States).
- (8) Capt. A. C. K. Maunsell, Assistant Resident, Eastern States (Eastern States).
- (9) Mr. W. V. Griegson, Revenue Minister (Hyderabad).
- (10) Mr. G. M. Qureshi, Secretary, Planning Department (Hyderabad).
- (11) Rajyarnatna S. V. Mukerjee, Revenue Minister and Director of Food Supplies (Cutch).
- (12) Mr. A. V. Mehta, Price Controller (Cutch).
- (13) Mr. A. F. W. Dixon, C.I.E., I.C.S., Dewan (Cochin).
- (14) Mr. M. A. Sreenivasan, Minister, Industries and Civil Supplies (Mysore).
- (15) Mr. R. S. Mane Patil, Revenue Member (Baroda).
- (16) Sir Frederic Anderson, Revenue Minister (Bahawalpur).
- (17) Khan Bahadur Mian Abdul Aziz, C.B.E., Chief Minister (Kapurthala).
- (18) Mr. R. G. Rajwade, Director of Food Supplies (Gwalior).
- (19) Khan Bahadur H. A. Hashim, Deputy Revenue Minister (Rampur).
- (20) Mr. Meredith Worth, I.C.S., Secretary to Resident Rajputana States (Rajputana States).
- (21) Mr. A. V. Ramanathan, Dewan (Bharatpur).
- (22) Kunwar Gajendra Singhji, Secretary (Kotah).
- (23) Dr. M. S. Mehta, Revenue Minister (Marwar).
- (24) Major General Amar Singh, Army and Defence Minister (Jaipur).
- (25) Khan Sahib A. A. Kheri, Director of Supplies (Jaipur).
- (26) Mr. K. B. L. Seth, I.C.S., Chief Minister (Alwar).
- (27) Kunwar Raghubir Singh, Home Minister (Alwar).
- (28) Sir Donald Field, Kt., C.I.E., Chief Minister (Jodhpur).
- (29) Mr. Udairaj, Price Controller (Jodhpur).
- (30) Kunwar Prem Singhji, Revenue Minister (Bikaner).
- (31) Mir Maqbool Mahmood, Secretary to H. H. The Chancellor (Chamber of Princes).

The Conference commenced at 11 A.M., at the Council House.

After H. E. the Viceroy had opened the Conference, the Honourable Sir M. Azizul Huque, C.I.E., D.Litt., Member of the Governor General's Executive Council in-charge of Commerce, Industries and Civil Supplies and Food Departments, addressed the Session. He said:

"Gentlemen, I welcome you all to this Conference which has just been so kindly opened by His Excellency the Viceroy. You have on such very short notice responded to our invitation to meet at this Conference, and I welcome you to it with all the sincerity of my feelings. We are faced to-day with the gravest problem in the economic history of India within known memory. Never before probably did any Conference meet with such grave issues in front of it. Our problem is extremely complex. Its magnitude covers the whole continent of India with the variety of its climate and temperature and with complexity of its life. It concerns the problem of life and death of millions of our countrymen.

I am sure all of you within yourselves realise the gravity of the occasion, and I feel that our approach to the whole problem should be on a realisation of the realities facing us to-day and for the next two or three months, what we have to do in the exigencies of the moment and the gravity of the occasion, what steps we shall have to take for the next two or three months and what measures we can adopt with a view to ensure the supply of foodgrains to areas in need and in dire distress.

I beg you all, I appeal to you all and I do so in utmost humility and with all the sincerity of my feelings not to overweigh our discussion with criticisms of the past. They may have their value, but we may more appropriately discuss them, if need be, on a later occasion. I know the history of the past two years. I am fully aware of the story of the last six months, and I am familiar with the events of the last six weeks. If any of you feel that there have been omissions and mistakes in the past, I am not prepared for the time being to enter into any discussion or controversy over your grievances, and I am for the time being prepared to bear with those charges without making any attempt to trace the genesis or the impelling necessity of the measures that had to be taken. I am convinced that we shall not be able to move forward if we once enter into a critical discussion of the past leaving out even for the time being a discussion and a decision as to how we can solve our present problem. Let the future write its judgment. Let statistical controversies, economic criticisms, the passing of judgment and the award of convictions and sentences be deferred till at least the situation is under better control. I do so not to avoid my share of the responsibility or to cloud the issues. I am only anxious that we should immediately take up the question as to how to tide over our immediate difficulties.

The problem before us to-day is how to supply foodgrains to areas in distress, to areas in deficit, to areas in grave peril, to areas in danger of the gravest dislocation, to areas in need of immediate flow of supply, to areas within the bombing range of the enemy and to areas in the immediate front line of our defence. That is the problem with which we are faced to-day. But let me, here and now, assure you that I am fully cognizant of your views, the views of the Provinces and the States, their criticisms and even indictments. I know your anxieties and difficulties. Yet with all that, if I am advising the course which I have suggested namely, to defer these matters, it is because of the urgency of the immediate problem which has to be solved by your combined discussion and decision.

Let us face the issues to-day and think out as to what we can do in the immediate future. You are to advise us as to what is to be done to keep things moving on. You have your own experience. You have felt and suffered with us. Let us meet together to settle our plan of action for the immediate future. Even then we do not know with any certainty whether we may be right or wrong, whether our plan will work or whether our decisions will solve the problem: economic issues can never be planned and settled or acted upon

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in scientific laboratories. Probably we shall only know the result and the value of our present decisions when to-day will vanish into the past, but for myself I would be content to make mistakes with you all, rather than face the risk, on such a momentous occasion, of taking a decision on any individual plan or scheme in isolation from you. Believe me I have come to this Conference with an absolutely open mind and I should like to have your guidance, judgment and advice. But let us all agree together in our decisions. Let us try in all sincerity to avoid the alignments of 'haves' and 'have-nots'. Let there not be any conflict of views or the division of views into two camps, one of those who have and can spare and have a surplus, and the other of those who have not and are in need and in deficit. Let those who have a deficit realise also the difficulties of those who have a surplus, and let those who have a surplus not forget the millions of human souls in deficit areas in great distress and agony. Let us try to understand the basic facts which have brought about the present situation.

India has been so constituted that there is to-day a tremendous interdependence as between the provinces and the states for almost all the vital economic necessities of life—in rice, wheat, sugar, textiles, steel and various other commodities. I doubt whether there is any province or state in India which can consider itself self-sufficient in regard to economic necessities of life. We have also to realise that even areas with the best of crop conditions have to suffer from natural calamities like floods, cyclones, tornados, and monsoon failures. We are now in the midst of abnormal war conditions which are bound to upset the normal movement of economic life. The transport difficulties alone are factors not often realised. There has been a tremendous movement of population from one area to another. Industrial workers and labourers are employed in large numbers with higher wages, all of whom are anxious to have a higher subsistence than before. There are also Defence Services needs, the military requirements of grains, cereals, vegetables, meat and various other food products. Abnormal price conditions are operating in certain areas with reactions all around. Reports of serious shortages in supply in the various regions in India are frequent. And there stands the occupation of Burma by the Japanese with its effect on both the strategic and economic position of India. We have also to remember our special obligations to areas within the direct war zone or areas which are engaged in maximum industrial war effort, to areas almost next to the enemy and to areas in the occupation of the enemy.

Whatever we may do, we must all remember that no scheme or planning can possibly succeed in this vast country of India constituted politically and economically as we are, without the fullest co-operation of the Provinces and States. I am, therefore, anxious that whatever decision may be arrived at by you, should be with maximum unanimity. We must remember that there can be genuine agreement in spite of honest differences. We need above all a spirit of compromise in all human affairs. The 'ayes' and the 'noes' will and can never agree till each is prepared to meet the point of view of the other. For myself I will feel that it will be the greatest tragedy if we cannot agree together even in a crisis like this.

We are meeting here to-day, as I have said before, to discuss the immediate problem for the next two or three months. You are probably aware of the fact that Government intends to immediately appoint a long-range Planning Committee and we are ensuring that its report should be available to Government to enable the Government to convene another conference like this early in September with a view to know the views of the Provinces and the States, to discuss the report fully with their representatives before the Government of India take any action on the report. To-day let us resolve within ourselves that we shall not break up till we agree. His Excellency the Viceroy and the Members of the Executive Council are almost waiting day to day for your views, and I hope, I may be able to tell them of your views within the next two or three days, on the problem of the hour, and I can assure you

that once your recommendations are before the Government of India, there shall not be any leisurely, stately, solemn revolution of files round the usual orbit of the Secretariat, but that we shall take an almost immediate decision.

The issues before us are quite clear. We know the effect of control. We have seen the result of free trade. With such experience behind us, we have to find out whether some form of control is inevitable or whether and to what extent free trade may be possible. If it is decided that control in some form is inevitable, should such control be on a provincial or zonal basis and if it is on a zonal basis, what should be the best zonal divisions? What should be the best means of procurement of foodgrains and cereals as between one Province and another to meet the needs of the deficit areas? What will be the best means of procurement for central needs from areas which can spare? What should be the nature of the procurement policy of Government, whether it should operate through usual trade channels, whether it should function through Provinces and States or official agencies, or whether we should use a modified form of trade channel by employing the trade itself on some commission basis? And then there is the other factor as to how to bring the price of foodgrains within control, how to get the maximum flow of commodities out of the growers, and we have to find out to what extent the anti-hoarding drive has been taken up by the Provinces and States and with what success. What more has to be done with a view to ensure that hoarding in any form is put an end to? We have also to deal effectively with profiteering in any form. Profiteers and hoarders are national criminals to-day. While people are starving, they are sitting on their hoards and I am quite convinced that we must rigorously and vigorously take all steps to stamp out the evil and to punish the evil doer to ensure that he will not do it again. Then there is the question as to what extent and in what form we can introduce or should introduce rationing at least in urban areas. Are any legislative changes needed? What further powers should be taken by us or by the Provinces to take steps on the lines indicated above? May I in this connection also emphasize that the food problem of to-day is most intimately connected with the Grow More Food Campaign. Any measure that may be taken will only be a palliative for the time being, but it is only through the Grow-More-Food Campaign that we can have the pathological cure of all our maladies. In this connection I specially wish to emphasize the need of growing more vegetables in the urban areas. Let there be no delusion in this matter. Even if all our present problems are tackled, it is necessary that the Grow-More-Food Campaign should be intensively pursued in all parts of the country, and I am glad to say that my Hon'ble Colleague Sir Jogendra Singh, who is kind enough to be present here, has taken up the question with earnestness and zeal. At the same time it is necessary that it should be taken up in all Provinces and States with the utmost vigour and almost immediately. You have to consider also in this connection the question of food intelligence and publicity, as to how we can get all information that we need and how the people in the country can day to day be informed in touch with us, how the people in the country can day to day be informed of the exact food position, and of other matters incidental to the tackling of the food problem. I would also in this connection wish you to consider what measures should be taken on an All-India basis with a view to avoid waste in food. There are Provinces and States which have already curtailed entertainments in any form. Others have not yet done so. I feel the time has come when we must give a lead to the whole of India, as to what we can do so that there is no more waste of food materials and food products, in this country.

I am sure you realise the need and value of intimate contact between the Provinces and States at this juncture. Constituted as we are, we are in need of constant connection and communion, and I feel that sooner or later we shall have to consider as to whether there should not be a Board of Commission sitting at the headquarters of the Government of India, representative of the

States and Provinces, so that they can be consulted day to day and informed day to day, of the measures that have been taken or needed with a view to give the Provinces all information and get all information from the Provinces. I merely raise this suggestion for you today, without further pursuing it, but I feel the time has come when there should be a greater liaison between the Provinces and the States in every possible way.

I shall not detain you any more before we enter into a discussion of our immediate problems. Let us remember that if there is anybody in this vast country who suffers from starvation or may possibly succumb for want of food and if there is any one in this country in any corner of this vast land of ours, the land of ancient culture, the land of our pride and our past, who perchance comes to the limit of starvation with at least something which we can spare for him to keep him or her alive, if he or she fails to get his or her scanty morsels due to any failure, action or inaction on our part, for myself at least I shall feel the relentless curse of the starving man or woman in our future trails. All other problems to-day are as dust in the balance when weighed against the immediate problems of food supply of the millions of our countrymen.

Speaking on behalf of the Government of India, we shall cheerfully face the future whatever may be the inexorable logic of facts and realities if you come to an agreed decision. Believe me our task will be immensely difficult if there is any sharp conflict in your views, but I have confidence in your united wisdom and judgment. I have unflinching faith in Providence which guides us and will see us through. I see no doubt the clouds all around us to-day, but I also see the glimmering rays of sunshine behind them. To-day I only pray that the Almighty, the Dispenser of all events, may guide us through in our deliberations. Gentlemen, before I request you to speak on the general aspects of the immediate problems to-day, I should like to make an observation that in view of the seriousness of the problem and in view of the past experience available to us, nothing should be released to the press except in such general manner as may be decided upon. We know that something has leaked out and it has created a terrible dislocation in different parts. I therefore direct that no such statement should be issued till at least some decision is arrived at, and I say that nothing in this connection may go out to the press direct or in indirect form. Of course, we will be able to release a short statement every day in the afternoon for the Press. And the second thing is, that after general discussion of the recommendations that the different groups are making, we may sit together in committees to consider the special problems of different areas. For the time being, I should like Sir C.P. Ramaswami Iyer, who is speaking on behalf of both Travancore and Cochin, to deal with the situation there. I do not want to restrict your discussion in any way, but you will realise that we have to work here under the limitation of time and I hope therefore that you will kindly make your observations as short as possible."

Sir C. P. Ramaswami Iyer (Travancore and Cochin): "Mr. Chairman and Colleagues, at the outset I feel it my duty to utter a word of thanks to His Excellency for the manner in which he referred to the two States on whose behalf I propose to say a few words. The eminent position in which H. E. placed us is, I suppose something like the bad bold eminence of the personage in "Paradise Lost", and at the same time I feel and I am sure that the people of my State will feel grateful to His Excellency for having remembered us in our adversity. It is not my intention, Mr. Chairman, to indulge in any general remarks because that would be inapposite at this stage. Nevertheless, you will allow me to make two prefatory observations: the first arising out of what fell from yourself, that something has leaked out. As I was coming to Delhi I read in a paper that the Government of India had practically decided upon a policy of free-trade in the matter of procurement and movement of grains: and the object of my remarks that I shall permit myself to make, is to deal with that problem of free-trade, and I wish to make it clear that free trade will only mean the increase of profit for the hoarder. I was undoubtedly distressed and hurt in my mind that such a decision should have been taken prior to the

summoning of such a conference as this. I am glad the facts are otherwise, but I hope such leakages will be a thing of the past.

The other observation relates to what I might call activities of an organisation which I had the honour of belonging to for over two years—to the League of Nations which I thought had gone into oblivion. It has waked up and I might mention that from Princeton its present headquarters, it is suggested that rationing, flow of raw materials and finished goods and currency pegging would be regulated throughout the world. Whatever opinions might be held about the present condition or the future of the League of Nations in its present or future form, it was a matter of some satisfaction to me that in these days these questions were engaging the attention of the world at large. One of my Honourable colleagues has told the Conference what has been done in the form of control in India and the results of speculation. I shall therefore content myself with saying that what we have done, what we have achieved, what we have failed to achieve and why we have failed to achieve our results in the form we were anxious to put forward. In 1939 Travancore began the control of food grains and fixed the maximum price. It was on the 14th September 1939 that maxima prices were fixed. Then we asked our dealers to submit statements of stocks with them. Then we asked the Essential Commodities dealers to submit a list of stock of essential commodities with them. There was the Foodgrains Control Order asking the retailers to submit their returns. Then we stopped the exports outside the State. We then prohibited the movement of foodgrains from district to district except under a permit under the Foodgrains Control Order. Then we prohibited the milling of rice. We then prohibited the milling of rice under severe penalties. Government have now purchased or taken steps to purchase all the rice mills in the State. It is the policy of the Government that there would be no more milling, only hand-pounding. Then we passed an order regarding the declaration of stocks—stock held minus actual consumption—by each family and the immediate cultivator. Nobody could now keep rice or paddy in quantities exceeding 150 'paras' without a permit from the District Officer. Then we requisitioned stocks. Then we tried to increase the quantity of local commodities. We put a stop to the export of tapioca. From this it will be seen that we have been attempting to get every thing out of the land and feed the people. There are profiteers in my part of the country and I will not indulge in any general statement about other parts. The people of every part of the country are troubled by the profiteers. If there is no price control we do not know what would be the results. At present, money is very abundant in my State. This is the case in the whole of India. We have sent about 120,000 people on various forms of war service and we have sent men to different parts of India. They are serving in the War Services and they are in labour corps in Assam and otherwise. We have 120,000 people from Travancore working in the army in different capacities. That means that at least 600,000 are dependent on them and they are partially starving and from day to day we receive telegrams and letters from military commanders saying why the family of such and such a person is starving—family of the man who is fighting for his king and country. The answer is that I dare not do that, because if the neighbours find that that man is being given higher rations they will loot that house. That is practically the condition all over the country. I am speaking on behalf of the Governments of Travancore and Cochin, and Mr. Dixon will correct me if I am wrong. So we have to manage the supply movement of grains in such a way so that no internal disturbances may be created. There are certain aspects of the matter which must be shared by all of us. Travancore has a population of 6 millions. Cochin has a population of 1 million. (Mr. Dixon correct me to say 1½ millions. He is active and agile as ever.) so that both the States together have a population of 7½ millions. We produce more than 3/4ths of the rubber consumed in India. The rubber coolies should be fed. We also produce not a small proportion of the tea in India. The coolies in the tea Estate must be fed. We have our War industries. Those people in the War industries must be fed. And the position now is that they cannot

be fed. What we have done in the "Grow More Food Campaign" may be borne in mind. Our difficulty is that we suffer from too much and not too little rain. We are meeting that with pumping. We are using our hydro-electric power and with the pumps that we have purchased for the purpose of lifting water from the submerged field, from the sea and backwater areas. We have reclaimed 34,000 acres. We have requisitioned 7,000 acres. We have set apart many thousands of acres of forest land for cultivation and land so far used for the production of single crops has been converted into double crop land. And still we are a deficit area. July, August and September are our worst months. I have circulated to the Hon'ble Members of this House, a Memorandum in which I shall refer you to where I pointed out, that we are chronically in deficit of about 300,000 tons. The major part was being imported from Burma. Let us consider what that means. Why has there been this deficit? It was because large paddy land was thrown out of paddy cultivation and put into cardamom, tapioca, tea, coffee and rubber. That was in the days when Burma and Malaya were available as sources of supply, and we used to get 3/5th of our total supply from Malaya and Burma and that supply is cut off. There is one other aspect of the problem which I shall place before you. Harvest time in Travancore is in September-October and February-March. The stock required to meet our immediate requirements is at least 75,000 tons of rice. These are the figures but what is the remedy? How are we to get out of it? The Hon'ble Members will not accuse me of selfishness or greed when I say that it is not possible for the Govt. of India to overlook or ignore a tract contributing so much to the War and to Peace. They cannot ignore those deficit States. And how can they help us? Only by that widespread co-operation amongst all the Provinces and States, for which an appeal has been made in such moving terms by you, Mr. Chairman. I am not discussing any policy here or political economy, but from our experience—bitter inescapable experience—I can say and say with assurance that any attempt to bring free trade, at all events to South India, is bound to be a colossal failure, that free trade in India will mean that the profiteers who are some of the wealthiest people in India, and who today have cornered electrical goods, medical stores etc. alone will benefit. Profiteers have even purchased brass vessels from families in Cochin and Travancore. They have purchased electrical goods, medical goods, stores of various kinds, rice, tapioca—all this is cornered by one group who had no recognised agents but free emissaries here, there and everywhere to do the job. They are buying rice in every market and field. Where they are kept, where they are stored, we do not know, but we have come across many such cases. Not by way of arrogance or of bragging, I might say that the one way in which Travancore got out certain stocks was this. We chose groups of the richest land owners in the State. We asked them to give their returns. We came to the conclusion that those returns were inaccurate and purposely delayed. They were prosecuted immediately under the Defence of Travancore Rules, and in a few days the stocks came out (cheers). Today there are 116 officers, Police Inspectors, District Supdts. of Police, Tahsildars, Revenue and officials of high grade, who are under suspension and are being tried by a High Court Judge. Even with all these drastic measures, profiteering and hoarding have not been completely eliminated. I understand that 40 per cent. of the total stock is still hoarded within Travancore by vested interests. If with all this record of so-called repressive and reactionary legislation and action, and conduct, of this kind, we are still feeling that this hoarding is still there, just contemplate the possibilities of a State-wide and countrywide free trade where all the access to all the products is given to the profiteers, who are in every direction minting money and do not know what to do with it except starting Companies, and inserting two pages of advertisements in every newspaper. This is what is going to happen. I trust that this bugbear of free trade will not be trotted out so far as this Conference is concerned and that it will be given an early decent burial.

Mr. H. F. Knight (Bombay): I have been instructed to get one point cleared up. The Government of Bombay were not sure of the purpose underlying the

division of the Conference into Sub-Committees in the way as they have come to be divided. One of these Sub-Committees will consist of Regions No II, IV and V, and I am to ask for an assurance that that is not an indication that the Government of India propose to adopt a scheme making Sub-Regions II, IV and V a Unit. Our objection is that, of course, it cuts Bombay from its regional sources of supply, Sind, Punjab, Punjab States and part of Central India. Can I obtain that assurance, Sir?

Mr. Chairman: All that I can say is that no decision has yet been arrived at, but there have been several suggestions and if the Committees which will meet, make individual suggestions, I can say the Government of India will take that into consideration in finally deciding upon a policy. I am absolutely in your hands as to what lines to take, and as regards the other question, I can also assure Sir C. P. Ramaswamy Iyer that today the position is that the Government of India has an open mind in this connection, and if it is the common desire that there should be control of some sort or the other, I myself will be guided by this advice, and it will be better if we can divert our attention to the problem that if control is to be instituted in what form it is to be instituted.

Mr. Knight: I am instructed that Bombay cannot accept that allocation without an assurance that each Region is able to feed itself and according to the Food Department figures, that is not a case in rice and millet. That is a question of detail, to be discussed. The second point on which I ask an assurance, is that the long term planning committee is not bound by any instructions or any condition that it should recommend one form of trade and that I take it, Sir, is a fact on which I can now rely.

Mr. President: I need make no secret of the fact that till war conditions last, free trade is a thing which we have to keep in our pockets.

Mr. Knight: Thank you, Sir. Under free trade we should have to pay 3 crores of rupees in dearness allowance and the Bombay mills would pay 12 crores in dearness allowance. Again I do not think I need elaborate the position of Bombay Presidency which is one of the industrial sources for the War, and is among the largest ports in the country and has to be fed from outside. I would like to pay a very heartfelt tribute to the Food Department of the Government of India and their procurement plan. We have had several months of peace, lack of anxiety (though difficulties will come later on) and speaking for myself and speaking for Bombay, I would very much question the assertion that the food procurement plan has failed. I admit that it has struck difficulties and its details may have to be modified, and it may not have produced as much as it should have. I would greatly deprecate throwing the baby out with the bath water. I would suggest that our main object in meeting in Delhi should be not to devise new plans, but to assist the procurement scheme to work. Personally I feel, that if with the co-operation of everybody, it cannot be made to work, then Bombay and I think other deficit provinces, would be quite prepared to tighten their belts, accept scarcity conditions, and wait for better times. What we do not like and what we dare not accept, is a defeatist mentality, to say that we have now to try something else which may or may not work. I would suggest that perhaps the Planning Committee now proposed is unnecessary. Any Committee which is going to sit for six weeks and then report to the Government of India is going to make it very difficult during that period for any procurement scheme to function. Everybody will hang on to what they have got in the hope of getting better prices. I would suggest myself that instead of a long-term planning committee, we should be thinking urgently as to how to make the procurement scheme workable. I suggest that if we do not continue the present procurement scheme, any other alternative scheme must fulfil certain conditions. I suggest first that with a War on, the Government of India must accept the responsibility and cannot devolve that responsibility of feeding India on any private agency, or on any provincial Government. I do not wish to diverge into high politics but I cannot think that such a confession of defeat as the scheme explained in Bombay, could possibly be looked with favour by any of the Allied Nations,

most or all of which, have very complete control over their food supplies if not completely rationing. Secondly, I suggest that in the first place any scheme must apply to all India, to all Provinces and all States. Secondly that it must *prima facie* have the prospect of producing adequate food. The free trade scheme, suggested a week or two ago, in my view could not produce that food. Thirdly, if the scheme cannot produce adequate food for everybody, it must at least be a scheme which will secure equitable distribution of what food supplies there are; that is, the Government of India must see that one province does not feed full, while another starves. Fourthly, it seems to be imperative that any scheme must assist measures undertaken to control or combat the general inflation. We in Bombay look with great apprehension on the steep rise in the cost of living. We view with dread the effect it will have on the economic structure of the country after the war, as no provincial Government can then possibly be in a position to cope with this high cost of living. Fifthly, I suggest that any scheme must be such as would be recognized by the general public to be one designed to help everybody and not, if I may put it frankly, looked upon as a kind of device to put more money in the pockets of a class, which has done nothing to help the war but acts with the only object of filling its own pockets. I must frankly admit that I have encountered the suspicion that the free trade scheme has been engineered by some 'bania' clique. Finally, the point I would very much like to stress, is that of transport. I for one, cannot believe that any scheme, which does not provide for bulk transport can possibly function at all. Sir, we believe that the procurement scheme might be made to work and we see no alternative to it. We must all face hard times and cut down our standard of living. I do not think I need make any suggestion for its modifications. But I ought perhaps to give my view that the free trade scheme would make it virtually impossible to reduce the cost of living. The Government of India must exercise complete control over every aspect.

The Hon'ble Mr. H. S. Suhrawardy (Minister Civil Supplies, Bengal): I feel somewhat diffident in speaking before this chamber on this subject, when two representatives of two deficit provinces before me have voted against the policy of free trade.

Mr. President: It would be better if you come here and address.

Mr. Suhrawardy: It comes to the same thing. I shall try and raise my voice.

I feel, Sir, that after the speeches of Sir C. P. Ramaswami Iyer and Mr. Knight (Bombay) who have spoken so vehemently against free trade, my statement would appear to be somewhat out of place. From the applause which greeted your pronouncement that free trade should be removed and put into one's pocket while the war lasted, it is useless for me to contend that free trade for the whole of India should be introduced. I am very grateful to you, Sir, for your view that those provinces, at any rate, where the war industries are more or less congregated, should be considered somewhat sympathetically from the supplies point of view. In this respect, Sir, probably Bombay has been better served than Bengal. The Govt. of India, Sir, took a view regarding the surplus in what you consider the surplus provinces and the deficit in the deficit provinces, and attempted to secure the co-operation of the surplus provinces to remove the surplus from those areas to the deficit areas. It has been recognized, Sir, that whatever policy we may adopt regarding procurement or free trade, the co-operation of the Provincial Governments is of the greatest importance, and if this co-operation is found wanting, then a step must be taken by which the Central Government must override the reluctance of the provincial Governments to come to the aid of their neighbours, who are in need. An appeal has been made by you to the surplus provinces to recognize the difficulties of their brethren who at the present moment are in the grip of famine. Perhaps, Sir, Bombay has been better served. The supplies to Bombay have been secured. If the supplies to us had similarly been secured, the time would not have arrived when Calcutta had only two days' supplies in stock and there was no likelihood of grain coming in, in sufficient quantities from the neighbouring provinces. If

the programme which had been worked out by the Govt. of India could have been carried out, I too would have said that the procurement by the Govt. of India was sufficient for my needs and there was no necessity for free trade. If the Govt. of India could feed my people, that would have been sufficient for me. But we are placed in this position, that our provincial neighbours did not accept the views of the Govt. of India regarding the surpluses and the orders passed by the Govt. of India were not carried out. I need not refer to any particular province in speaking in this manner. Some provinces, or one province at least, did play the game and came to our rescue. Other provinces resisted to the uttermost limit the views of the Govt. of India regarding the surpluses at their disposal. But whatever it was, the fact remains that we were in difficulties regarding supplies. Today it is no use my wailing or weeping before the members who are gathered here today. But I can definitely say, Sir, that Bengal is in the grip of a very great famine, probably of a size and nature that may be equal to the Orissa famine of 1867. Unless the rescue operations are expedited the reports that we have received from the Commissioners of our Divisions, our daily reports, show that the situation is deteriorating very rapidly—hunger marches, looting, feeding on uneatables, such as grass and snails, persons too weak even to walk to the kitchens, persons unable to till the land—we are unable, therefore, to carry out our programme regarding 'grow more food'. This is the position in Bengal. Two months back we were faced with a complete absence of stocks in our deficit areas and in Calcutta. We had to feed the war industries. The Army had sapped the resources of the Province in the shape of vegetables, milk, poultry, and such like things. We had had cyclones and draught and floods. We were receiving reports of persons roaming about the country-side—small cultivators who had sold their crops at an early stage and who could not buy crop at the price which rice had reached—roaming about for a morsel of food. People could not cook in their houses without being assailed by 500 or a thousand people who claimed a share in the rice water. I started an anti-hoarding drive, not because I believed very much that there were reserves, but because it was necessary that whatever stocks there were, should be liquified as early as possible, for the purpose of relieving the immediate situation. I know the dangers of anti-hoarding drive, because it would mean that stocks which might have been useful during famine conditions would be liquidated and distributed. The drive, from my point of view, has been a great success. The mere mention of the drive and of an anti-hoarding campaign, resulted in agriculturists and traders who held stocks, bringing their stock to the market or lending to the poorer and more unfortunate people. The situation was eased to a very large extent. Food Committees were set up in all villages, and I believe there are today one lakh of Food Committees functioning, composed purely of non-officials. This has been the greatest experiment in non-official co-operation with Government, and I hope that at least for the future these Food Committees, will be the basis of a great non-official effort for solving our problems. As I said, a feeding plan is being drawn up. The result of the drive will show that although we have been able to get some stocks—about 80 lakhs of mounds in Bengal—it after all is not considerable. And these hoards are not just surpluses. They are stocks in the area and will be utilised to meet the deficit of families within that area. We have, to some extent, been able to ease the situation, but now we are in this position that we must have supplies from outside. If the Government of India cannot send us the supplies, free trade must bring out those supplies from the neighbouring provinces that have something of a surplus. We are, Sir, fighting today, for the lives of our countrymen fighting for the lives of those, whose destinies however temporarily, are in our hands. It is not to my mind a question so much of prices. We must have the supplies. Prices may rise, but prices must fall. To my mind, Sir, if our neighbours had accepted the free trade plan and had not raised objections to the movement of grain, our deficit pockets would have been filled to some extent, our prices would have fallen and there would have been a general fall of prices in all the provinces. Instead, by placing obstructions in the way of free trade they have helped those very profiteers about

whom reference was made by Sir C. P. Ramaswami Iyer. Without the movement of a grain of rice into Bengal, prices have risen in those regions as a whole. This has not helped us. That, however, is a matter of the past. I feel, Sir, that something must be evolved in co-operation with our neighbours. They have their difficulties and I can place their difficulties before you, but probably their advocates will be better able to place them than I. I quite realise their difficulties. They wish to procure rice at a cheap rate for their own essential services and for their deficit areas. We must try and get together and see whether we cannot evolve something in co-operation with each other and not in antagonism with each other. I do not know, Sir, whether we shall be able to come to any agreement, but I would like to place before them and also before the Govt. of India that our need is dire indeed, and in spite of the efforts that we have made to secure equitable distribution and make the best of our supplies, we find that we have not enough in our province to go round.

The first thing that I felt was, I must attack the two aspects, one of greed and the other of fear, which were leading to hoarding. I am afraid, Sir, that the rather vigorous efforts which I made have created an impression both in the minds of my colleagues who are gathered here and possibly in the minds of the Govt. of India—it would also appear in the mind of the Secretary of State—that there is sufficient grain in Bengal and the only reason why people are starving is that there is hoarding. (Applause). Unfortunately, Sir, that is not the fact. I wish it was so. I wish I could take upon myself that odium and say that while my people have sufficient, the Govt. have failed to carry out their responsibilities, because it does not matter if the Govt. is condemned, provided the people have enough to eat. I have to regret to say that our people are today helpless, that Bengal is a deficit province to a very large extent, and any amount of rationing or tightening of our belts will not be able to produce that sufficiency in grain which is necessary even for a starvation diet. I have issued instructions, Mr. President, to organise Bengal on a famine basis. I have asked that gruel kitchens should be set up, in which food which would normally be necessary for fifty people should be utilised for five hundred people. I have requested the Govt. of India to come to our assistance and I wait in hope and fear that that assistance will be forthcoming.

The Hon'ble Sir Azizul Huque: So far I have been asking the representatives from areas which have been very seriously affected within the last few months—Travancore, Cochin, Bombay, and certain parts of Bengal. I now ask the Secretary to call the representatives according to the order of the Provinces. The first is Madras.

Sir Hugh Hood (Madras): Sir, Madras has been in certain difficulties for some time, but I do not think those difficulties are peculiar to Madras. We have throughout striven to avoid adopting any narrow parochial attitude and in that matter I think we will be borne out by, at any rate, some of our neighbours. I do not think I can do better in the first place than refer very briefly to the causes and events in Madras, for, any future action that we take must necessarily be based on the experience that we already have. When the supplies of rice from Burma were cut off, the immediate result was a rush on our surplus areas. We have half a dozen districts in the Kistna and Godavari and Tanjore deltas, which produce large quantities of rice. The other districts are in deficit in food supply. It is true that even from the deltas, the supplies were restricted by transport difficulties. And the first step we took was to prohibit exports from the Province and to restrict the amount which was permitted to be taken out on permits. It soon became clear that the various buying agents on behalf of Ceylon, Travancore, Bombay and other places were competing with one another and pushing up prices very quickly. In the Regional Price and Supply Board I was pressed by the representatives of Travancore and Cochin to put a statutory limit on prices. That was refused on two grounds: firstly that the price of rice at that time had not risen to a level unduly liberal to the cultivator. The second was that if we put a price limit we did not see how these agents were going to buy their rice. The price

continued to go up. We examined the arguments again. The first argument would not hold water. The step we then took was not to fix a statutory price but to put all buying into the hands of a Government purchasing agency. The Purchasing Officers were told to buy in the surplus areas at a ceiling price. If sufficient quantities were not offered at that price they were told to hold off. That was a very one-sided arrangement and did not work. It was obvious that somebody had the rice. Holding off the market would not work, since it was clear we had to have the rice. Then we walked in, made enquiries and you may remember that last year we had started requisitioning. We got about 5,000 tons held by a group of merchants and through them offered supplies, at our ceiling price. That settled the matter for the time being. But in February, things began to get bad again, and since then requisitioning has been a recurring feature of the procurement scheme, but only to a limited extent. Taking the figures over several weeks recently, requisition orders were served for less than 15 per cent. of the purchases, and not all the amounts requisitioned were taken over, as the owners agreed to sell at ceiling price. That was for procurement for deficit districts although the earlier procurement and earlier requisitioning was also for export quotas. As regards procurement for the deficit areas, certain merchants are approved by the Collector and are allowed to buy from the Grain Purchase officers. They buy against district quotas for cash. They get the grain and sell it at a fixed price in approved areas, and then approved retailers sell it in the deficit areas at the specified price. The price is not a uniform price. It depends on the various items of costs involved in bringing it direct to the particular place, handling charges and profit. Collectors are asked to adopt suitable measures to keep prices of local stocks down to the price of the cheap imported rice. Collectors are also directed to unearth stocks in their own districts, and to help them they have been given officers to locate stocks and check up the information the local revenue officers already have, of stocks with cultivators and check them with the figures of the Commercial Tax Officers regarding merchants' stocks. These officials are known as Statistical Tehsildars or "Snooping" Tehsildars. It is the duty of these officers to go round and if they get to know of stocks held by anybody in material and excessive quantities, they get hold of them with the help of the powers given to the collectors. I feel sure that if we go further and advertise in the papers that people will be given rewards for information leading to the disclosure of stocks we should get further information. We already have rough and ready rationing schemes in a number of towns in varying degrees. We have not yet introduced a full rationing scheme in any town, but it rather looks as though we will have to follow it up.

The decision of which we were informed at the Bombay Conference was that the Government of India would abolish the procurement scheme and substitute Free Trade. We do not know, we have not yet discovered, why the Madras province should be included in the free-trade area. . . . No particular reason has been given why it should apply to Madras. It is possible that it is with the object of allowing grain from the Presidency to flow freely into Bengal. . . . If that is not the object, there does not seem any reason why a province which has a procurement scheme, should be expected, in view of its own deficit position, to supply food to any other province. There does not seem to be any reason for it and it will only result in disaster to us. As I said, it would only result in a tremendous rise in prices and in grain going not to places where it is wanted, but to places where it will find the highest price. Then there is the question of transport. There is a line going to Calcutta in the direction of easy transport. It is obvious that these factors would put up price. The inclusion of the area in the free-trade zone will result in an enormous rise in prices.

Our problem has been not merely to distribute our food but to distribute it at a price which the common people can afford to pay. The result of free trade will be a rise in prices. Merchants will hoard stocks till prices rise. We

have the example of other articles and we know that the merchants and the speculators who own considerable stocks are not actuated by any great public spirit. They are not moved by any sympathy for the sufferings of others. These persons should really be called callous, and if we are to put our trust in them we shall be putting our trust in people who do not merit any consideration and who want only to make a profit. If free-trade is coming to us and prices are to go up, as Sir C. P. Ramaswami Iyer has said, it is not known how it will result in the procurement of food. The morale of the army is bound to suffer very greatly and the Government of India and the Government of Madras have constant trouble with the relations of soldiers left behind in villages and towns, from persons who cannot afford to pay high prices. I do not think that is going to help the war effort in any way.

Then there is this statement of policy by another Department of the Government of India. 'It is the policy of Government of India, that the cost of industrial labour should be stabilised as far as possible by the supply of necessities of life to such labour at reasonable prices.' That was the policy of Government of India. There is a lot of labour which is getting dearer allowance in the railways, factories, etc., and there are large numbers who are not getting any dearer allowance and have to continue as before. Sometime back an emissary came to us from the Government of India to find out how we had controlled the prices of commodities.

I do not know how the inevitable rise in prices is going to affect the anti-inflationary measures adopted by the Government of India, trying to control prices of cloth. The mills agreed to adequate prices and to the standard cloth scheme. I do not know how the Government of India expect cloth merchants and mills to sacrifice their profits, if the grain merchants are to be allowed just as much profit as before.

Then there is the question of railways. We have received very close co-operation from the railways and from their officers in helping us to move grain long distances from the surplus areas. Our procurement scheme is in arrears, but that does not matter because we have already procured more than the railways can carry. They can only carry our current requirements. If in any case the stock procured rises, then there the question of railways comes in.

Now the Government of India appear to be under the impression that the procurement scheme to which reference has been made, has been a failure. As I understand the scheme, it was agreed to by all the provinces in India. Some provinces have apparently failed to take any action to implement that scheme. Which are these provinces, I do not know. If that is so, it would appear that the Government of India are unable to take any drastic action against these provinces and it looks as though Section 126A of the Government of India Act had gone into the waster-paper basket.

Our answer to the problem is not that the procurement scheme, which is in itself a sound scheme, should be abandoned. We ourselves do not much care about certain features of it, but it is a scheme that has been put forward after great consideration and consultation, and we are not prepared to question it or agree about details. We wish that scheme to be worked, and we feel strongly that it can be worked, and it is for the Government of India to insist that it shall be worked.

Mr. Chairman: Gentlemen, You might sit till 1-30, then break off, and meet again to continue this plenary session at 3 o'clock, this afternoon.

Major-General Wood (Secretary, Food Department): Before calling on the U. P. to speak next, from now on we will finish Provinces in a round, prior to taking up States from Hyderabad. Before calling on the different people to speak, may I ask all representatives to give serious thought to the forthcoming question of how they would wish the Sub-Committees to be constituted. This has to be decided possibly this evening.

Sir Hugh Hood (Madras): It would greatly facilitate the task if you could give us a list of what the groups, are as included in the business of the Conference. Region numbers convey nothing definite.

Mr. Chairman: Generally speaking, Regional division has been carried out as far as possible, keeping in mind areas which are contiguous to one another, and have some direct connection with one another. These have been put into groups and towards the end of the day's proceedings the Secretary will give a tentative idea of the different groups.

Mr. R. F. Mudie (U. P.): We agree very largely with Bombay. That is to say, that we take objection to free trade for the reasons given by Mr. Knight. We are of the opinion that the existing purchase scheme is workable in some modified form but the principle was sound, and we are agreed that the food problem must be looked upon as part of the general inflation problem. The only speech we had today for free trade, from Mr. Suhrawardy, seemed to confirm the fears of everyone who was opposed to it. It is quite clear that if you have a drive, an anti-hoarding drive that produced 3 lakh tons of rice, then hoarding was the normal thing in Bengal. The only reason why people hoard is for profit and if you have free trade with the present trend of prices in India, you must make a profit by hoarding. We brought some rice last November because we thought we would be short of rice. We could sell that rice at a profit of one crore of rupees and if I was a 'baniya' I would do that. The other point I think Mr. Suhrawardy made: he rather accused other Provinces of not playing the game. The only effect of free trade had been a rise of prices in other Provinces without helping Bengal. That is exactly what would have happened if the free trade area had been extended to U. P. Our rice is bad enough: Rs. 17, Rs. 20 and in one District in the East of the Province next to Bihar 1½ seer to the rupee is the retail price. But no rice would have gone to Bengal because there is no rice to go. Similarly with wheat. We had a fair average crop. We expected we ought to have about 3 lakh tons coming to the markets of the U. P. in April, May and June. Actually we had less than 1½ lakh of tons. At the moment we have no real surplus. We have to feed, I think, a larger urban population than any other province. We are nearly 4 million in our towns. The strongest indictment against free trade was in the speech of Mr. Suhrawardy.

As regards the scheme, the essence of the scheme as we understood it, is that every province should try and get hold of as much stock as possible. They would then be in a position to talk to the dealer. I saw a statement recently showing the extent to which Provinces have failed in the basic plan. Of course, if you had all the grain in your hand already, you could work according to any plan. The whole difficulty is getting the grain—that is very largely the crux of the whole problem. I think emphasis was not sufficiently laid on the essential part of the plan, that each province should buy as much as they can, and then export to other Governments or Provinces. That is essentially sound. We have been doing that and we came to an agreement, a subsidiary agreement, with the Government of India that we should buy and hold sufficient for reserves for our own towns, and after that, whatever we bought we will go fifty-fifty with the Government of India. Meantime the Government of India was free to buy for the Army in the U. P. It has not paid them to buy for the Army, as prices are high. Out of 147,000 tons of wheat which has come, to 53 of the largest markets in the U. P. we have got 95,000 tons, of which we are prepared to give 10,000 tons to the Government of India under the agreement and again buy up to 10,000. Barley and Gram are hardly coming to the market. Millets and rice: the agreement came into force four or five months after crops were out, so there was no chance of buying from the start. We raided the markets in March. For the rest we must wait. We might get a little more. The essentials of the scheme, that the Government should buy as much as possible, are sound. I think every provincial Government would object to any system of control by zones which deprived them of their power to discharge their responsibilities to their own people. No one is in a position to know as well as the provincial Governments, what the needs of the people are, and we agreed at the last meeting that we will play and we intend to play the game and the Food

Department agreed to our scheme of fifty-fifty and we are quite prepared to carry out that scheme.

The other point that was raised was how to get grain from the cultivator. We tried earlier in the year to buy at a fixed price. We nearly starved all the towns. Then we started to buy through agents and we were very successful in the case of wheat, and by the last week in May and the two weeks in June prices were slightly falling. We had a ceiling price of Rs. 13 and we lowered it to Rs. 12-12-0. Then came the unfortunate story of free trade and everything was upset. But one very interesting fact that applies to the U. P.—I do not know if it applies to other Provinces—is this, that at harvest time the old parity between the retail price of the commodities and the wholesale price of the grain re-establishes itself. It did so in Rabi 1942; then it fell short and consumers grain shot up again and grain fell behind consumers' goods. Well I have just got the figures for June and grain has not quite got up to the level yet. It is now about 99 per cent of the price of the goods. But the interesting thing is that the price of consumers' goods fell in June. That was due to control of silver and to the control in cloth, and although the grain index did not quite meet it, yet the rise in grain index was much smaller than it had previously been. I have had what I consider a most hopeful letter from the Government of India—a letter from Mr. Hydari about consumers' goods. We had also letters about inflation but I must say and I agree with Madras, that I felt there was a lack of co-ordination when we got the letter about free trade because everyone then buys or sells at enormous profit. As regards the particular subject of buying, the main thing is that you must keep down the 'bania's' profit. When we sell nearly a lac tons of wheat we make no profit, but if that lac ton is held by a 'bania' he would make a profit out of it. I do not know, Sir, if the regional committees could deal with these aspects of the problem—the aspects of rationing, holding stocks, the question of consumers' goods, the question of general inflation and so on. I am very glad to see that on Wednesday a scheme for the control of 'gur' is to be put forward in a very simple form. This year, I am told, our sugarcane area has increased by 30 per cent. We managed to keep down the price of 'gur' to some extent.

The Hon'ble Sir Chhotu Ram (Minister, Punjab): The representatives of the Punjab are not inclined to make any comments at the present stage, but from the speeches that I have already heard, it appears that I should certainly quote a few figures to convince the gathering here, whether the Punjab has or has not played its part. We promised to supply 8 lacs of tons of wheat last year and at a pinch 8 lacs of tons. Our actual supplies went up to 9.7 lacs. We were asked to put larger areas under foodcrops. We placed 2½ million acres of land under additional foodcrops. We were asked to advise the people to put as small an area under short-staple cotton as possible. We tried our best and succeeded very largely with the result that over 4½ lacs of acres of land which normally would have been placed under short-staple cotton were placed under foodcrops. Now this is the part which we have played. So far as the future is concerned, we are prepared to offer every possible co-operation and we are prepared to render every possible and reasonable help, but at the same time we are not going to sacrifice the interests of the province. We believe that in view of the special conditions that prevail now, we ought to do what we can in the way of sacrifices, which are required of every province in the country. But the Punjab alone should not be made to suffer. The Government of India believe that the Punjab is holding stocks of wheat. That is wrong. The responsibility is entirely that of the Government of India. We are asked to make purchases for May, June and July. The order was for 332,797 tons. We have already purchased 218,654 tons. But the Government of India have failed to despatch these supplies anywhere. They have been able to rail only 62,000 tons of this huge amount. Whose fault is it? Is it the fault of the Punjab or any other province? It is entirely and completely the fault of the Government of India who do not know how to get transport, how to get wagons.

Quite a number of speakers have stated that there is no need of free trade of any kind, but within limits certain restrictions on price as well as produce are necessary and desirable. Within those limits the Punjab is quite prepared to support the Government of India. But if restrictions placed on the movement of wheat, on the movement of foodgrains and prices are combined together, then there is a huge sacrifice to be made by the Punjab. I may tell you, Sir, that in wheat in 1942, in Bajra in 1942-43 and in wheat this year, and as a result of the advice which was tendered by the Government of India that the Provincial Governments should persuade cultivators to place a smaller area under short-staple cotton, the Punjab Government has, at a modest figure, suffered a loss of over Rs. 20 crores. Now, is it reasonable, is it fair, to expect the Province of the Punjab to continue this sacrifice and similar other sacrifices which have been essential, considering the result of the advice and orders given by the Government of India and their failure to have any transport facilities provided for sending out such commodities? Now, if free trade, restricted free trade, qualified free trade, is resorted to, I think, deficit provinces will benefit. They will be able to get their food and that too at more reasonable rates than they are doing now. Surplus provinces will get a little higher price and the private merchants will profit. Traders know how to get wagons. The Government of India do not know how to get wagons. My own advice is that the Government of India should allow qualified free trade.

Now, there seems to me to be another impression abroad that the grower has grown rich from every point of view. On what grounds is this impression based? One of the factors which finds favour with the Government of India is that unginned cotton was selling between Rs. 25 and 30 per maund in April and May, but they forget the grower's lot in November, December and January when he did not get more than Rs. 9 or 10 for 'desi' cotton and nor more than Rs. 14 or 15 for American cotton. On an average the grower realises only about Rs. 8 or 8-8-0 for 'desi' and about Rs. 12 for American cotton. It is only a myth that the grower has become suddenly rich. I have already said that on cotton he did not make any large profit. Now, let us take wheat. It is now selling in the Punjab at a little less than Rs. 10 per maund. At Lyallpur it is selling at Rs. 10-1-0 or 10-2-0 (wheat No. 591) and Rs. 9-11-0 (Dara wheat), that is to say, roughly it is Rs. 10 per maund. What is the price at Hapur? A little over Rs. 14. Now a difference of Rs. 4 per maund cannot be justified on any ground whatsoever. It is due entirely to the policy which has been followed by the Government of India in the matter of restricting free movements of wheat. At Hapur it is sold at roundabout Rs. 14 per maund. The difference between Lyallpur and Hapur should in no case exceed Rs. 1-8-0. Why should the Punjab grower be made to suffer this loss? I do not know in whose interest all this is being done. The consumers in Bengal do not get a sufficient supply of foodgrains. The Punjab grower is certainly dissatisfied even with what he is getting now, although the feeling in the Government of India circles seems to be that the Punjab grower has grown very rich indeed, and that he is realising excessive prices. For making a reasonable and fair idea of what the prices are, or should be, I will put forward a few figures:—

Between 1929 and the outbreak of the war and even after until 1942 prices were barely adequate, if at all, to meet the cost of production. Now I will quote those figures:—

Year	Wheat sold in May and June at Rs.	Year	Wheat sold in May and June at Rs.
1931	1 9 0	1937	2 6 0
1932	2 1 0	1938	2 4 0
1933	2 11 0	1939	3 0 0
1934	2 2 0	1940	2 11 0
1935	2 4 0	1941	3 0 0
1936	2 6 0	1942	4 15 0

These are averages for the month of May and June, during which months the grower parts with most of his surplus wheat.

Now let us see the rise in the price levels of wheat as compared with the articles which a grower has to purchase. Here are these figures:

Averages for 1931—35 at Lahore. The basic figure is 100 for the period 1931—35. Now let us consider the rise:

Year	Index No.	Year	Index No.
1939	135	1942 (Second quarter)	186
1940	139	" (Third ")	210
1941	145	" (Fourth ")	251
1942 (First quarter)	175	1943 (First ")	309

Now, the grower has to pay a higher price for his subsistence as well as anybody else. The general index figure stands at 309 in 1943. Let us see what the rise has been in the price of wheat. It is only 261. Even immediately before the war the grower was selling his wheat at barely cost price—at times at lower than cost price. Now, what does the wheat rise of 261 mean? Nothing; nothing as compared either with the general index cost of living figure, or with the prices which he was getting just before the outbreak of the war. The rise in respect of the other commodities which he has to buy has been higher, viz., 309 per cent. The percentage rises are—Timber 114 per cent.; Leather 239 per cent.; Cattle 300 per cent.; Kerosene oil 77 per cent.; Wheat 261 per cent.; Cloth 559 per cent. What does the Government of India say to this? Nothing! Nothing whatever except this, that the growers are a silent community; they are not organised; they have no press of their own and have no influential people round about Delhi or Simla. This explains the silence of the grower and the scoldings he has to accept on behalf of the Central Government; on behalf of deficit Provinces and of consumers. And, who are these consumers, may I ask? Eighty per cent. of the population lives on agriculture. They produce wheat or other foodgrains, either as land-owners or as tenants or as agricultural labourers or as partners in cultivation. Of the remaining 20 per cent., I think about 15 per cent. of the people are those who can get very good wages and are getting them—factory labourers and the like. We had to stop our construction of irrigation works because we could not get labour; this was on account of the terrible competition which had been started by the Central Government's P. W. Department. We had simply to close them. The wages of labour have probably gone up 4 or 5 times. We should exclude that class of people from the category of those who are not in a position to purchase their food. There is moreover a certain percentage of people in every Province, in whose food, wheat does not enter as a serious ingredient, while there are others who can very well afford to pay a much heavier price than they are paying now. The only population for which the Government need show any concern consists of those who are very old, infirm or disabled—and yet poor. The percentage of such people will not be more than about 2 or 3 per cent. of the population.

So far as the countryside is concerned, my proposal is that cultivators themselves should set apart 1 seer per maund of their produce, which will be quite sufficient to sustain that part of the population which is unable to earn any livelihood and which is very poor. So far as towns are concerned, there is no reason why rich people, big merchants, middlemen and contractors—yes, contractors—should not pay a decent amount every month towards a charity fund. If they do so voluntarily and willingly, good and well. If they fail to do it, is there any reason why the Government of India should not enact a law so that they will be forced to do so? If the 2 or 3 per cent. of the population mentioned above is thus provided for, there is no other section left for which the Government of India need feel any concern whatever.

So, my proposals are, to have qualified free trade, a voluntary or compulsory setting apart of 1 seer per maund of produce for the countryside, and introduce a charity fund to which well-to-do people should be asked to contribute voluntarily in the first instance. Enforce it if necessary by a law and compel them to make this contribution if they fail to do so voluntarily.

That is all that I need say at the present stage. In the Committee stage I may have a few more things to say.

The Honourable Sir Azizul Huque: I propose to adjourn this meeting till 3 P.M. After we finish the main discussion, the Committee can sit.

(The meeting adjourned at 1.25 P.M. for lunch to meet again at 3 P.M.)

Major-Genl. E. Wood: Gentlemen, there is to be distributed to you a paper which is nothing but the note of the suggestions that was asked for by Sir Hugh Hood before lunch. On the assumption that there will be four sub-committees that paper was drawn up with the general terms of reference as suggested. It will not be inappropriate if I mention why we should have four sub-committees. The first region concerned is the N. W. F. Province. We want to continue to run the Basic Plan in respect of the Rabi crop and our requirements can be secured from the N. W. F. Province which means that it is 2/3rd of the Basic Plan. The next is the North Eastern Region. In view of the very serious trouble there recently and in view of the high prices ruling in that zone it has been decided to segregate it from others until the prices have been restored to a normal level. Rajputana States are more or less a compact and self-sufficient territory. That leaves three remaining regions, Nos. 2, 3 and 5 for consideration of the Conference, as to what is going to be done particularly in reference to the position of Travancore and Cochin and there is also some trouble looming ahead in respect of Bombay. So it was on that basis that these four committees were suggested, and it is a question for the Conference to suggest how these sub-committees or any number of sub-committees should sit to discuss the matter and what short-term policy should be applied to any particular region so long as the long-term committee did not report on it.

Mr. Ansorge (Bihar): Sir, the Bihar Government are very grateful to you for calling this Conference of provincial representatives. The Government feel and feel very strongly, that if men of knowledge and experience were actually responsible for the administration, much of the present difficulty could be avoided. At the first Conference which was held as far back as 1941, and again in 1942, the Bihar Government gave a serious warning of the likelihood of such a situation arising in the near future and put out suggestions as to how it could be met. At that time the Central Government was not prepared to take action. You will exonerate me, Sir, from merely saying that I told you so, when I remind you that at that time I was not serving in the Bihar Government. Sir Chhotu Ram has, if I understood him rightly, expressed himself in favour of so-called free-trade in a modified form. Now, Sir, if Punjab and the U. P. wish to fling themselves into the maelstrom in which we have been thrown, it will undoubtedly ease the situation for us. A few weeks ago the situation in Bihar was such that the Bihar Government had considerable difficulty, but by means of the controls which it enforced, whether we liked these or not, food was available for the people of that province at a price of Rs. 10 which though 2½ times higher than the price before the war, was at least within the range of the ordinary consumer. In these few weeks' introduction of so-called free-trade the price has risen to something between Rs. 25 and Rs. 30 which is not within the power of the ordinary consumer to enable him to buy foodgrains at all. More than that, it is now impossible for people to buy rice at all even in those districts which produce far more rice than they normally consume. I intentionally say 'so-called free-trade', Sir, because trade is not free when it is subject to restrictions and there are at least three restrictions attaching to this kind of trade. One is restriction caused by the exclusion from the free-trade area of some of the largest provinces of India i.e., some of the biggest surplus provinces. The second is the restriction caused by high prices which can be manipulated at will and the third and the most important of all, is the restriction which is caused by the abnormal price situation and its effect upon the ordinary trade. The last will not need any explanation to any gentleman at the Conference who has experience of the manner in which trade operates in ordinary mofussil areas. The trader buys his stocks in a market where there is a surplus and then takes them to a deficit district and sells them there at a profit. That operation is under the so-called free-trade laws. Prices have however risen so high that nowadays the ordinary small trader has not the capital to invest in the stocks. What the ordinary trader pays is now subject to so much risk, as owing to the high prices he can never be certain of selling what he has in the deficit areas, as the ordinary consumer cannot pay so much for it. He may therefore

according to the ordinary trade practice, have his stocks left on his hands. Needless to say he is therefore forced to resort to a very simple alternative, and that is to sell at his elbow at a profit and do nothing more. That is of course, in the various towns and the result is that in deficit districts which had been ordinarily consuming sufficient rice, people have to feed themselves on other things and many of the surplus districts that had large quantities of rice in normal times have now no rice in the markets whatsoever. That, Sir, is modified free-trade.

As regards the basic procurement scheme, it has been suggested that the scheme is not dead and can still work. If basic procurement merely means that surplus quantities of foodgrains of the areas in which they are produced will be sent to the deficit areas in which they are deficit, then the scheme is an ideal one to which I am sure, everybody here agrees. But the question is how to put it into practice. The method by which it was attempted to put into practice was not correct. A certain amount was fixed as the surplus that must be given and the resources of the provinces were stretched so that more may be forthcoming.

Another thing necessary to make the scheme work is that we should be assured that foodgrains from a surplus area to a deficit area actually go into consumption. Although we were assured of this it was stated at the Eastern Regional Council that there was no machinery for ensuring this. Obviously Sir, without such a machinery, the mere sending of surplus grains from one place to another may merely add to the amount of stocks available for speculation by the manipulator of the market. It appears to have been assumed that if more stocks are put on the market and prices are forced up more will be brought out by the attraction of the high prices. That Sir, is a fallacy. It is no more true of the Stock Exchange than of Shares. The ordinary manipulator sells out on a falling market and the more prices are forced up the more he holds his stock in order to get larger profits. That is what has happened. Hitherto all the schemes that have been put forward have played direct into the hand of the speculator. I consider Sir, that it is necessary that there should be complete reversal of our policy and that we should throw down a direct challenge to the speculator. In order to do so we must bring down prices so that on a falling market stocks will come out. Ordinarily that would be a difficult operation but we have on our side the coming of the harvest in a few months. We have alleviations with the coming of the maize crop and also the coming of the kharif crop not too far ahead. I have given to you in a memorandum, my suggestions as to the method by which I believe we could still bring down prices and force those large stocks being held by the manipulators in markets into consumption. Once we can do so we are saved. If we cannot, I shudder to think of what will happen to our own province and any others who are drawn into the same difficulties. Our situation a few weeks ago, as I said, was difficult, now it is extremely dangerous.

Sir Geoffrey Burton (Central Provinces): Sir, I feel it rather a handicap in joining in the general discussion because I do not know exactly what you want from me. Bihar has given a vivid picture of the effect of the introduction of free trading conditions in that province and I think it exactly confirms the apprehensions that we ourselves formed when we first heard of the proposal to introduce the policy into our own Province, and on which we gave our views to the Government of India. If I may do so, I would like to suggest that it would have been of help to us, if we had before us a memorandum of the various arguments that have arisen in the representations which I am sure the Government of India must have received from the various Provinces. At this stage before we discuss the matter in the Committee at all, it seems like prejudging the issue. My own Government has formed the view that the scheme of free trade is prejudicial to the objects which the Government of India have in view. I think one or two speakers have traversed the reasons the Government of India have for introducing the change. One objection we felt was to the very abrupt way in which it was produced. But leaving that on one side, our view is that it would bring into confusion the whole of our present procurement

effort. One reason I think why the procurement plan has failed is, I suggest, that it has had only a very short life, and was only working from about the end of April. In the C. P. for one reason or another we were pressed from the beginning of January to meet urgent calls of various provinces one after the other. So that we had to begin with such an organisation as we had and we have had to continue and gradually expand it. In fact expansion has gone steadily on and we had actually, as far as my figures go, exported as much as 85,000 tons in the four or five months that we were actually working. This may seem to be a very small figure but it is not a small figure for a small province. Most of this deals with rice. You may say it was not the figure that you wanted. It was not the figure we hoped we would get. But I think everybody has fully grasped the difficulties that had to be met at this time in getting supplies out. The cultivator after all is the master of his own stuff, and I think I am right in saying what I have repeated here before, that the bulk of the stuff has been with the cultivator and not the dealer, and the cultivator has had no doubt good reasons for not parting with it. We suggested one method of getting grain out of the cultivator. We suggested requisitioning and we gather one or two provinces have been requisitioning for their own requirements, and for the needs of their own Districts. We proposed to use it not only for that purpose but frankly to increase our exports also, but unfortunately requisitioning was discountenanced if not actually frowned on. We naturally did not like the idea of requisitioning from cultivators but if you want the stuff, that is the only way you could get stocks. We did not get approval to our proposal, until just before the change of policy was announced. Then, of course, the announcement of free trading having been made public, it was difficult to enforce requisitioning till it was known what was going to happen. It would have been unfair to requisition with present prices, when if you introduce free-trade after two weeks, the prices might be much higher. That is one of our difficulties. We do not feel we have to apologise and appear in sackcloth and ashes. In the matter of millets, I regret we have found it impossible so far to get even small quantities. The cultivator has failed to part with the stuff and without a considerable measure of requisitioning we do not think it would be possible to get anything on to the market. The season is too late now to do much. We therefore would prefer to see the existing system of control maintained, and if we are not to embark on a sea of difficulties we should refrain from adopting a policy of free-trade over a vast country like this. Our system of control has been to try to bring into our hands all the supplies that were offered by the cultivator, so as to canalise their distribution to deficit consuming Districts and at the same time to meet the requirements of the Government of India scheme. Then on the distribution side, we secured fairness to the consumer by means of sale at cost price shops, or by means of traders selling under control. The policy is one of control from the cultivator right up to the customer. I have been rather sorry to hear the criticisms of one or two speakers that perhaps the C. P. did not realise the difficulties of others with worse difficulties than their own. I can say that my Government does realise their difficulties fully, but I am not certain that the public of the Province do realise it to the same extent and perhaps not even the cultivator. I suggest that perhaps the deficit areas could send suitable deputations to the surplus areas who might describe to the fellows in the surplus areas the conditions in their own areas, and give a graphic picture of the conditions and suffering which have to be met. That would have a good deal of effect on the public and the cultivator, to enable them to see what the conditions are in producing areas. I understand that in the case of one of the States to which we have been sending substantial quantities of exports, their representative actually expressed the view to our local agents that we had gone positively far in getting what grain was available, and that not much more was left in that area. We were glad to have this testimony to our earnestness in the matter. But I would like to emphasise that if you think the needs of the deficit areas are not fully appreciated by the public, the fault certainly does not lie with the Government. The view was actually

expressed at the Provincial Supply Committee over which I had to preside in the form that 'Charity begins at home', and at that time it was almost thrown out as an indictment against us, that we had during exported 12,000 tons of rice to Ceylon. I had to point out that Ceylon, though not in India, had played a great part in the defence of the country. That was the comment made by a very highly placed public man.

In regard to the arguments against free trade, they have been fully dealt with by other speakers. The first result which we expect would be that prices would rise all round, if free-trade is introduced. Indeed, there may be scope for rise in prices in provinces, but what we apprehend is that it would not be followed by anything like a proportionate increase in the supply of grain offered by cultivators. The reasons for that have been dealt with a good many times. Another main criticism is that there should be parity of rice between one province and another. One criticism which has been expressed by the people of my own province is about the occasion which has been chosen for the change in policy, and why the Government of India should abrogate control on the foodgrains, which are the most important necessities of life, at the very time which most people thought was rather too late, they have undertaken the control of cloth and your inflation has been fully dealt with by other speakers. We would like to know what Government is to do when there is a change in policy and they have to face increases in dearness allowances. Those allowances only go to a few thousand Government servants, but what will happen to other employees and workers who have not Government to look after them? The answer in the United Provinces has been to give a subsidy. Can you possibly subsidize all the markets in the countryside? It seems to me to be quite impossible. Another difficulty in the way of real free-trade is in getting supplies moved from place to place. The difficulty of transport is there these days. Surely to get free-trade working smoothly in the present time is absolutely impossible. For free-trade to function there should be no control over transport the condition of free transport constitutes the biggest requirement for any possible approach to real free-trade. The result would be, I take it, that you will get something very like the conditions in 1919. In that year, if I remember aright, we had great shortages of foodstuffs owing to scarcity in various provinces of India and the supplies were arranged for these only through railway priorities. Of course, at that time we had the supplies of Burma and Malaya available for us, and there were plenty of supplies. There was sufficient transport also. It was simply a matter of control of transport facilities. But at the present time when the Railways have more than they can do, it will be very difficult to work free-trade.

The Hon'ble Mr. Hirendra Nath Chakravarty (Minister, Assam): Most of the previous speakers have spoken on various matters which concern us. The main thing I want to speak here is about the free-trade policy of the Government. Sir, the Government of Assam accepted the basic scheme policy, though they only contested the surplus figure given by the Government of India. Under this basic scheme our Government appointed suitable purchasing agencies and we were doing reasonably well with our basic system, and we extended and improved the activities of those agencies and chalked out a suitable programme of work. But with the introduction of the free-trade all our effort has been frustrated. Lots of speculators from the neighbouring Provinces poured into our province, advanced large amounts of money and there was cut-throat competition everywhere. Large quantities of foodgrains were taken out from the province. I am afraid, Sir, this does not give real benefit to the people in the deficit areas who really need the surplus. There was perhaps no systematic arrangement by which the people of the really needy places could get the advantage of this surplus, whatever it might be. In Assam, it will be seen, Sir, that as soon as the restriction was withdrawn, the prices of foodgrains went abnormally high. For instance, in Surma Valley of my province the price at present is Rs. 32 per maund whereas the price in Calcutta is near about Rs. 27 per maund. It is really interesting to know, Sir, that a surplus

province is having a higher price than the deficit province. That goes to show clearly that this policy of free-trade is an entire failure. Assam is certainly of opinion that if she has got any surplus that should go to the neighbouring provinces where they do require it. But we at the same time do not like that those surpluses should go to unscrupulous speculators and be locked up in some corner which could not be traced out either by Government or by anybody who needs that grain so urgently. If Assam's help is needed, I think, Assam should be given the power to collect and distribute their foodgrains to different parts of the province which need them in such a way so that the real needs can be satisfied. Therefore, Sir, with all the emphasis that I can command, I request you to revise this scheme of free-trade and give us the power to have full control over purchasing and distributing. Unless that power is given whatever might be done, I do not think it will be of any help.

Mr. J. H. Thompson (N. W. F. Province): I understand that this Conference is being held because the Basic Plan has broken down. In N. W. F. P. it has not broken down. We do not know all the details of it, but we know that we have worked it loyally and we have succeeded. For instance, we have to feed tribal zones which are all deficit. We asked for wheat and that was supplied to us. We asked for rice and that has been given to us. The prices are going up. I do not know if it is due to free-trade. Sometime back there was a strong rumour in the Punjab that free-trade was going to be established and the speculators had started buying. We had to strongly deny it and we hold the dealers that free-trade had not been established. Our view is that for the present there should be no change. Dealers should be asked not to keep more than 20 maunds without a special permit. Firm action should be taken against those who do not obey the order. The other is the question of ways and means position. There is also the question of inflation. We will increase the amount of taxation to take away the amount of profits. Both these two things are items in one whole policy and it is difficult to control the price of foodgrains unless we can reduce the purchasing power of the cultivator and the consumer to pay high prices. To the Food Department I have been writing long letters and sending telegrams about these questions. Frequently they are late and we have sent telegrams to them to which replies have been received after a pretty long time. It may be that one officer may be dealing with so many things. In these days officers have to perform multifarious duties. That increases their difficulty. I myself am an officer of the Government and I know how difficult it is to be prompt.

The Hon'ble Sir Azizul Huque: We have had enough about the advantages and disadvantages of free-trade and control. I hope the members would now confine themselves only to the immediate question as to how to tide over the food situation for the next two or three months.

Mr. Bolton (Sind): May I understand from this that there is to be no discussion on the merits of free-trade.

The Chairman: The consensus of opinion here is definitely against free-trade. Anybody who wants to say anything in favour of free-trade, I would certainly allow. I do not want any reasons against it.

Mr. Bolton (Sind): My instructions when I left Sind were brief, as we did not quite know what was to be discussed. We had no definite proposals before us especially affecting Sind. My instructions can be summed up in four words "No change in Sind". I would like to say, Sir, that it seems to us most impracticable to the extent of being fantastic to suggest a policy for a few months. A policy can be decided perhaps in a few days, but it cannot be put into effect except after the lapse of a very considerable time. We had one policy in 1942. We attempted to implement that policy and after six months succeeded pretty well in doing so. It was suddenly changed, but fortunately we were allowed to continue with our policy. That policy, namely the central procurement plan, has been in operation as a policy on paper for barely five months, and it has worked for a good deal less than that. So far as we can see it has not failed. We have had teething pains; we still have not

got all our teeth; we hope to get them soon. Our difficulty is that as soon as we get enough teeth to bite on the problem, the Central Government draws them out (laughter). That is what has been the effect of this proposal for free-trade not in Sind or in the North-west region, but in other parts of India on the Central Procurement Plan. So far as wheat is concerned and to a slightly lesser extent gram—the two Rabi crops—our system has worked well in the first 45 days from 15th April to the end of May. We were buying wheat at the rate of two thousand tons a day and had procured more than half the surplus asked for and we expected in the next two months of the season to complete it. Unfortunately the news of this free-trade leaked out in a garbled form long before the letter was even dated in the Government of India and immediately difficulties were encountered. In the month of June we had nothing but disappointment. We have not been able to purchase even 1/4th of the quantity per day that we were doing before. Even before we had this information from the Government of India we had emissaries from Bengal who flew from Calcutta to Karachi on 'priority' certificates to buy up what rice they could in Sind, before we knew anything about it and then take advantage of free-trade and sell it at six or seven times the price. I do not know what the Transport Department would think of sending foodstuffs all the way from Karachi to Calcutta but those gentlemen hope to be able to do so. I must say, Sir, that it is our view that Government must continue to acquire the maximum quantity of foodgrains, and I take leave to differ from one speaker who said that although Government might be able to buy foodgrains, it could not transport them as easily as the private merchant. Our experience is not the same. We have found and received the utmost co-operation from the Railway Department and I am sure that more grain was moved on Government account than could have moved on private account and for transport reasons as well as supply reasons, we are convinced that Government must retain control.

I would like, Sir, to make an enquiry as to what is expected of the Sub-Committee for the Region No. I. At no time, I understand, has it been proposed that in this Region there should be any change in present policy. Consequently I am not quite sure what we are expected to discuss in that Sub-Committee.

The Chairman: Things like, whether it is possible to improve the procurement policy, or the procurement agency, or the method of the transport organisation, or any other question in the procurement of supply not necessarily within the area of Sind.

Mr. Bolton: That is not policy but the methods of implementing this policy. Sir, without undue offence we feel that we could do much better with less interference. I mean to say external actions should not disturb the internal stability and confidence in the Province.

The Chairman: I shall be grateful if you will let me know in writing of the interference that has come to you from the Centre. Will the member for Ajmer-Merwara now express his views?

Mr. Khurshid (Ajmer-Merwara): The Centrally-administered area of Ajmer-Merwara is a very small area and it is not only small but it is hopelessly deficit in respect of almost all foodgrains and not only is it deficit in all foodgrains, but as a consequence thereof, it is economically very backward and poor. We feel, Sir, that if the policy of free-trade is introduced all the essential foodgrains will give a wide berth to Ajmer-Merwara for the simple reason that it will be impossible for Ajmer-Merwara to compete in the open market, and the profiteer will take his stuff to an area where he can obtain higher prices. So far as Ajmer-Merwara is concerned, we are definitely of the opinion that free-trade will be detrimental to our interests and we are against it.

Mr. Chengappa (Coorg): Coorg is fortunately not deficit in rice and though Coorg has loyally carried out the procurement scheme, I am very sorry indeed to bring to the notice of the Conference that our requirements, small though they may be in the matter of other necessities of life, have not received that attention which our loyal co-operation demanded. I particularly refer to Ragi and Gram. Ragi is indeed the food of a section of the labour working not

only in the paddy fields, but also in the plantations and gram is very badly needed to feed the cattle which are used not only for wet cultivation but also for drought purposes. Of ragi and gram we want about 1,000 tons and 500 tons each. We were relying on Mysore for these necessities, but Mysore now says "we are deficit in rice, please give us rice and then we would try to give you something". They also told us that as they are also deficit they have to give some of the ragi and gram in exchange for some of the products they want. So far we are placed in an unenviable position. Our only salvation will now lie in using a portion of the paddy that we have retained for internal consumption. I do not want to refer to the introduction of free trade, Sir, as the Chairman has observed that balance of opinion is undoubtedly against it and further comments on free trading conditions are not necessary.

I should like to say a few words, Sir, on the Grow More Food Campaign. So far as Coorg is concerned I do not think sufficient life has been enthused into that campaign. Coorg has plenty of fertile land which can easily be brought under wet cultivation as well as dry land also, but the difficulties are these, Sir. First and foremost is the labour condition of the population. Out of 4 to 5 thousand population of military age, 2,000 youngmen have joined. That means 2,000 less men to work in the paddy fields and again as our labour is included in the Malabar Labour Battalions our labour supply is very much reduced. Apart from these considerations, Sir, the cost of bringing under cultivation new land has gone up considerably. So if the Government of India would adopt a much more liberal policy so far as Coorg is concerned, namely planting bonuses coupled with sending large labour armies to Coorg, if that is done, I say now Coorg can easily give you another surplus of 10,000 tons of paddy in a year or two.

If it is done, I say, Coorg can easily give you the surplus of a year or two—a much bigger surplus. But again, Sir, when Coorg is asked to perform its part of the contract, I do hope the Government of India will find their way to see that our requirements are met and unless there is enthusiasm nothing can be worked successfully.

The Hon'ble Sir Jogendra Singh (Member in charge of Education, Health and Lands Department): I am very thankful for the wholehearted co-operation in the 'Grow More Food' campaign, of my colleague, the Hon. Member for Food. We are also considering and are ready to consider any scheme from provinces for increasing production and bringing new areas under cultivation. I wish to place before the Conference a few governing factors for its consideration. Firstly, I bring to your notice that our producers are subsistence farmers mostly cultivating uneconomic holdings. It was Mr. Mudie (U.P.) who pointed out that an increase of one bhatak per head per day in the population of the United Provinces led to the disappearance of one lac tons of grain. I want to emphasize this point. We should not do anything which is likely to retard production or remove from the market any surplus that is likely to be available. Secondly, we must consider whether the Provinces and States can meet their needs with greater assurance by treating India as a single economic unit. This also is a very important factor which deserves consideration of the members who have assembled here to-day. This will be helpful in meeting the difficult conditions with which we are faced. Thirdly, whether creation of reserves by Provinces and districts does not promote hoarding and display distrust on the part of surplus provinces. Fourthly, may I humbly point out that price plays an important part in production and all other considerations must be subordinated to the paramount need of providing food for all the people of India and raising the standard of living of our vast agricultural population. Fifthly, whatever policy is adopted as regards procurement, it must be such as will not discourage production of food crops next year and the year following.

Mr. W. V. Griegson (Revenue Member, Hyderabad): The President has asked us to say no more about reasons for disliking free-trade, but on this I must just say one thing, and that is that everybody in Hyderabad, people

and Govt. alike, are absolutely opposed to free-trade. The second point which I would like to mention is that it would enable everybody particularly in the States, to get information more quickly if delay in transmission of correspondence from Delhi to States were eliminated. Mr. Thompson mentioned this but he will pardon me if I remind him, as an officer of the Indian British Service, that in the case of the States there is another hurdle to be crossed, namely the transmission of letters from the Food Deptt. to the State Govt. through the Political Deptt. first and then through the Residency. Actually, we received the first official information of this free-trade question on the 20th June and if I may go back again to the Central Food Procurement scheme, there were unfortunate delays in the passing on to us from the Centre of what we were required to do to implement the scheme. Thirdly we do consider that the present Central Food Procurement Scheme can be and should be made to work, but has not yet had a fair trial, while the arithmetic of the target figures is wrong. We in a reasoned reply challenged or refused to accept the Food Deptt.'s figures. Our letter was despatched on the 12th of May. We have not yet had any reply to that letter. Moreover the latest fortnightly report of the Deptt. of Food showing the progress of the scheme up to 15th June continues to show as our quota under the scheme the impossible target figures of millets (2,50,000 tons) rejected in our letter of 12th May. Moreover Hyderabad is there shown as having since the beginning of December last delivered under the scheme only 16,000 tons against its quota of 60,000 tons. This shows a clear time lag between despatches of grain and receipt of statistics, for actually Hyderabad despatched a total of 62,000 tons of millets in the first 9 months of the year Fasli 1352 (beginning October 6th, 1942) in contrast with our previous record (taken from our accurate customs figures) net export for a full year of 58,250 tons. I would also like to mention that we have thus in the first 7 months of the year, exported nearly 52,000 tons of pulses other than gram against a previous seven years' average of 42,000 tons. So the fact remains that we have made some effort to get on with our task and continue to do so, but we have against us a strong and not too instructed public opinion, which in this matter emphasizes Hyderabad's economic independence and is distrustful of all grain exports at the present time. This emphasizes necessity of publicity, to which Sir Geoffrey Burton has drawn attention. The Central Government would do a real service and greatly facilitate our task by giving full publicity in States or areas where there is agitation against exports, to the deplorable condition in the deficit areas, so as to stimulate humanitarian feelings. For I can assure you, Sir, that in the many meetings I have attended in Hyderabad, where Government has tried to take the public into its confidence over this question the attempt has been made to put the Government of Hyderabad in the dock for having agreed to exports of any kind. The last point that His Exalted Highness's Government desires us to emphasize is the effect of the lack of confidence in the paper currency among the masses. Much of the difficulty in the way of the Food scheme is due to this lack of confidence, especially on the part of the cultivators. They have no faith in the paper currency, and metal rupees not being available, his traditional tendency to hoard coin is diverted to other channels, such as stocks of food and other produce. The Nizami's Government feel that could coin of any kind be provided in adequate quantity, the effect would be a large release of cultivators' hoarded stocks, and a great easing of the food situation.

Mr. Sreenivasan (Mysore): We felt glad and grateful when this conference was convened. Our only regret was that it had not been called about a month ago when we heard about the proposal to introduce free-trade—the abandonment of your previous plan—some of us felt rather surprised that a plan which had involved so many months of devoted labour and which seemed to contain in it the promise of success, should have been thrown overboard. In our view, Sir, the procurement plan—the basic plan—was a good plan, though it was vitiated by bad arithmetic in large and important portion of it. We hope that the plan could be worked and our own idea is that it should

be worked. We are very grateful to the attack on free-trade so brilliantly led by Sir C. P. Ramaswamy Iyer and supported by Sir Hugh Hood and by so many of my other friends. I won't detain the conference beyond stating that we entirely agree. We are also very grateful to you, Sir, for cutting the discussion short by that single sentence which has done more to clear the ground than any other sentence I have heard; and that is "that the scheme would be put into the pocket for the duration and until normal conditions are restored". The view of the Mysore Government which view is confirmed by those of both the public and the press of Mysore is.

Sir Azizul-Haque: I did not actually say so. But it looks as if that is the general opinion here, subject to the ultimate decision of the Government of India. As I said there is a long range planning committee and our idea is that the whole report will be ready in the course of a month and I do propose on that occasion to give the fullest opportunity on the basis of that report; whatever the recommendations are, to discuss the pros and cons.

Mr. Sreenivasan (Mysore): I am sorry, Sir, that my reference to your statement has resulted in a dilution of the strength of the assurance which was so kindly given by you. Free-trade and decontrol are very attractive looking measures but they are at present merely palliative measures. I think the measure has no more value than a temporary headache-cure. It does not diagnose the disease and remedy it. We feel that if we agree to free trade without having an adequate stock which the Central Government or the Local Governments can put on the market at reasonable rates, - we shall merely be helpless spectators of soaring prices, hoarding and profiteering with consequent risk of grave unrest of very large sections of the population.

Our position in Mysore is briefly this. Our staple grains are first of all ragi, which fortunately or unfortunately, is outside the basic scheme of the Government of India. Of rice we are normally, and now a little more than normally, short. Our normal shortage is about 17 per cent. This we used to import from our friendly neighbour, Madras to whom I wish to take this opportunity of conveying the thanks of the Mysore Government for having met our requirements, before they and we were stopped by the basic plan.

We have a small surplus of jowar which is a millet included in the Government of India scheme. But as ragi, which is our most important millet, is excluded from the Government of India's millet picture, a certain amount of confusion exists and what really is a millet deficit resulting from the failure of the monsoon in some of the districts of the Mysore State, as, I believe, has happened in the Madras Presidency, looks like a surplus, because ragi has been left out and only jowar has been taken into consideration in calculating the position of surplus or deficit in regard to millets.

This overall shortage of foodgrains which is about 15 per cent. is intensified by two reasons of which we in normal times would have reason to feel happy. One is our industrial development. We have a very large number of factories in the Mysore State with a large labour personnel attached to them and they are almost fully engaged on war work, and it is obviously necessary to keep that labour contented. That puts an emphasis on the problem of procurement. Another reason, which is more important is our geographical position. Mysore apparently is in a strategic position in South India and Bangalore and its neighbourhood have been chosen as the headquarters of the Southern Army and as the spring board of the activities of that army with the result that there is a very large expansion which is going on of military units and of military works. Now, for the purely Khaki side, we know we are not directly concerned so far as the supply of food for them is concerned. But it does not end there. There is a large and growing civilian personnel attached to these military units and military works. On the question of feeding them we are getting incessant and repeated demands both from the military officers and the Political Department. We appreciate the need to feed these people who have been taken out from their own villages and congregated in Bangalore. It is necessary to find food for them. If we do not do so they will go back to their villages and we cannot let that

happen. So I wish to emphasise that Mysore State is in a rather peculiar position, in that the shortage, though not so heavy or serious as that for instance of another neighbouring state, is intensified by reason of the fact that there is a very large body of civil personnel attached to military units and military works which has got to be fed. This means the necessity to find many many more thousands of tons of rice and ragi than the people would normally require.

High prices are the result. Profiteering and smuggling activities also take place across the border. Having a very large frontier, it is not very easy to check these border activities. I entirely support the point made by Mr. Griegson in regard to the tendency of the agriculturist to prefer to sit on his ragi or rice, which he can eat in an emergency, to changing it for money, the purchasing power of which has been so uncertain these days and has tended to decline. (Mr. N. M. Iyer—Bengal: That is called hoarding.) I would also add that although hoarding is practised to a large extent by big merchants, it is not confined to big merchants only. I think it is the experience of most of the members who have attended this conference, that many farmers and middle class people are also putting away in reserve far larger quantities of grain than they usually stock or actually need. If every one in a large population keeps double or treble of what he normally requires or stores as an insurance against uncertainties, there you have a potent cause which contributes to the general shortage.

Coming to the measures we have taken, we have also put a ban on the polishing of rice. The Mysore Government order on the subject is that it should not be polished above 25 per cent. We have a rationing system working in two of our important cities. Regarding the Government of India's suggestion to utilize trade channels as far as possible for buying and distribution, the experience of Mysore has been most unhappy. I think opinion is unanimous that merchants have put their own private interests above public good. There may be honourable exceptions but they only prove the rule, and our experience with merchants and with trade channels has been most unfortunate and the cry is insistent that the Government should themselves take over both the buying and the distribution of grain.

Regarding 'Grow More Food' we have during the last six months, or over six months, granted over a lakh of acres under the 'Grow More Food Scheme' under which we grant several concessions, e.g., concessions in respect of assessment, water supply and other concessions. Of this one lakh of acres, however, only 50 thousand have been brought under the plough. The applicants have been more eager in some cases to become owners of the land at least temporarily than cultivators. But we have brought 50 thousand acres out of the 100 thousand actually under cultivation. In this connection I need hardly say that fertiliser is a very important item. And our experience in regard to increasing our production of fertilisers has been extremely unhappy. A scheme for the production of ammonium sulphate in Sulerpet, Madras Presidency which was put up over two years ago and which the present Secretary, Food Department very enthusiastically backed, is still pending. I do not know at what stage it is now. In Mysore a scheme for the duplication of a synthetic ammonia plant which was at a fairly advanced stage, now seems to have moved back. I suggest, Sir, that something may be done to speed up the Government of India's aid to schemes calculated to increase the production of fertilisers.

There are only two other points I would like to touch upon in connection with the 'Grow More Food' plan and the food situation. One is the labour problem. One of the members referred to the difficulty of getting labour, because so many of them have joined the army. I would like to suggest for consideration whether it would not be possible to release or allow areas to utilise either the prisoners of war or some of the less immediately essential portions of the army units, for the cultivation of large areas of land that might be available in the State or Province.

Transport is of course, the next problem and it has become a very difficult problem. It affects the 'Grow More Food' campaign and the distribution plan. About railways I need not speak. We are only too well aware of the congestion of Railway traffic. It is well known that there also exists a shortage in bullock cart transport. I would therefore suggest that lorries imported under the Lease/Lend arrangements should be made available to us immediately. I am happy to tell you that the military authorities at Bangalore have been good enough to agree to the utilization of military lorries for transporting grain whenever the routes happen to coincide with their practice routes, that is, when they are sending transport convoys over a long stretch of the country. I would also suggest that arrangements may be made to release some of the large number of military lorries that are concentrated at various places temporarily for the transport of foodgrains from point to point. Before I sit down I would like to add my humble support to the point made by Mr. Griegson about delays in the receipt of communications from Delhi.

The Hon'ble Sir Azizul Huque: We have not yet settled the terms of reference of this committee except in the most general terms. But, you can depend on it that the terms of reference will be such as to cover all such points.

Major-General Wood: Our committee will have full discussion of the points raised by the members. For the time being, as explained our policy is how best to tide over the next two or three months. Afterwards, we can make our plans for the future. I hope therefore that you will confine yourself to the immediate problem.

Mr. Griegson: What is the specification of the rice to be supplied to the army?

Col. Stubbs: It should be of good quality and wholesome.

Mr. Qureishy: I am very glad that polishing of rice is only being done for the army.

Major-General Wood: All the rice supplied to the army is polished.

Mr. R. S. Manepatil (Baroda and Gujarat States): I won't take more than a minute. Baroda does not agree to free-trade policy. The Basic Plan must be worked out. If control has failed the remedy does not lie in abandoning it, but in adopting such methods by which its working will be improved. Sir C. P. Ramaswami Iyer has put us under a deep debt of gratitude by his speech against the adoption of a policy of free trade at this juncture. So far as Baroda is concerned I would say that there is no reason why the Basic scheme should fail. Where determined efforts are made we find that they have succeeded. For instance, in Sind, as the Sind representative has pointed out, they worked out the scheme and they have succeeded to a great extent. Our experience about Sind has been very happy. We required rice and the method adopted by them was so quick, so business-like that they despatched the commodity quickly. They asked us to send them money. We sent them a cheque immediately. They asked us to send our agent to them. We sent our man to them. They showed him the quality of rice which, after approval, they despatched quickly to us. There is no reason why the scheme should fail. The scheme has been successful where the district officers have taken keen interest in their work. In places where the officer possesses a lukewarm heart it does not work well.

Now, I will say something about the measures that we have taken in aid of the 'Grow More Food'. We have increased the acreage under food to 87,000 acres last year. This year we have put a statutory limit for each holding in our State for foodcrop and any infringement of this has been made an offence under the Defence of India Rules. We have not left this work to ordinary revenue agency, but have appointed an army of trained officers who would go from place to place and supervise the operations of sowing food grains now that it is the sowing season. We have fixed the limit which ranges from 40 to 80 per cent according to variations and we expect to increase the area under foodcrops to a large extent. I am putting this to show that we are really anxious

to reduce our deficit in food grains and are honestly endeavouring to make a success of the Basic Plan. I feel, Sir, that the Basic Plan has failed because it has not been properly worked.

Besides Baroda I also represent Gujerat States. My instructions are that I intimate to you that if free trade is adopted there should be absolutely no restriction whatsoever and that they should be given sufficient time if there is going to be again a change. That is one point. The second point is that they were promised the supply of 4,716 tons of millets from Gwalior. They have not received any thing as yet. This is their immediate need. They want some maize also to be given to them. An allotment of rice will also be greatly appreciated by them. Regarding the requirements of Baroda I won't tire you out by giving details of figures at this stage. I will have ample opportunities to discuss that question in the Sub-Committee where I will prove our immediate requirements by giving facts and figures. One point I want to emphasise before this House is that our target figures were drastically reduced.

Mr. Rajwade (Gwalior): The position of Gwalior is a very happy position, inasmuch as except in regard to rice where we are a little deficit and except in regard to millets where we are a little surplus, we are a fairly balanced Unit and as such I have not any particular axe to grind; neither as a deficit Unit nor as a surplus one. When it was alleged that the procurement scheme has failed and that there was no likelihood of rescuing it, it came as a surprise to me. The procurement scheme did show signs of failure, but I do not think it has failed. On examining the reasons I come to the conclusion that the main reasons for the slow movement of the procurement scheme were, in order of importance: (i) the targets were correct only statistically. These statistical surpluses have a very queer habit of evaporating. These did not take into account one of the evils that everybody has mentioned in his speech, namely hoarding. (ii) The second difficulty in regard to the progress of the procurement scheme was the transport difficulty. Whatever little Bajra surplus we had was ready to move. Some portion of it is still ready to move, but wagons are not available and if Kathiawar and Gujerat say that their quota has not been fulfilled they are perfectly justified. (iii) The basic assumption of the procurement scheme was equality of sacrifice. When targets were prepared they were prepared without equality of sacrifice being taken into consideration. That is a very difficult proposition because in every Unit there is a suspicion that the same amount of sacrifice may not be forthcoming from the other party. It results quite naturally in a little precaution. So I feel that the alternative to the procurement scheme is not free trade but another procurement scheme in a modified form. What the modifications should be had better be discussed and will be discussed in the Sub-Committee stage.

As far as free trade is concerned I would like to offer a few comments. My first comment in regard to the question of free trade is whether the Units do or do not control movement. There are no other principles involved. There is no question of degree, it is a plain issue of either yes or no. I have never been able to understand what is meant by qualified free trade because there is no such thing. If free trade is qualified it does not remain free, and my Government's view in regard to free trade, which has been communicated to the Food Department is that we do not favour it. But as regards prices, my Government feel that the decontrol of prices has been a good thing. It has succeeded in combating hoarding to a certain extent. All those arguments about the agriculturist coming to look upon grain as a store of value are absolutely correct. I would not like to repeat them but they are absolutely correct and if the control of prices is to be in the direction of controlling them at a low level, it is as well that they are not controlled at all. So the decontrol of prices has definitely been a good thing and I do not think it is advisable to go back on that step. The rising prices today are correlated with the abundance of money in the market and I do not think it is a symptom which should be dreaded. The present prices, although judged by War standards are a little higher than they should be, are not unreasonable. Free trade will result as everybody who spoke before me has pointed out in an enormous amount of

black market and hoarding. If destinations are not to be controlled despatches are useless. Our surpluses will evaporate and nobody will gain anything by it. It is lucky that Government when they announced their proposed policy of free-trade it was not of undiluted free trade because Travancore, Cochin and Bombay City were some of the areas which were left out of the free trade policy. I therefore feel that some sort of a compromise will have to be struck between abolition of procurement scheme and its retention. We will have to get it modified, but some kind of plan on which all the participating Units will work will have to be devised.

Mr. Ansorge (Bihar): These discussions are taking a very diffused form and are dealing with details many of which are only of local interest. I would suggest, Sir, that the Conference should now confine itself to discussing whether there should be control or not. If there is to be control, who should exercise it and what form of control will be necessary in order to bring stocks out in order to move them to where they are required and in order to maintain reasonable prices?

Mr. Dixon (Cochin): My senior partner has already presented our case with his usual brilliance and vehemence and I have not got very much to say but since in Cochin we have gone further than in any other part of India in the direction of complete control of food, I may have something of interest to contribute, apart from what Sir C. P. Ramaswami Iyer has said. In Cochin by force of circumstances, but I may say with the full support of the population, we have instituted a grain purchase scheme by which we purchase all the grain not required by the cultivator or the farm labourer and this grain and the grain purchased from the Government is distributed throughout the State on a Statewide rationing basis to all except the cultivators. We have received much less than half our requirements by way of imports, but every person rich or poor is guaranteed something to eat, provided he has something with which to pay for it, and though we are the worst deficit area in India, we can say up to now that though we were once within three days of complete stoppage of rationing, not a day has passed in which anybody in the State starved. Despite our very short supplies we have seen to it that all the grain available not required by the farmer, and all the purchases from outside do go without the intervention of the middleman who is anti-social and interested only in making money even in food matters of the people, that all this grain goes to the people who require it, in equal shares, and also that the farmer gets a fair price for his grain so that he is encouraged to grow more food crops. I think it has been suggested that under free trade the farmer would get higher prices. I suggest that it is the merchant who would get the higher prices. That is the whole secret of any successful solution of the food problems in India. To eliminate the grain speculator and the traders, big or small, who are adopting callous anti-social attitude in order to get rich quickly, never mind how many people starve. In fact it is in their interest to create a feeling of panic and food shortage, whether real or artificial. I feel that it is urgently necessary now to settle our problems not for the next two months but for say next 14 months or at any rate to have a regular policy laid down which is going to last for some time and not leave everything in the melting pot. I think this question should be settled in this Conference when representatives of all the Provinces and States have assembled together. My view, and I think it is the view of the vast majority of the Conference, is that the procurement scheme basic plan should go forward and not merely that it should somehow carry on for the next two months, and that we should then try some other scheme that will come into operation after about four or five months. We have got this procurement scheme worked out with a good deal of difficulty and I am convinced if one or two changes were made, it will work well. Those changes are just that we should give up the idea that we must try and use ordinary trade channels. They simply won't work, and we have proved it in South India in deficit areas where we have exercised Government control over purchases, distribution and rationing schemes, and the result has been that despite all our difficulties, we

have succeeded in keeping prices at reasonable levels and we have succeeded also in seeing to that the poor man is fed. So, I suggest, that instead of trying at every turn to assist merchants and great traders we should get Government themselves as far as they possibly can, to do the purchasing and arrange for the distribution. I can assure you that the masses in India will welcome it. There are certain interests who would not welcome it, but the masses and the families of the soldiers will welcome it—this control by Government. Before we took to control, complaints were pouring in in thousands, but once we took over they ceased. Though the people have no trust in the merchant, they still have some trust in Government. And then secondly I would also point out another weakness in the system that there was no provision for compelling provinces to toe the line. Originally it was proposed that the Government of India themselves should intervene and do the purchasing in the Provinces. That was given up, but there was an alternative method by which the Central Government could step in and make selfish-minded provinces come into a scheme involving a sacrifice. I feel that the Government of India should take more powers and, thirdly, steps should be taken to make each Province put its own house in order. I would suggest with due deference that the Conference has a right to ask Bengal why it claims to be a famine area with 95 per cent. self-sufficiency in 1939 with a 'Grow More Food' campaign and with 20,000 tons got in one single fortnight as we heard today from Orissa and grain arriving from other areas too. I think that is a question that should be asked. Has Bengal taken steps to requisition stocks, to go round, if necessary, with C. I. D. help, and to find out where these huge stocks have gone and have they attempted a rationing scheme in the great industrial areas, as has been done in other parts of India badly affected like Bengal? Rationing, I can assure you, is a thing that is easy to work and easy to organize and it ensures that everybody right down to the very poorest person gets something to eat. I believe that if this was done and if we gave up the ordinary trade channels, and if the Central Government could compel provinces to pull their weight and to compel them whether deficit or surplus, to put their own houses in order the scheme would work. With certain arithmetical change which may be necessary in Cochin and Travancore, we relied, on this procurement scheme to enable us to maintain the lives of our people and now we have been placed in the most difficult position imaginable and but for the most rigorous Government control there would have been large scale starvation in the States. So I would suggest that this would be a solution of our difficulties, to continue the procurement plan, eliminating the wholesale merchant so far as possible. Either the Cochin, Travancore or Madras systems of Government control might be adopted. They have worked well in South India and I do not see any reason why they should not be adopted. Administrations should take an all-India view and not a purely provincial view in the surplus areas. I suggest to the Conference that we should go ahead with the procurement scheme and should try to improve it.

The Maharaja of Parlakimedi (Premier, Orissa): Sir, in Orissa, out of six districts, all the districts except two, are paddy-producing and paddy is the only crop, both a food crop and a commercial crop. Orissa should welcome free-trade if free-trade meant prosperity to the grower. But unfortunately free-trade, as it has now come to light, is beneficial only to the hoarder and the tradesman. Well, Sir, I do not know whether my honourable friend from Bengal included Orissa among the obstructionists to whom he referred. I would like to state before this Conference that Orissa, when the Centre demanded from that Province 24 thousand tons, could within a fortnight export for the consumption of Bengal nearly 20 thousand tons. If free-trade had not come into existence, we from Orissa, would not have stinted to despatch the balance. At this stage I must in fairness to Orissa state before the Conference, that we received assurances from the Centre that our stocks that were despatched to Bengal, would be substantially replenished by instituting a free flow of vast quantities of paddy from the neighbouring States of Orissa. We were assured of replenishments by 9 thousand tons of paddy from the Eastern States. Well, whether it

is due to free trade or because of some justifiable reason, unfortunately Orissa could not receive the fulfilment of that promise from the Centre. Orissa is classed as a "surplus Province". (*The Bengal Representative: Hear, hear*). I should always remind my honourable friend from Bengal, and the whole Conference, that possessing by Orissa of such a title is largely, if not entirely, due to the supply it used to receive from the ruling States of Orissa, because those feudatory States, for their export to Bengal or to any part of India, had to depend as their outlet on the east coast line—I mean the Bengal-Nagpur line—which runs through Orissa; and so, all that stock also was put on as Orissa's stock.

I must explain another accusation here. We are accused of helping hoarding. From both the producers and from the merchants we have so far been able to acquire 10 lakhs of maunds only, though our requirements are almost three times as much, say 30 lakhs of maunds. I think if free trade had not come into existence, then with the power invested in Provincial hands, Orissa would have managed to live on until the harvest, and yet would have been able to find stocks to export to other parts of India, particularly our customers of the south without any inconvenience. Though we are alive to the fact that our obligation to Madras is from time immemorial—Madras was the best market for our produce, particularly for Koraput district, and in respect of fine varieties of paddy—we are today devoid of that facility because free trade merchants from different parts, particularly from Bengal, have come into our Province and we are helpless in stopping them buying up our stocks that would have gone to Madras, at very competitive price. While depriving poor Orissa of its requirements to feed its population, free-trade in Bengal has absolutely frustrated all hope of Orissa exporting, according to its obligations, foodgrains, particularly paddy to Southern India.

Sir, my statement should not be considered as exaggerated in the least. I request you to send any representative you like to Orissa, and verify and satisfy yourself of the facts I am going to state. There are people actually in parts of the province living on the tender leaf that grows round about ponds, and other areas and making that their meagre food, and depending upon the little gruel they can with difficulty secure from broken rice and powdered rice. I have seen with my own eyes that people are in a most pitiable and emaciated condition. I have seen pictures of famine-stricken people. The other day in my own district of Ganjam, I saw that very picture with my own eyes. Our harvest does not come in, until say, the end of December. How this vast population of Orissa is going to be maintained I do not know. We have done all that lies in our power. We appealed to the Eastern States to send in their stocks, but I do not know how far our appeal is going to work in practice and how far we are going to get our supplies to keep these people alive. It is not as if Orissa is sitting down with legs stretched, looking up to the Government of India or to the heavens for help. It has done its utmost also in the growing of more food to supplement its available stocks. In Northern Orissa where nothing except paddy grows, in irrigated areas in certain districts, we have managed to grow green gram which is known as Moong. Under green gram our acreage has increased from 63 lakhs to 95 lakhs. Even that increased output of green gram, I am sorry to say, cannot be assured to Orissa because we are powerless. My Government is powerless under free trade and people from Bengal and other parts are pouring in to buy and pick away the stocks. As a private individual, realising my responsibilities to the Province and to the people of Orissa, I have sent my own agents into the interior of Koraput district with funds from my own pocket, so that we may buy stocks and make them available to as large an area as possible in Orissa.

You know, Sir, the financial power and potency of Orissa is very very slender. Even for its ordinary existence it has to be subsidized. Unless the Government of India consider that their obligation to maintain Oriyas of Orissa is just as much as meeting their obligation to the population of Bengal, I am afraid there is no other practical solution than at this stage substantially

to subsidize Orissa's funds, so that it can buy stocks in the competitive market and assure adequate supply for its people until the harvest comes in. To consider this important question my Government very recently had called the session of the Legislature and at that sitting the Congress members who had not chosen to go into the jails had attended, and at that sitting it was unanimously agreed that so far as Orissa was concerned, free-trade should be at least postponed until the coming harvest. I am fully aware, Sir, that controlling power was the only one which Government of India possessed, and it was made available to provinces in consideration of certain conditions. Please do not consider that Orissa as a province, having once tasted its flavour, is reluctant to part with it without sufficient justification. We want this power simply to protect and come to the rescue of the poor, and the labourers who have to eke out their livelihood in Orissa. To add to our difficulties, in Orissa there are not less than two lacs of people from Burma and now the whole of the population is to be fed, and today Ganjam, a particular part of it, is affected by a devastating cyclone and also parts of Ganjam which have had bumper crops were affected by a particular disease. Well, Sir, I do not want unnecessarily to take up the time of this Conference. But I would impress upon the Conference and on you, Sir, particularly, that Orissa has a very grave situation and occasionally for small quantities of rice in Ganjam district murders are taking place and the District Officers find it very hard to move freely with food-grains from village to village, without armed guards and actually that district had approached the Government to supplement its normal police with extra armed police. Dacoities have also been taking place in the district of Ganjam as well as in Balasore. Many people without tickets on the B. N. Railway come from Midnapore and carry away in bundles and head-loads many things in the deficit area. In any way, Sir, let me on behalf of the Government thank you for having given me an opportunity of stating its case here, as also the conditions that prevail in Orissa.

The Honourable Sir Azizul Huque: I do not want to enter into a controversy and I would like to ask you something about figures. I find, in a speech which was reported in the "Madras Mail" in a speech delivered by you in Madras at a National War Front meeting you said that out of the last crop you had 30 lakh maunds surplus of food. I want to know whether that statement was correct.

Maharaja of Parlakimedi: Sir, let me at this stage mention something for the information of the Conference. I say that in the first place the speech was mis-reported and whatever surplus there was, it included stuff that Orissa was receiving from the Eastern States. That was the position of Orissa at that time.

The Honourable Sir Azizul Huque: There were 42 lakhs maunds surplus of rice.

Maharaja of Parlakimedi: 30 lakh maunds from Orissa and not 42 lakhs.

Sir C. P. Ramaswami Iyer (Cochin): At the risk of abusing indulgence, may I ask your permission to say a few words. I wish to associate myself entirely with the remarks that have fallen from Mr. Dixon and from other hon'ble colleagues with regard to wholesale merchants. I have tried every form of indulgence given to the wholesale trader. On every occasion our indulgence was misused and abused. Some of the most prominent of them were guilty of the most atrocious practices, and I would suggest that if the Government of India rely upon wholesale merchants, however big, however influential, however well-supported they may be in certain quarters, this scheme is bound to fail unless the Government of India assume control themselves and eliminate the wholesale merchants and deal only with the retail merchant in a scheme of procurement. Another matter that I would like to point out to the Government of India is that the long-term and short-term plan is going to be the most disturbing factor in the whole of India, because if this temporary scheme is supposed to come to an end in two or three months' time it is just as well not to banish from our minds the hardships that would result from this uncertainty.

Sir Joseph Bhore (Bhopal): Sir, in the present conditions it seems to me that time is almost a more valuable commodity than either rice or wheat and I, therefore, propose to be as economical of that commodity as I possibly can. There are many points that I would like to make, but I propose, Sir, in deference to your appeal, to keep them for our discussion in the Sub-Committee where these matters will have to be thrashed out. I would, however, like to mention one or two points and I hope that I will not be encroaching upon your patience. In the first place, in regard to the comparative merits and demerits of this so-called scheme of free trade, I would like to associate myself wholly with what has fallen from those previous speakers who have criticised free trade as a means of carrying out into practice what we desire to see established at the moment. There is one question that I would like to put before the Food Department. I would like to know whether they are satisfied that the food resources of this country are sufficient for the needs of the population. If they are not sufficient, have they taken any steps—by importation or by any other means—to supplement deficiencies? That is a question, Sir, that, I think, everyone would like to have some assurance on. Assuming for a moment that supplies are sufficient for our needs, I personally would suggest that the basic plan of the Food Department appears to be a perfectly reasonable one; and it will work efficiently if certain weaknesses, certain very grave weaknesses from which it suffers, are removed. Now, I agree with the Food Department when it says that one part of this plan is the procurement of supplies, but I would most earnestly submit that it is almost as important, in fact I should say it is more important, to procure these supplies at prices which are within the competence of the masses. It is useless saying that supplies are available at a price which the masses cannot possibly afford to pay. I know that this matter has engaged the attention of the Food Department, because originally they suggested that it would be possible to ensure reasonable levels of prices through two processes. First of all, I think, they said if we find that prices are being put up unreasonably against us, we will sit back and will refuse to buy. But it appears to me that was a perfectly futile response, because in the present circumstances, the hoarder can afford to wait, but those who are purchasing grain in order to save the lives of the people cannot afford to do that. The second method by which you hope to control prices was, I think, the importation of grain from outside. Well, I do not know, Sir, whether you have had recourse to that method, but this I know that if you have had recourse to it you have not succeeded in making it effective. As regards prices, it is in my view absolutely essential to impose control so that the rise in price level which has resulted in this mad pursuit of wages and prices is checked. I venture most respectfully to suggest to the Government of India that unless and until they are able to regulate the prices of certain essential basic commodities like food, cloth, etc., inflation will continue to go on and nothing which you can do will stop it. I would only like to point out to you how this unrestricted level of prices in the country affects those who, like ourselves, have made a very determined effort to bring down maximum prices within our limited areas. We fixed our prices of wheat at about Rs. 7 a maund. Across the border they were anything up to the wholesale prices which at the moment at Hapur is Rs. 14 per maund. At least I think that is the figure which I saw in the papers two or three days ago. Well, Sir, what has happened? What has happened is that it has made it completely impossible for us to carry out that procurement of supplies upon which the basic plan depended. The moment you have fixed prices within a certain area and prices are allowed to seek their own level outside, this process makes it impossible to carry out the intention of the basic plan. There is another thing. It is almost impossible for us in these circumstances to continue to fix the prices that we have fixed for wheat. When the ryot sees, for instance, that he is asked to sell wheat at Rs. 7 a maund and across an imaginary line, perhaps 200 yards away, he can get Rs. 12 to Rs. 13 a maund, what are we to expect? The only thing that we can expect is trouble. My sympathy, is bound in these circumstances, to be with the ryot if he would sell his stock to the middleman who sells across

the border. I do not want to go further into the matter. Time presses and anything further I have to say will be said in the Committee stage.

Capt. Dhandu (Indore): So far as our State is concerned we wish to say that we are in complete agreement with the views expressed by Sir Joseph Blore that free-trade as has been suggested is unfavourable. Our problems are identical with those of Bhopal. We feel that until two essential things are done no relief can be immediately considered possible. The first thing to which we attach importance, and which we have mentioned to our Regional Food Commissioner, is that the maximum price payable to the cultivator, at least in the future, must be regulated by the Government of India and unless this is done it is impossible for us to expect any appreciable improvement in the position. This year our State, owing to circumstances prevailing all round, have had to decontrol prices in the same manner in which this is supposed to have been done in most parts of the country. The result is that we have had to pay double the prices that we paid last year. For this purpose and for keeping the poor alive we have had to collect, not by taxation but on a voluntary basis, large sums of money to provide reasonably cheap grain to the very poor. Indore State happens to be a deficit one but there are certain quantities with the cultivators according to information given to us from reliable sources. We, however, believe that it is impossible to expect these quantities to come into the market so long as the uncertainty continues to prevail in regard to the future trends of prices or the price policy.

The second point on which I would lay emphasis is that we do not suggest that the trade should be completely ousted from sharing reasonably in the grain business. We have for a year and a half been pursuing the policy of buying through the merchants. No merchant in the Indore State is allowed to keep custody of the stocks with him on an uncontrolled basis. It is as a result of that that we have so far existed and are in a position to exist for a little time longer until the Government of India send the stock to us under the procurement plan. Our experience with the wholesale merchants is that in spite of their agreement with us no one of them has come forward actually to help us and the popular belief is that when they make more profits in other directions there is no point and no need for investing in the usual business. This belief, that some Governments and some States, under their policy of control, are driving the trade out is a most selfish and untrue plea. The Government of India have provided an adequate margin of profit. I would like to know from the Government of India whether there are any wholesale merchants who are working as wholesale merchants on that basis except those who are making very large purchases on behalf of the Government of India in very large surplus Provinces. The effect of an uncontrolled custody of grains in the hands of the wholesale merchants is merely raising of prices. We have found it necessary to control the flow of grain. About a year ago we rationed supplies to the city of Indore which has a large population, and the day after rationing was introduced we found that we were in a very much better position and the condition that prevailed until that time is still the feature in many parts of the country. We find, Sir, that unless the future price policy is at once cleared up by the Government of India without waiting for any future long term policy, it is impossible to expect any improvement even within the next two or three months. During the rains very little can be done. But even from the end of the rains nothing would be possible unless the Government of India are in a position to arrive at a policy which will make it impossible for the cultivator and the trade to keep back anything in the hope of getting anything beyond what may be specified by the Government of India. The surplus Provinces may be satisfied by giving a promise which is considered to be fair. It may be possible for the Government of India to subsidise the cultivator indirectly. Unless the Government of India clear up this point, even in places like Central India which are supposed to be surplus it is going to be disturbing as anywhere else.

Sir F. Anderson (Bahawalpur): I shall confine my remarks to one or two relevant points. The target figure fixed for the Bahawalpur State is 1,00,000 tons or very nearly double the actual exports during the three years ending March 1942. We have agreed to purchase from the Government of India 60 thousand tons. Up to date we have received orders for 47 thousand tons of wheat. Purchases were going on very well but now they are at a standstill. We have received orders. As always the stuff has been purchased. But we cannot export it at the present time. Our own merchants and producers are extremely anxious to dispose of their stock at fair market rates. But owing to lack of wagons we are unable to do so. In my mind wagons and still more wagons is what we want. We can devise many means whereby exports can be increased between now and October. The second point I wish to mention is that our purchases should be accepted at increased prices.

The Hon'ble Sir Azizul Haque: Mr. Mehta will now speak on behalf of the Rajputana States.

Dr. Mehta (Rajputana States): I shall make only a few general observations. In the first place we have 23 administrations and I speak on behalf of all of them. The general policy has been two-fold: maximum of co-operation with the Government of India and minimum of botheration to them, and, secondly to practise self-help to the maximum extent. Amongst ourselves also we have been helping each other and when we come to the Government of India it is only because we are unable to help ourselves. The imports that we normally need in wheat are in the neighbourhood of a 100 thousand tons. I must complain here that the figures on which our local requirements are calculated by the Food Department must have been on a very wrong basis. Probably that will be a very abnormal year that was taken as the basis. The figure of 45 thousand tons which they arrived at is rather incorrect.

In the matter of millets some of our States are and will need help from outside. I am glad to say that the help has been promised and will probably be forthcoming. In the past promises did not materialise, but I hope the future will be a little more cheerful. I shall not talk about rice. We are not a rice-producing area, but since the situation in other parts of the country is very acute we shall try to do without asking for rice. But I must say that people in Rajputana are now suffering for want of rice supplies. So far as procurement goes, however, we should like the present arrangements to continue. Some of the States are buying through the agency of syndicates or some reliable merchants. If we attempted something more drastic we might have a serious situation. I shall not discuss the much debated free trade policy. I shall simply confine myself to this one remark that our Director of Food Supplies has already had applications from one or two merchants from Calcutta who heard the rumour about this Order and they would like us to let them purchase food-grains in Rajputana. With this information in our possession you can understand how much we welcome Sir C. P. Ramaswami Iyer's suggestion on that subject. The price factor is very important. I would beg you to consider this. When we were short of foodstuffs and we asked for supplies from outside and when we got wheat at the rate of Rs. 13 a maund, with the prices of imported supplies the local prices rise and that has been a very serious proposition. One of our larger States—Jodhpur—has had to grant subsidies in order to distribute the supplies of foodstuffs to the poorer sections of the population. But with this rise in prices I doubt very much whether Jodhpur State with all its resources—and Jodhpur is about one of the two richest States of Rajputana—will be able to spend on supplies as much as they have done in the past. Some of our States which border the Province of the U. P. have the same difficulty—e.g., Bharatpur.

We shall not be able to stand the strain in future unless the rise in prices is controlled. So far we have had to undergo serious difficulty in some parts of Rajputana. We have somehow managed to keep our head above water. In connection with this I might say for the information of Sir Chhotu Ram's Government that in some of the wheat which was supplied at this high price—we have got samples of that wheat—there were more insects than in the past.

Fortunately some of the foodgrains in which we are surplus do not keep for a long time and that is a natural remedy against hoarding and profiteering. I should like to make a rather important point so far as our area is concerned. Rajputana maintains a very important line of communication which links Sind with the rest of the country and if that railway line is to be kept up it is very important that food supplies in that area should be maintained. It is therefore important not only for the people of Rajputana but for this line of communication and for the families of those soldiers who have gone out that when we make requests to the Food Department for supplies, they should not be lightly considered or rejected. My request is a very conservative one. We labour under a lot of handicaps. For one thing, our statistical equipment is rather poor. In Rajputana we have got a number of Jagirs and they have got no satisfactory statistics. It is therefore difficult for us to give any accurate figures. We are making arrangements to keep up a regular supply of information. One thing I would like to repeat here is that certain quantities of wheat are urgently required in Rajputana States. These supplies should be sent to them quickly at a reasonable price. In conclusion I can only say that Rajputana will do its utmost to abide by any decision that may be arrived at this Conference by common agreement.

Khan Bahadur Mian Abdul Aziz (Punjab States): Sir, I am speaking on behalf of the Punjab States except Bahawalpur. Government of India wanted to have some surplus and we agreed to give it to them, and it was agreed that thereafter no further demand will be made. Well, Sir, that agreed surplus has not been taken from us and in the meanwhile a serious complication has cropped up. At that time, i.e., on the 1st of June when the Hon'ble President held a meeting I told the Food Commissioner that our difficulty was how to feed our poor population and we placed an embargo on exports from the States areas. The situation is such that State Governments are trying to establish cheap grain shops to feed the poor population. The Kapurthala Government at a time supplied 20,000 mds. of wheat at an average price of Rs. 6 per md. when the Lyallpur wheat was Rs. 10 per md. We made that sacrifice. At that time we were able to feed the people by supplying unadulterated atta at the rate of Rs. 5-12-0 per md. and now on account of this change towards free trade we have to establish cheap grain food-shops and we require about 88,000 mds. of food for the people, of the State, and for all the States of the Punjab at least 3 lakh maunds will be required, which will mean a financial loss of between 12 to 16 lakhs to the States to feed the poor people. What we want is that you take away the surplus and leave us to manage our house. You may have the surplus but please don't bother us about this statement or that. There is no question of denial. We are offering you the fullest co-operation.

Lt.-Col. C. P. Hancock (Eastern States): Sir, with your permission I would like to reserve my remarks until the committee stage. I would merely say that as regards the Eastern Region there are some local reasons for some form of control and in making that statement I have authority from the army commander, Eastern Army, who supports it.

Mir Maqbool Mahmood (Chamber of Princes): I would like to supplement the remarks by one or two propositions. I am representing the Chamber of Princes. Ordinarily our attitude has been for local autonomy and individual rights. But in a question such as food control we feel that both as a part of war effort and as a part of the bigger problem of India we should co-operate with an all-India policy and we have decided to fall into line. The second point which I beg to submit is that while various States and Provinces have spoken as members of deficit or surplus units I have the privilege to represent both surplus and deficit units and therefore I submit that while we do not agree with the procurement scheme, whatever its defects, it is the best scheme that has so far been advanced and has a measure of support. It should therefore be given a chance. There should be scope for local variation in it. The scheme has been worked in various provinces and states differing in local

conditions and these may call for local variations. Referring to the prices in particular, it is felt both by surplus and deficit states that unless there is some sort of co-ordination in the prices of distributing centres, the whole scheme is likely to fail. The position as regards Bhopal has been explained by Sir Joseph Bhore. I have the details of the State of Garhwal and this State has been linked to another region. They are asked to buy from the U. P. where the price is Rs. 14 per maund while the people on the other side of the boundary are paying much lower prices and therefore it has created difficulties. I would suggest what others have suggested before, that the discrepancy is not in the prices paid to the producers but to wholesale traders and therefore when we examine this aspect of the question I would submit that wholesale price and not the producer price should be the line of attack.

Hon'ble Sir Chhotu Ram (Punjab): Sir, I would like to put certain questions:—

- (1) At what price is Punjab supplying wheat to Bengal.
- (2) Sind is purchasing at Rs. 7-8-0 per maund, and selling at about Rs. 10 per maund. What about the profits?
- (3) N.-W. F. P. administration are selling at Rs. 10 while they are purchasing at Rs. 14 per maund. Who pays the subsidy? Government of India or anybody else?
- (4) With regard to purchase operations are the agents given a list of prices of wheat for a week or 10 days? According to the latest statement, while wheat was selling at Rs. 10-4-0 at Lyallpur it was being sold at Rs. 23 per maund at Calcutta. Who pocketed the difference?

Hon'ble Suhrawardy (Bengal): Sir, May I answer this (a question from Sir Chhotu Ram) as well as another question from the Hon'ble representatives from Cochin. Regarding the price of wheat, we are selling at a rate which covers many other expenses. It covers the loss that we have to undergo when we get bad wheat and bad wheat products which we destroy. It covers the freight charges, that we have to pay because we sell this wheat at the same price in the furthest corner of Bengal. It covers the amount of wheat which we have to give as gratuitous relief and as payment for test relief work. Over and above that we have arranged with the Regional Commissioner and have started a fund called the Stabilization Fund, to sell wheat at a steady price. All these have to be taken into consideration. This question has been raised and we went into the matter thoroughly and placed our facts and figures before the Regional Commissioner and satisfied him that we were not profiteering.

Hon'ble Sir Chhotu Ram: We have had a very long explanation, but we have not received the figure.

Hon'ble Suhrawardy: I will give you the figure. We are selling at Rs. 15-8-0 to our mills.

The question was asked by an Hon'ble member here whether Bengal had taken any steps whatsoever to requisition its stocks and to distribute it. Sir, I regret to find that Hon'ble colleagues of mine do not know yet what steps Bengal has taken to put its own house in order. We stand alone it seems both in our grandeur and in our misery. We have requisitioned and have issued instructions to requisition surplus stocks. We have entered every household to drag out what are supposed to be stocks and hoards. We are taking steps for equitable distribution to utilise resources to the full. I challenge you, those who call yourselves deficit, and those who are surplus, to take the steps which I have taken. You will not do it because you know you are a surplus province. You are afraid your people will resist, as they are sitting on plenty. I have not come with any miserable petitions to enhance our prestige. Sir, it has been stated here that the procurement plan should be given a trial. If the procurement plan could be given a trial I would not have asked for free trade myself. Because the procurement plan has failed in the Eastern Region, because the amount which was allotted to Bengal was not being sent to it, that I have advocated the policy of free trade and have no other reason.

I would beg the Hon'ble Member and his Secretary to consider and to take into account the breakdown of transport to which Sir Chhotu Ram has referred. It is well known, Sir, that you have purchased wheat in large quantities in the Punjab in order to send it to Bengal but we have not received anywhere near the amount that was promised us. In great hopes and very largely relying upon the assurance that these food-grains will move into Bengal I proclaimed that we shall have a sufficient quantity there, but unfortunately in spite of your efforts or for whatsoever reason it may be I do not know, we have not been able to get the grain that has been promised us and it is for this reason that we are at the present moment in difficulties. To my friend from Cochin with his 1 million population, who has thrown a stone at us with our 60 million and with a greater Calcutta which is to cater for 4 millions, I would say that we are doing our level best. We have rationed, by a system of equitable distribution, all our villages. We are rationing Calcutta as best as possible, but the Hon'ble Member must know that no scheme of rationing can be successful unless we have supplies. In fact no scheme of price control will succeed if there are no supplies. But while the Hon'ble Members tell me that we have large supplies, our merchants have had to forage as far as Sind and the redhot planes of Rajputana in search of supplies. I would be most happy to bring the price down to Rs. 10. But if I did that will I be able to get supplies?

Mr. Bolton (Sind): Our agents buy at Rs. 7. It is also correct we sell it at the same price as the Central Purchasing Agents purchasing in the Punjab. We are using the difference to ameliorate the condition of the poor and building a reserve for emergencies.

Mr. Thompson (N. W. F. P.): How I square my budget is the concern of my Government. It is a fact that we have bought at Rs. 14 but we have not yet actually sold at Rs. 10 and the Frontier budget will have to sustain any deficit. I may also add that we have also used our Municipal funds to help us to buy foodgrains.

Mr. Knight (Bombay): I did not elaborate on Bombay's objections to free trade plan because I understand you said that free trade would be in cold storage during war. I find I was mistaken and I do not wish to let Bombay down, and as the matter is very vital I wish I am given some opportunity to plead Bombay's case against free trade.

The Chairman: For the convenience of the members I will recapitulate briefly the major suggestions that have been put forward in the course of the day's proceedings. Firstly so far as the consensus of this meeting is concerned, I take it that there is almost a unanimity of views that we should try to continue the procurement policy. That as far as possible there should be direct purchases on Government account—Central or Provincial—from provinces and States, eliminating wherever possible a direct intervention of the trader. That is the second point which has emerged out of the discussion which I have had with you. The third point is that except in Bengal and the Punjab (in the case of the Punjab modified free trade) the entire view is in favour of having Government control in some form or the other. The fourth point which has emerged as a result of discussion is, that every effort should be made by the Government of India to come to a decision as to the price policy. The fifth point is that a continuous, persistent and vigorous drive must be made to put a check to hoarding throughout the length and breadth of the country. The sixth point which has arisen is that there should be some steps taken against profiteering in any form. The seventh point is that every province which is in difficulty and even others which are not in the same difficulty, should introduce rationing at an early date. The eighth point is that arithmetical adjustment is necessary to procurement under the basic plan scheme. The ninth point which has emerged is that there should be wider publicity of the deficit provinces' needs in surplus provinces or areas, so that the public opinion in the latter might know the realities of the situation in the former areas with a view to encourage, at least on humanitarian grounds, to part with some part of the commodity which they can spare. The tenth point is the one relating to transport organization. Last is the question of currency position. The cultivator

wants coins and not paper money. I will have these views put before His Excellency and the Executive Council. But before we proceed to divide ourselves into Committees, I wish to make an appeal. It is a firm conviction with me that if there is any breakdown in the food position say in Travancore or Cochin, Bengal or Bihar in fact in any part of India, India suffers as a whole. That is the point of view which I wish to commend for your serious consideration. I do not think it is possible for one part to live in the way in which it wishes to live, if the other part goes down. I know statistics can never be a correct guide. But all the same, if simply because statistics tell lies, all our efforts should be stopped, is a fact which I cannot understand. I can quite understand if a province says that it has not got 50,000 tons and, therefore, it is not in a position to give as much as that. If at present only 500 tons is accepted, after some time there might be more to spare, to meet the needs of the unfortunate areas.

The Hon'ble Sir Chhotu Ram (Punjab): There has been one question which might create misapprehension, about the price of wheat at which it could be sold.

The Hon'ble Sir Azizul Huque: The position has to be accepted from the local point of view. Taking the question of Sind, it has been able to maintain its price factor at a reasonable level for the last two months. Even having regard to the exigencies of circumstances, you must bring your position to such a way that you should not make any profit. Where local circumstances differ, we must leave a certain amount of latitude to find out specific instances so that the general scheme might work. The Province of Sind has been able to purchase as much as it wanted. The question of our difficulties does not arise in Sind. In the case of the Punjab I agree that they are confronted with the fact that they have a certain amount of stock which is still to be despatched. We must dispose it of to our neighbours. But I beg of you to remember in your Committee discussions that one part of India is economically connected to the other to make it an integral whole, and that we are interested in our war effort and in keeping Japan out of India. It does not matter whether it is Bengal or Assam which will be immediately affected. We must feel that the responsibility lies on all of us. The Sub-Committees will be meeting to-morrow in the rooms that have already been indicated. They will be in session from 10 A.M. to 1-30 P.M. and 3 P.M. to 6 P.M. I hope that the Sub-Committees will be able to complete their deliberations to-morrow and submit their report in the form of recommendations by to-morrow evening round about 6 o'clock. We can then have a plenary session here on Wednesday at 11 A.M.

The Hon'ble Sir Chhotu Ram (Punjab): May I know, Sir, on what subjects these Sub-Committees are expected to report?

The Hon'ble Sir Azizul Huque: For example, as I have already said we have already decided that procurement in all parts of India is not as satisfactory as it should be. How should it be improved? Then it has been decided that purchase should be on Government account as far as possible. How should this be done? Whether it should be through Government officers or through trade commission agents? These are some of the subjects for discussion in the Sub-Committees.

Mr. Bolton (Sind): If the Sind Sub-Committee wanted to refer certain points to the Bengal Sub-Committee, could it do so?

The Hon'ble Sir Azizul Huque: You can certainly do so. Inter-provincial reference will be quite permissible.

The Conference adjourned at 6-40 P.M. to re-assemble again on Wednesday July 7 at 11-00 A.M.

[The four Sub-Committees met on Tuesday, the July 6, 1943. Their reports are annexed in the Appendix.]

PROCEEDINGS OF THE SECOND PLENARY SESSION OF THE FOOD CONFERENCE ON JULY 7, 1943.

The Hon'ble Sir Azizul Huque: Before I begin today's proceedings I wish to say that the question of transport is an integral part of the Food Conference and with your permission I will ask Mr. Phillips of the War Transport Department to speak a few words.

Mr. Phillips (War Transport Department): Gentlemen, After the previous Food Conference there has been a very great change, which I have noticed, since I started attending these Conferences in Delhi, in the general attitude towards the railways and the War Transport Department. Previously and in my long experience of railways I have found that there was a very general tendency to blame the railways without stopping to think if they were really to blame. Now I feel that there is a very different tone. I am not complacent enough to think that it is due to in any large degree to the efforts and the better arrangements that have actually been made and certainly not to the fact that the transport which you are obtaining is obtainable in larger quantities. That is not the case. The transport situation is becoming daily more difficult as the tempo of the war rises and as the strain upon India, particularly as the main base for operations against Japan, increases. I was actually taking notes day before yesterday and what I noticed very much was that those Provinces who have been in most anxiety regarding their foodstuffs and who have in consequence had to take the greatest interest in transport problems were, with one exception, most generous in their appreciation of what the railways have tried to do for them. Sir Hugh Hood from Madras, Mr. Knight, Mr. Bolton and others exhorted you not to shoot the pianist because he is doing his best. Mr. Knight and Mr. Bolton raised one point of particular interest. That was the point which they were opposing namely free trade, and both of them pointed out the effect of free trade upon transport. That is a very real effect and one which we are obliged to consider very closely, that if you have no control over your transport and make it free for all, there is not enough transport immediately available to meet your more important demands.

There was another complaint, which interested me, from Mr. Anderson of Bawalpur—a complaint that 10 thousand tons of wheat for the Rajputana States could not be moved for lack of wagons. Now I am a little doubtful about this. I have not seen this complaint before. I presume he did not say that there was no transport but I think he said that it was not moving quickly. I am a little doubtful if actually the case is as he has stated because that wheat would have to go through a junction, Bhatinda, where it has to be transhipped from the broad gauge to the metre gauge. All these transshipment places are bottlenecks with very limited capacity. At Bhatinda there are very great difficulties in getting additional labour by which to meet the very heavy rushes and therefore the number of wagons which can be moved through Bhatinda is limited. So I suspect that in that case it might not have been entirely due to the lack of wagons. But, if we assume that this is correct, as Mr. Anderson stated, that there is difficulty in getting wagons, that is an illustration of what I was speaking about just now, namely free-trade. Now, hitherto, so far as foodstuffs are concerned, there has been free-trade. Some of you may remember what one of the Food Conferences pointed out a year ago, and considerable pressure was brought to bear on us for a very high priority for foodstuffs. I myself spoke against it and it was dropped, but, for reasons which I need not enter into, subsequently that general high priority for foodstuffs was given. Now, the result of it is excellent. But the result of this free-trade is exactly the same as many of you consider to be the result of your free trade in foodstuffs. Your foodstuffs did not get into the right hands; our wagons did not get into the right hands. Therefore, about a fortnight ago we took the important decision of modifying that general high priority and the present arrangement is that all essential foodstuffs have been classed in the railway classification lists sufficiently high to enable them normally to escape any serious or lengthy restriction. But this very high priority which was previously given to all has now been confined to the necessary movements which are those arranged by the Food Department or by the Provincial authorities. The result of that is that the necessary and the unnecessary movements are not now all on the same level, and the necessary movement does not have to wait its turn along with the unnecessary one. Therefore, I am confident that you will find that the wagons which you really want will be more readily available. The man who merely wants to move a

wagon of foodstuffs in the interest of his trade or in the interests of his pursuit will not find it quite so easy to get wagons. I said that there was one exception to the general understanding of railways' difficulties which was evident day before yesterday. That exception was Bengal. Bengal was ungenerous enough to accuse the Railway Department. You will remember the circumstances under which the Honourable Minister was being shot at from two sides and shot at fairly hard. And, instead of shooting back at his opponents he shot at the pianist. Now, Sir, I have been deputed to shoot back, not just for the sake of defending railways but because there are a number of very interesting lessons of general application from the points which I am going to raise. What Mr. Suhrawardy said was—I am not quoting him word for word, but the effect of his speech was—that grains purchased in the Punjab had not, owing to the breakdown in transport, reached Bengal in anything like sufficient quantities. Well, Sir, I am the last to deny that there have been difficulties. But I deny categorically that there is the slightest foundation of any statement that there has been any sort of breakdown of transport between the Punjab and Calcutta. That section of the East Indian Railway from Calcutta is extremely hardworked. It has to carry a large number of military specials, a very large amount of coal, a very large amount of materials to industries, a very large amount of foodstuffs and a large amount of miscellaneous goods. Previously the capacity of that line was rated very high—at the rate of 23 to 25 trains a day each way. Already the trains run over that line have been raised to over 27 trains a day. It is not a bad figure for a poor broken down railway. From today the North-Western Railway is taking over a portion of the East Indian Railway which runs into Delhi. For the last month the North-Western Railway have been running trains for the East Indian Railway and from now they will start to work. The result of that will be a release of East Indian Railway engines which we are confident will very shortly be useful for the line between Asansol and Calcutta. The number of trains will be 32 trains a day—over this broken down line. That I think is an interesting illustration of the sort of arrangement that the Railway Department has to make to meet a situation like this. A couple of months ago there was some difficulty on that line. There was a congestion of about 400 wagons or so and more wagons standing at other stations, and booking of foodstuffs at Calcutta had to be stopped—not due to the breakdown of transport but the reason for that was that in their, if I may say so, youthful enthusiasm, the Food Department pushed a very large quantity of grains into Calcutta and the local authorities in Calcutta made no proper arrangements for removing it from the stations. I am still having complaints that the arrangements for removing grain from Calcutta stations are quite inadequate. The result of that was a congestion, but it was not due to the breakdown of transport.

Now, turning to the particular question of foodstuffs, I would give you figures for the whole of Bengal. These are the figures collected by the Department of Civil Supplies, Calcutta which they have given to Mr. Suhrawardy. During May, 16,140 tons of wheat reached Calcutta from the Punjab. During May 9, 180 tons of rice reached Calcutta from the Punjab, making a total of 25,000 tons despatched from the Punjab. 8,500 tons of Bajra, Jowar and Maize reached Calcutta from the Punjab and the U. P. That makes a total of 33,000 tons of grains which reached Calcutta during June. The figure given in the basic plan which, it is interesting to note, include no rice from the Punjab amounted for the whole of Bengal, not for Calcutta alone, to a total of 31,000 tons. Again, I have the assurance of Major General Beresford who is the Regional Food Commissioner of the Punjab that there is no hold up of any sort in the Punjab of the grains for Calcutta. Railways cannot deliver the goods which have not been delivered to them and I would ask you, Sir, that if your friend fails to write, please do not blame the post.

The Hon'ble Sir Azizul Huque: Before we deal with the problems that have arisen with reference to transport I would like to tell the Conference that Sir Edward Benthall, The Hon'ble Member for War Transport and myself propose to go to Lahore on Sunday next to discuss this matter with railway officials.

Food officials and the officials of the Punjab Government, and find out the exact position in regard to transport. All I say with reference to transport is that due to pressure in the Eastern Zone we were considerably behind the programme in the earlier months. The reasons are known to all and this lagging behind was from April to May and naturally that pressure had to be maintained in June.

The main recommendations of the sub-committees are before you. They have been considered and I do not think there is any objection to these. The only objection is from Bengal.

The result of the recommendations may be summarised in 8 points which I will read out one by one:—

(1) The Basic Plan should be continued with such arithmetical adjustments to figures as are necessary. I take it that this is the main recommendation of all the sub-committees but is subject to a note of dissent which has been recorded by Mr. Suhrawardy.

(2) In execution of that plan the operations of procurement shall be carried out by Government or by agencies under the full control of Government—States or Provincial.

(3) Action to control prices must be taken. Action on a regional basis appears to be favoured with co-ordination between regions.

(4) Energetic steps must be taken to ease and facilitate transport for the distribution plan.

(5) As an instrument for control both in respect of physical control and of exerting an influence on prices, the Foodgrains Control Order must be given vigorous application everywhere and that food drives in execution of this should be carried out.

(6) As a means of securing equitable distribution and of controlling prices in urban areas, the rationing of such areas in a progressively increasing measure must be resorted to.

(7) To facilitate supply, transport and administration the financial settlement for supplies should be direct as between the surplus and deficit Governments and without the intervention of the Centre.

(8) Metal coinage and consumers' goods should be made more freely available as the means of securing greater surpluses from the cultivator.

I take it that these are the 8 main recommendations of the various sub-committees.

Mr. Knight (Bombay): May I ask whether recommendation I of sub-committee 'C' and recommendation No. 1(b) of sub-committee 'B' opposing free-trade have been agreed to.

The Hon'ble Sir Azizul Huque: As I have said before, these recommendations have not been agreed to by the sub-committees.

The Hon'ble Sir Chhotu Ram (Punjab): Copies of these resolutions have not yet been circulated.

The Hon'ble Sir Azizul Huque: N.W. F. P. region is one of the regions and the sub-committee have put forward certain valuable suggestions for increasing the quality of production and for securing greater supplies of chemical manures. I would certainly report the result of the recommendations to the H. M. of the E., H. and L. Department and I have no doubt that this will be taken into consideration. There are also certain other recommendations of a valuable nature which refer exclusively to a region or part of a region. I propose that they should be taken up by our Department in consultation with the Regional Food Commissioner and I hope you will be able to hear on such matters as soon as possible.

There are two sub-committees which have recommended that free-trade be abandoned here and now and a policy of control be accepted for the future and that the proposal to have a long-term committee be abandoned as it is unnecessary and would lead to speculation as to the future policy of the food administration. I hope to make an announcement on this point tomorrow. The main

recommendations of the conference are those which I have already read out. (Here the H. M. repeated those recommendations.)

The Hon'ble Sir Chhotu Ram (Punjab): Sir, in the first instance, I suggest that copies of these recommendations may kindly be supplied to us, and that all important questions arising therefrom should be discussed over again. Both Punjab and the U. P. are surplus units and we are not interested in price control beyond what already exists.

The Hon'ble Sir Azizul Huque: I take it, therefore, that majority of the members hold these views.

The Hon'ble Sir Chhotu Ram: That is a statement of fact. So far as the recommendations of the sub-committees are concerned we should be given an opportunity to express our views. There may be different forms of control. There may be restrictions on free movement. This form does not appear to be different from the existing one.

The Hon'ble Sir Azizul Huque: Action to control the price must be taken. Whether the action taken would be in the existing form or something different does not appear from the sub-committees recommendations.

Mr. Mudie (U. P.): We do not know if there is price control. We should also be given an opportunity to express our views on hearing representations in U. P.

Mr. Adsorge (Bihar): I want to know what has been done on the recommendations of the sub-committees.

I do not follow at this end what is being proposed and what is being objected to and what is being agreed to.

The Hon'ble Sir Chhotu Ram (Punjab): It is a most important subject and I suggest that copies be made available to us.

The Hon'ble Sir Azizul Huque: If I might continue I think we can leave metal coinage and consumers' goods as that is generally agreed to.

The Hon'ble Sir Chhotu Ram (Punjab): But, Sir, there can be no difficulty in having copies prepared.

The Hon'ble Sir Azizul Huque: I think all that I can do is to adjourn this meeting for half an hour and then have copies made. What I will do is to speak a few words of general application and in the meantime I will see what could be done with a view to circulating copies.

Sir C. P. Ramaswami Iyer (Travancore): May I bring it to the notice of the House that the object of this plenary session is to summarise the findings of the various committees that have sat. It may be that some particular unit may not like one or other of the recommendations made by the several Committees, but I take it that it is the responsibility and the great privilege of the Government of India to decide upon these various recommendations and evolve a policy. Whether A or B dislikes recommendation I or II is not the main purpose of this meeting. I understand that was fully discussed yesterday before the recommendations were arrived at. This meeting is for the purpose firstly of analysing and secondly of summarising the recommendations that have been made by the Committees that functioned yesterday. Whether those recommendations are right or wrong, injurious or otherwise is for the Government of India ultimately to decide. I do not see that any further discussion among ourselves after the very minute and meticulous examination of yesterday will lead us anywhere on any point at this stage.

The Hon'ble Sir Azizul Huque: Sir C. P. Ramaswamy has clearly explained the purpose of today's Conference. It should be understood that these are the recommendations of the Sub-Committees and will be given effect to by the Government of India after further consideration. Is it agreed that these are the main recommendations? (Pause—no objection). The next recommendation is:

That the basic plan should be continued with such arithmetical adjustments to figures as are necessary (The Chairman repeated the recommendation). I take it that that is one of the main recommendations of the Committees, either unanimous or with dissent.

A State's representative: "Arithmetical adjustments" is objected to by us. Some of the figures as calculated by the Government of India are not quite correct.

The Hon'ble Sir Azizul Huque: I am merely summarising the recommendations of the Committees and one of the recommendations is that the basic plan should be continued with such arithmetical adjustments to figures as are necessary.

A Member: We will be consulted about these details?

The Hon'ble Sir Azizul Huque: That is a question of detail as to how this is to be implemented and how it is to be given effect to. May I assure the Conference that since the history of the world started, men have generally agreed on policy, and difficulties have arisen only when actual administration of that policy is considered? But at times it is necessary that you should qualify the policy agreed to, so that we may know the background under which the administration has to carry out that policy.

The Hon'ble Sir Chhotu Ram (Punjab): Punjab has no objection to it.

The Hon'ble Sir Azizul Huque: I take it that this is agreed to by all Provinces and States. (Pause—no objection.) The second recommendation is:

That in execution of that plan the operations of procurement shall be carried out by Government or by Agencies under the full control of Government, State or Provincial.

The Hon'ble Mr. Suhrawardy (Bengal): I would have much preferred that if the Provincial Government failed to act in accordance with the basic plan, there should be some plan for the Central Government to step in. After all you say here is a basic plan for the procurement policy and you leave it to Provinces or States to put it into practice. It is stated in some quarters that facilities were not given and therefore the Provincial Governments were not able to act according to the basic policy. In another quarter it has been stated that Provincial Government in having accepted the basic plan did not take the right steps. In case of a breakdown, the Government of India should be permitted to step in.

Mr. Ansorge (Bihar): It is quite impossible to submit to any figures on which we have not been consulted.

Sir Hugh Hood (Madras): Section 116-A of the Government of India Act is there which gives the Government of India all the powers they require. It does not appear that it is practicable for Provinces with a meeting of this kind to come to any unanimous agreement at all in regard to actual figures and the Government of India, I presume by now, has got a fair idea of what resources the different Provinces and States have. (Several members dissenting, cried 'No', 'No'). It appears to me that the Government of India should have a very fair idea of the resources of the different Provinces. (An uproar of 'No', 'No'). It will be for the Government of India to decide.

The Hon'ble Mr. Suhrawardy (Bengal): So long as it is admitted that there are residuary powers in the hands of the Government of India which it can exercise, I would allow it to go like that. But, Sir, if it is meant that the Government of India abrogates its powers in view of the recommendations of this Conference and definitely states that only Provinces . . .

The Hon'ble Sir Azizul Huque: I can assure you that there is no intention of the Government of India abrogating any powers which are constitutionally vested in the Government of India. That power is there and may have to be exercised. I make no secret of the fact that constitutionally we cannot abrogate that power.

Sir Chhotu Ram (Punjab): Punjab has no objection to this recommendation.

The Hon'ble Sir Azizul Huque: The third point is that action to control prices must be taken. Action on a regional basis appears to be favoured with co-ordination between regions. How should that price control be exercised? Whether it should be exactly in the same form as it is being exercised at present is quite a different matter and is not the subject matter of this Conference, which merely wants to lay down the principle that action to control prices will

have to be taken. This is favoured on a regional basis and not on an all-India basis.

Mr. Mudie (U. P.): Would it be possible to add to that resolution 'to control prices not only of foodgrains but of other commodities?'

The Hon'ble Sir Azizul Huque: That you can add as a separate one.

Mr. Mudie (U. P.): The Punjab represented about cloth prices and that representation was accepted. Why should the cultivator be the only man who is to lose his war profits?

The Hon'ble Sir Azizul Huque: Action to control prices is being recommended here generally with regard to foodgrains.

The Hon'ble Sir Chhotu Ram (Punjab): Punjab does not agree to it.

The Hon'ble Sir Azizul Huque: Will Punjab agree if it is changed to 'that action to control prices with reference to foodgrains and other commodities must be taken'? Do you agree to that?

The Hon'ble Sir Chhotu Ram (Punjab): That is a subject which should be handled by us. It is a direct control of prices. Last time it failed miserably. It ended in corruption, and if direct control of prices of wheat and perhaps one or two other foodgrains failed, it is impossible to make it a success.

The Hon'ble Sir Azizul Huque: So that Punjab is definitely against control of any prices whatsoever?

The Hon'ble Sir Chhotu Ram (Punjab): So far as the present form is concerned we have expressed our agreement.

Sir C. P. Ramaswamy Iyer (Travancore): Excuse me, Sir, for this out of turn intrusion. The question now is not whether 'A' is opposed to control of prices or not. The different Sub-Committees have put forward their recommendations and I think it should not matter whether a particular Committee put forward a particular recommendation, whether a particular recommendation is right or wrong. The Government of India has its own responsibilities. We are not to trouble about what should have taken place. That is irrelevant.

The Hon'ble Sir Azizul Huque: I am in substantial agreement with what Sir C. P. Ramaswamy Iyer says about this.

The Hon'ble Sir Chhotu Ram (Punjab): What I suggest is this: that after all the question of control has to be decided by the Government of India and before the Government of India comes to a decision the Punjab as a surplus Province has a right to be heard. That is what I contend. One point more to which I may be allowed to draw your attention. This was never referred to in the terms of reference. What we were considering was the question of a reasonable level of prices and not control of prices.

The Hon'ble Sir Azizul Huque: This is a recommendation of one of the Sub-Committees and I take it that this is agreed to by all the Provinces and States except the Punjab who feel that the existing price policy should be continued and if any departure is to be made, Punjab should be consulted.

A Member: In Sub-Committee 'C' this was discussed and lost by a majority. Though no proceedings were recorded it is a fact which could be ascertained.

The Hon'ble Sir Azizul Huque: But this is agreed to by the Conference as a whole.

Mr. Bolton (Sind): The words "regional basis" should be omitted.

The Hon'ble Sir Azizul Huque: I hope you have noticed my words "on regional basis with co-ordination between regions."

Mr. Bolton (Sind): I withdraw my objection. I am sorry I did not hear the last portion of your sentence.

The Hon'ble Sir Azizul Huque: The fourth point is that energetic steps must be taken to ease and facilitate transport with the distribution plan. I take it that this is agreed to by all.

The Hon'ble Sir Azizul Huque: Fifthly, as an instrument for control both in respect of physical control and of exercising an influence on prices, the Foodgrains Control Order must be given vigorous application everywhere and that food drives in execution of this should be carried out.

Mr. Mudie (U. P.): Personally I would be very much opposed to food drives at the present moment.

The Hon'ble Sir Azizul Huque: But this has been the view of certain of the Committees. The question is whether it is agreed to by the Conference. The point which I want to stress is that there is no doubt that it will be accepted that there is considerable amount of hoarding in the country and the only way in which this hoarding can be checked is the vigorous application of the Foodgrains Control Order and therefore unless there is going to be an application of this Order and unless the Provincial and State representatives are prepared to face the responsibility of taking some decision as to how they are going to tackle the problem of hoarding you are not going to have the surplus which we intend to give you from some of the surplus provinces; otherwise we might far better abandon the idea that we can deal with the question of surplus and deficits. So far as that portion is concerned I put it to the Conference and want to know whether it agrees to it. I would be only too glad to know if any province differs and those who are not in favour of this clause of the Foodgrains Control Order. Will those who are not in favour of it kindly raise their hands. (Dissentient—U. P. only).

The Hon'ble Sir Chhotu Ram (Punjab): I would like to make it clear that we agree to this proposition on the assumption that the Foodgrains Control Order does not apply to the producer himself. I want to be clear in my view that if there is a producer who produces 10,000 mds. even he should not be affected.

The Hon'ble Sir Azizul Huque: At present it does affect a producer producing 50 mds. and over.

Mr. Bolton (Sind): The Foodgrains Control Order is capable of being suitably tightened up especially in its application to certain areas. For instance, when we adopted this order in the beginning of this year we put the figure as 5 mds. and not 50. I feel that the provinces should be able to modify this limit.

The Hon'ble Sir Azizul Huque: I have taken note of it and I can assure you that it will be taken up immediately. So far as the Punjab is concerned, it can be taken for granted that it is not in its favour at all whatever the quantity may be.

The Hon'ble Sir Chhotu Ram (Punjab): In respect of his (producer's) own produce.

The Hon'ble Sir Azizul Huque: Quite so. Whether a certain amount of latitude and freedom should not be given to Provinces to determine the quota under which they will operate so far as the Foodgrains Control Order is concerned.

The Hon'ble Sir Chhotu Ram (Punjab): It will be much more in accordance with the facts if I state that the Foodgrains Control Order as it stands at present we are prepared to work because, it gives discretion to Provincial Governments to apply it or not.

The Hon'ble Sir Azizul Huque: We are glad to know that you are prepared to work it as it stands at present.

The Hon'ble Sir Azizul Huque: The Hon'ble the Finance Member would like to know the reasons by which Mr. Mudie justifies his dissent.

Mr. Mudie (U. P.): Well, Sir, we have an order for 5 mds. We have not enforced it very strictly, because I do not think in the present conditions of arrivals in towns it is possible to have any appreciable amount of hoarding. But if we find anyone with large stocks, we could forfeit them. My objection was that anything that you might be thinking of in the form of anti-hoarding drive must be having a very bad effect. It is unnecessary in principle. The neighbouring districts of Bulandshahr are much better now than Bulandshahr itself. The thing is so tricky that I would not like to try that in other districts in case this drying up is experienced there. I think that after all you cannot stop hoarding in this manner. The great thing that encourages hoarding is a rise in prices.

The Hon'ble Sir Jeremy Raisman (Finance Dept.): But you are also opposed to price control.

Mr. Mudie (U. P.): No, Sir, I was not present at that meeting. I think there was some misunderstanding about that. We ourselves did carry on price control in U. P. I think the best anti-hoarding, the best control measure, is the accumulation of stocks in Government hands. You can put on the stocks at a price which does not go up with the inflation of the currency. That is to say, if you can do that you discourage dealers from hoarding. Last year the price had gone fairly high as much as 4 seers a rupee. We put on stocks at five seers a rupee. Grain did not stop coming in. We lowered the price. Grain still came in. That I think is the most effective anti-hoarding measure. That is my objection to free-trade. Everyone knows that prices are going to rise and they will hoard. But I am against a house to house search.

Mr. Williams (Bihar): Mr. Chairman, I want to say something about this. Mr. Mudie's remarks reopen the whole question, this cumbersome question, of State action to control prices for each commodity. We decided to enforce the Foodgrains Control Order and conducted an anti-hoarding drive in Bihar in the rural areas, but the chaotic conditions of free-trade and the panic caused by it made things quite impossible for the time being. I take it that the Provincial Governments must decide the form in which they will attempt to overcome this difficulty.

Mr. Ansorge (Bihar): May I also draw your attention to the recommendation of our Committee, namely that there must be an announcement or indication that the ceiling prices that we may fix in our region are liable to a decline so that it may help in bringing on stocks to the markets.

The Hon'ble Sir Azizul Huque: I proceed with the recommendations. The next one is "As an instrument for control both in respect of physical control and of exerting an influence on prices, the Foodgrains Control Order must be given vigorous application everywhere and that food drives in execution of this should be carried out." So far as the Punjab is concerned, I take it that it is evidently opposed in terms of the remarks which Sir Chhotu Ram has made, but beyond that it is agreed to apply the Order. (Agreed).

Sixth recommendation is "As a means of securing equitable distribution and of controlling prices in urban areas, the rationing of such areas in a progressively increasing measure must be resorted to." (Agreed). The seventh recommendation is:—"To facilitate supply, transport and administration, the financial settlement for supplies should be direct as between the surplus and deficit Governments and without the intervention of the Centre". (Agreed).

A Member: May I take it that the deficit Province will place sums in advance?

Major-General Wood: That is a matter of detail.

The Hon'ble Sir Azizul Huque: Whether payment should be made later on in advance is a matter entirely of detail.

The Hon'ble Mr. Suhrawardy (Bengal): I do not understand. Does this mean that the process of procurement hitherto followed, namely that the Central Government procures and then sends it on to the various Provinces, and then there is a financial adjustment between the Centre and the Provinces—whether that is going to be abandoned?

The Hon'ble Sir Azizul Huque: No. That continues. It is merely a question of financial adjustment.

The last recommendation is: "Metal coinage and consumers goods should be made more freely available as a means of securing greater surpluses from the cultivator". (Agreed).

Major-General Wood would now like to make certain remarks.

Major-General Wood (Secretary, Food Department): I wanted to make a few general remarks because we have now reached again the same point we reached in February, where we seemed to have got a substantial measure of agreement of policy, and it is necessary—it certainly is necessary for me as the head mechanic of any scheme that has got to be followed—to realise (and the rest is now a matter of the administration) that it is essential that we shall not pursue the same path as the one after the last Conference in February. Having reached a course of policy, the administrative action to put the policy into effect

was miserably inadequate. I am going to put some facts before you with regard to the field of administration under three headings, basic plan, control matters and administrative matters. With regard to the basic plan, this is the first return of the united effort to adjust the basic plan food figures. We are 1 million tons in deficiency. It is no use asking me as head mechanic to run this machine. I have no territory. I have no hoards. How am I going to find this 1 million tons deficiency? The deficits as declared are 2.2 million and the surpluses are 1.3 million. So, I am left holding a nice baby weighing 1 million tons. I do not wish to resurrect this controversy—made unnecessarily bitter at times—about statistics. I will only mention this that the Central Government has no axe to grind. We have no interests to serve. Our sole desire is to be fair all-round. If at all any of the Provinces and States think that the Central Government have got their knife into them, I assure you it is a most unfair statement. There is only one answer to this as far as I can see. If I am going to be left with this 1 million ton baby,—this gap between the surplus and the deficit—let all Provinces and States clearly understand now that the only means I have at my command is to take all the produce I can get from the North-West Frontier Province, from Sind and from Bihar and attempt to pour it into that gap. I have nothing else.

The Bihar Representative: But why from the Province of Bihar which is deficit?

Major-General Wood: I do not want to go into details. I am dealing with general matters. I do hope, however, that with whatever revised basic plan figures we shall now prepare, we shall try and settle this matter in consultation as quickly as possible. I do hope that if any Province or State in the operation of the plan in the next months discovers that it has more, it will notify the fact.

In connection with the basic plan, I would like to mention this, that the responsibility for catering to the needs first of the Essential Services—by that I mean the Railways, Posts and Telegraphs, etc.—and after that to essential war industries is the responsibility of the Province and State and will remain the responsibility of the Province and State and that we will never accept the statement of any Province or State that they cannot discharge these responsibilities.

Having settled that question, another matter of administration with regard to the basic plan is that it will be direct financing as between the two Governments. I would like to give you a word of explanation with regard to inspection. We are at a dead end. We have proposed that in certain parts of the country, panels for inspection composed of firms should be arranged. We cannot proceed with this matter because the views of Provinces and States are so diverse, and I would like to know—if it were possible to know today—whether the surplus and deficit Governments would prefer to go on a basis entirely on the same lines as finance. That is to say, the deficit Government will arrange for its own inspection in conjunction with the surplus Government. Would the Conference generally agree to that? The proposition at the present moment is this; will the Central Government proceed to set up Central arrangements for inspection or will it be a domestic matter between the surplus and the deficit Governments?

Some representatives: It should be the Central Government.

The Hon'ble Sir Azizul Huque: I would like to be more definite on this point. Those who are in favour of the Central Government arranging the inspection agency will kindly raise their hands, I see: Bombay, Madras, Bengal, Punjab, Orissa, Assam and certain States.

Now, those who are in favour of the two purchasing and selling Provinces arranging between themselves the inspection organisation will kindly raise their hands. I see: U. P., Bihar, N.-W. F. P. and some States.

I do still hope that you will come to an agreement before tomorrow.

(Replying to a question put by Mr. Bolton). The point is that the general principle should be accepted because we must know what we are going to do. For instance, I may put the question to Sir C. P. Ramaswami Iyer.

Sir C. P. Ramaswami Iyer (Travancore): I may at once mention this that we have no radical objection to the Centre taking up this responsibility, but we feel that it may be burdensome and might involve delays. We feel as a matter of greater convenience that this mutual arrangement between the surplus and deficit Provinces will work better. This is a matter of function rather than a matter of administration.

The Hon'ble Mr. Suhrawardy (Bengal): May I explain? I am relying of course practically and wholly on the Centre to supply the Province, since my good neighbours have disclaimed the major portion of their responsibilities. So, from that point of view I would certainly rely entirely upon the inspection by the Centre. But, if at any time, we are able to purchase any stock from our neighbours, (for instance Orissa was prepared to sell us something) in that case we could send our own inspecting officers, that is, in the case of direct transactions.

Major-General Wood: We will ask you please, if you would, each of you present here, give your views by tomorrow morning to Mr. Abhyankar who will be present in this room.

I will now pass on to control matters which have already been the subject of some detailed discussion. There is one thing more than another which is an intractable problem before us in this food administration and that is to secure some of the physical control over the goods. And, you will take it that in direct proportion to which physical control can be exercised, is directly the degree of success in influencing or controlling prices. It is no use, in my opinion, to publish a statement tomorrow to say that wheat will be Rs. 10 and rice will be Rs. 15. The only thing that will happen is that the entire flow of foodgrains would gradually dry up and you will have double the prices that this country has ever seen. Physical control does not necessarily mean possession and ownership of the goods. Physical control does not exclude possession over all the goods. There are a variety of ways in which you can exercise physical control. Control is always there. But I do suggest to you that there is a basis for any control we are going to contemplate for the future. When we are talking of control of supplies or control of price or, control of anything, the key stone or corner stone of it is the Foodgrains Control Order and the Foodgrains Control Order should be brought into effective operation throughout India supported by Section 75A—(requisition) and requisition orders are intended to be in execution of the Foodgrains Control Order and for no other purpose. If we get going certain such orders in this country to bring stocks under physical control and further if we are to bring sanity into food administration, by this simple Order Provinces and States should take all steps to requisition. It is the Foodgrains Control Order which is going to mean control or loss of control. I would jump from this which is the beginning in order to get a grip upon the subject to the ultimate objective which we are trying to achieve. The objective of all control is the greatest measure of control and it is when we are properly rationing every substantial urban area in this country that we will have achieved our object. I do not know the extent of the needs of the urban areas and I apologise for that. I am told that there is a domestic deficit even in rural areas. But the point of the matter is that we cannot ration until we have some security of supply behind the rationing scheme and the security of supply behind our rationing scheme is the Foodgrains Control Order and I must confess that it is somewhat disheartening to the Food Department when asking for suggestions for the improvement of this order, and for its amendment, to fail to get even the courtesy of a reply. It is essential that surplus provinces should agree to enforce it. They should not later on say that it does not apply to them. So much about control matters that we were talking about. My view of the recommendations about price control is that price control is easy when we have physical control over the stocks. Let us not repeat the mistake that the Punjab made last year. Those mistakes were of trying to impose price control when the goods were not with them and were not susceptible of any form of physical control. (It was the mistake of the Central Government Sir Chhotu Ram) I would suggest a procedure for the next 2, 3 or 4 months or so which we should accept as a policy and carry into action in most of the surplus

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provinces. The first is that we must apply the Foodgrain Control Order now. Secondly in surplus areas see that the supplies come freely into the market and when those supplies begin to dry up it is just the time to undertake an activity as the Bengal Government have recently undertaken in connection with their food drive. I would draw your attention to the fact that the success of the Bengal food drive is not so much in respect of 1,000 tons or 2,000 tons. It is during the progress of this drive that the whole foundations of trade have been shaken and the prices have come down by Rs. 5 to Rs. 7. Normal trading has been stirred into activity. I should like to mention to you the example of one administration in this country; a surplus administration, who have said time and again and so mean what they say, that unless we have got the foodgrains in the Punjab by the end of the harvest year, we will feel that we have not done our duty.

Now I come to the third point—about administration. I should like to talk about the sufficiency of staff with which to deal with administration. An Inspectorate staff is not sufficient for the Food grains Control Order and in that connection I would like to mention that the staff of district officers must be strengthened to permit them to carry out their obligations under the Foodgrains Control Order. The Foodgrains Control Order as it stands today permits the use of non-officials and it is something like a personal visit to the prison. He can go round and can collect, 5, 10 or 15 people in checking the returns or inspecting stocks of merchants or any one else.

Next I would like to mention provincial and states headquarters organisation. In India we have got about 13 provinces. Some of them have got purchase officers with other officers helping them and in one of them a part time officer. We have one case of a large province which has a part time officer who spends half of his day in an Improvement Trust Office. We could never get hold of him. This organisation has got to be built up because there are matters to be attended to that brook no delay and it is no use turning to railways or any one else and saying that you are wrong, he is wrong. We have got to put ourselves right. In my own office I realise it and the result on the administrative side is that there is no information. We get replies to very few letters. We get on somehow. We cannot get on unless we have information. I mention it to you that in the first eight weeks we should have received 240 reports on foodgrains. We were able to get 2. These are only from provinces. It is just like war. You can control nothing, you can direct nothing if you are denied information. I would ask you that this information be given. My own office is suffering from a very serious and grave strain. We have got 11 executive officers of the senior grade. Five of them are down with serious nervous or mental exhaustion. The Food Department is now virtually being carried on by 4 or 5 officers. We have got to help each other. I have to look to my staff and I do appeal to you to please staff all the district officers adequately in order to give them a chance to apply the Foodgrains Control Order. Please staff your provinces and states for the food administration.

I want to finish with a note of bluntness. I have come just to this point that in all the three days of the deliberations no one has made any reference to the fact that there is a war on. Food administration is part and parcel of this war; that for the proper prosecution of war a proper grip of the Food Department is necessary and this consideration and others should over-ride the self-interest which so blatantly displayed itself in this Conference in the form of domestic interests to the exclusion of others. Cannot we do anything to soften down these interests, domestic interests? I would in that regard just mention one thing. There are certain provinces which follow a policy of self-interest. They say we have to build up our reserves and then we should be able to let others have something. In the meantime, we have nothing to feed Travancore, to feed Bombay and to feed Bengal.

The Hon'ble Sir Azizul Huque: I hope we will now adjourn till 3 P.M. Mr. Mehta will then meet provincial representatives and I understand there is a very important matter which will be taken up. I will report the result of your

deliberations in a summary to be placed before H. E. the Viceroy and members of the Executive Council and we will meet again tomorrow at 11 A.M.

Mr. Knight (Bombay): I suppose you have noted my suggestions.

The Hon'ble Sir Azizul Huque: I have taken a note of every point which you have said, for or against. I have discussed every point that has been raised and tomorrow I may be able to state our final views. I made it quite clear that the question as to what would be our ultimate decision is a matter which should wait till tomorrow when I hope, I will be able to make the position clear.

The Hon'ble Mr. Suhrawardy (Bengal): I do say, Sir, that if free-trade is abandoned in Bengal, I will ask you and your Secretary to consider that we have nothing by which to feed our population.

Mr. Ansorge (Bihar): I am unable to agree with General Wood as regards the possibility of the Food grains Control Order proving sufficient. I should like to know, Sir, whether the Provincial Governments in making these operations (accelerated purchase) can rely upon the financial assistance of the Central Government. A reference on that subject was made sometime ago by the Bihar Government to the Government of India.

Major-General Wood: I will discuss that with you after the conference and in that respect I wanted to tell the House that Mr. Christie and myself will be present here with the time table after the plenary session tomorrow morning, to book up timings for any representative who may wish to discuss any problems with us for the whole of Friday afternoon and the whole of Saturday. But after the Conference tomorrow I should very much appreciate if the representatives of Hyderabad and Mysore would meet Mr. Hume to talk about dehydrated goats. (Laughter.) We meet at 3 P.M. today and again at 11 A.M. tomorrow.

(The Conference then adjourned till 3 P.M.)

The Conference met at 3 in the afternoon with Mr. N. C. Mehta, Sugar Controller, India, in the Chair. It has not been possible to include the proceedings of this session in this Report. The draft 'gur' control order was explained by the Sugar Controller to the Conference and it was approved for adoption.

THIRD PLENARY SESSION OF THE FOOD CONFERENCE ON JULY 8, 1943.

The final plenary session of the Conference was held at 11 A.M., on Thursday, July 8, 1943, when the Hon'ble Sir Azizul Huque announced the decisions of the Government of India on the recommendations of the Food Conference.

The full text of his speech is as follows:

Gentlemen, after the strenuous and animated discussion of the past three days, you must be anxiously waiting for the announcement of the decisions taken by the Government of India on the recommendations of this Conference. I will, therefore, proceed to announce them without further delay.

The Government of India accept that in present conditions it is necessary to continue the basic plan subject to necessary steps being taken to make whatever adjustments as are required in the surplus and deficit figures of the various Provinces and States. In view of this decision, procurement operations in execution of the basic plan thus modified have to continue, and it has been decided that they should be carried out either directly by Government or by agencies under the full control of the Provincial or State Governments. The Government of India will during the coming months most carefully watch the progress of all procurement operations and will, from time to time, take all necessary steps to accelerate the progress of all purchases so urgently necessary in the interest of the deficit areas.

Every attempt will also be made to expedite the transport of not only all available foodgrains but also of such other foodgrains as may be procured from time to time.

In arriving at this decision, the Government of India desire to emphasize that unless the Foodgrains Control Order is vigorously enforced by all the Provinces and States, neither the basic plan nor the procurement operations thereunder can be put into effect with any success. Failure of supply to the deficit areas must inevitably mean most disastrous consequence to the

whole. All Provincial and State Governments must therefore take immediate steps to organise a vigorous anti-hoarding drive. In spite of the many apprehensions that were expressed by some about the wisdom or the effectiveness of such a course at the previous Food Conferences, the recent action of the Government of Bengal, as you have heard from the Bengal Delegate, has been an unquestioned success. I do hope that the Government of Bengal, without any further delay will take similar measures for the greater Calcutta area. A merciless attack on the hoarder and profiteer must therefore be immediately launched throughout India by all Governments and States. During the last three days many speakers urged the compelling necessity of strong measures in this direction. As I emphasized in my opening speech no Government worth the name can allow a state of affairs to develop, in which certain individuals with the most reprehensible criminal instincts, however privileged they may be, can be allowed to hoard and secrete stocks of food while thousands of hungry men and women are on the verge of starvation and death. So long as the grower is assured of a reasonably fair price for his products under the present conditions of things, any measure to save human lives is not only justified but also eminently necessary. Strong action therefore against the hoarder and the profiteer therefore is indicated not only as the need of the hour, but as the very basis on which our future food policy stands to succeed or fail.

The Government of India have further decided that rationing in urban areas should be taken up in a progressively increasing measure and almost immediately, in order to get a firm control over the food situation prevailing in the country as a whole. As you are aware, this has already been enforced with a considerable measure of success in large cities like Bombay, and in some of the States. I need not emphasize the advantages of rationing. They are well known in so far as it prevents the large cities of a State or Province from becoming a bottomless drain with regard to the amount of foodgrains poured into them from time to time. The result of any shortage or difficulty in the availability of foodstuffs in urban areas, is immediately reflected in bitter public criticism and campaigns directed against the efficiency, and quite often even against the good faith of the Provincial authorities. Unless rationing is introduced in urban areas, it will not be possible for the Provincial Governments to obtain a firm control over the local food situation. Preparatory measures for rationing of at least the urban areas should therefore be immediately taken up.

As regards financial settlement as between surplus and deficit provinces in the matter of sale and purchase of foodstuffs, the Government of India have agreed to your recommendation that these matters may be settled by the respective Governments direct and without the intervention of the Centre. As a corollary to this the Government of India also agree that subject to agreement of the Central Government in each case, deficit provinces and States should be free within the limits of their basic quota to make a direct approach to the surplus areas and wherever possible make direct transport arrangements with the railway or shipping authorities. Such transaction would of course have to be carried out entirely by the purchasing agency of the surplus area concerned. I am sure that this meets the point of view of those of you like Travancore, Cochin and Bengal, for example, that are unfortunately in the most dire distress today. In taking this decision, the Government of India have been guided by the sole consideration that while they will do, on their part, their best, and will make every possible effort to secure for these distressed areas as much as possible in present circumstances, the deficit Government should, also, be given a free hand within certain general principles, to explore all possible avenues themselves, so that everything that is humanly possible and feasible should be done to prevent the inevitable calamity that will otherwise ensue if food supplies do not reach these areas in time.

As regards your other recommendation about the necessity for making metallic coins and consumers goods more freely available, the Government of India desire me to state that they are fully alive to the necessity of this relief, and the matter is under their anxious consideration. But I have been asked

by my Hon'ble colleague the Finance Member, to assure you that his Department is paying every attention to this problem, and I can myself assure you that the Government of India will do their best to see that the present shortage of consumers goods is corrected as soon as possible. You are aware that it is solely for this reason that we in the Industries Department, are taking vigorous steps to ensure the supply of cheap cloth throughout India, and various other measures are under the active consideration of the Government of India as a whole.

As regards your apprehensions that the long range planning Committee might take up the consideration of free-trade and thereby reinstitute the recent uncertainty in the food situation, I have been asked by the Government of India to declare that free-trade as an immediate practicable expedient is not possible under existing war conditions. I assure you that free-trade will not be considered except as an objective for the return of normal conditions. The long-range Planning Committee will still have enough to do. There are many facets of this most difficult food problem—executive, administrative, statutory and legal, to mention only the more important. But whatever their recommendations may be, they will have to be discussed by the representatives of the States and Provinces in a similar Conference, which we propose to convene early in September next, and I can assure you that we shall not take any decision without fullest consultation with you.

We now come to the vexed question of prices which has formed the subject of much of your discussion and debate. In view of the varied opinions expressed, the Government of India have decided that there should not be any statutory fixation of maximum prices at the present stage. As you are aware, the efforts of the Government of India have for some time past been specially directed towards the stabilization of all prices including those of foodstuffs. The serious inflationary position in India is engaging the most careful consideration of the Government of India, and while some steps have already been taken, still others are in contemplation. The Government of India will therefore most carefully watch the price of all food commodities in relation to the general price level, and while it is not the intention to fix any statutory price ceiling at present, but to continue to influence the prices through such methods and manner as are already in force, they will take every possible step to bring down the general price level, to stabilize the prices of all commodities. Simultaneously the Government of India intend that Provinces and States will be left free to take such administrative measures as they may think necessary to bring prices under control within their regions.

The question as to what further legislative changes are necessary in the Foodgrains Control Order with a view to make it more practical and drastic or to take other powers in pursuance of our common policy, is also engaging the attention of Government. As regards the introduction of these new changes, I have been asked to state that the Government of India will shortly announce the date from which they will be operative in all Provinces. Till then the existing position will stand, but Government hope to bring the new principles into operation as soon as possible.

Existing contracts—In announcing this I am to point out that it is essential that contracts for export from one province to another made under free-trade conditions in the Eastern Zone, prior to the date of the restoration of provincial control, should be fully honoured with no attempt to avoid them in any way, and the movement of foodgrains in fulfilment of those contracts should not in any way be hampered.

Appeal—That, gentlemen, concludes the announcement that I was authorized to make on behalf of the Government of India. Before I sit down, let me make another appeal to you to consider the seriousness of the position in certain of the deficit provinces and States. War calls for great sacrifices. You may not give any thing if you have not. But do give what you do not need. Sacrifice means something from your share also, and society will be meaningless if we cannot take every possible measure to save human lives. We are on our greatest

trial and let us transcend beyond all considerations of profit, gain, hoard or profiteering, and stand on the highest plane of humanity and patriotism.

With a vote of thanks to the Chair, the Conference terminated.

APPENDIX.

REPORTS OF SUB-COMMITTEES

Terms of Reference.—The following terms of reference were suggested as a basis for consideration by the sub-Committees :—

"What short-term policy is recommended in respect of the territory covered by the Sub-Committee having regard to the need for :—

- (a) An effective and full utilisation of the domestic resources of the territory.
- (b) Efficient and timely procurement on behalf of Government when such action is necessary.
- (c) A reasonable level of prices, and
- (d) An equitable distribution of the resources of the territory over the territory."

REPORT OF SUB-COMMITTEE "A".

SUB-COMMITTEE "A".—Consisting of the following areas :—

Bengal [including Cooch Behar, Sikkim, Tipperah and Mayurbhang and Chhatisgarh States (less Nandgaon, Khairgarh, Chhuikhadan and Kawardha)]; Bihar, Assam (and Assam States), and Orissa (and Orissa States).

Resolution No. 1.—The Sub-Committee recommend, Bengal dissenting, that the powers of controlling movements and prices of food grains as they were before free trade was introduced, should be restored forthwith to the Provinces and states of the Eastern Region, as the best means of mobilising the resources of the entire Region and ensuring fair distribution throughout the Region. The Bengal Government objects to this recommendation but are prepared to agree provided their requirements of 90 lacs maunds of rice and/or wheat, including their immediate requirements, until the 31st December 1943, are ensured.

Resolution No. 2.—The Sub-Committee recommend that ceiling prices should be fixed for each foodgrain in each unit of the region in parity with each other, with due regard to the prevailing market prices and local conditions in each unit of the region. Further more it should be announced as a settled policy of Government and the States that these prices will be progressively reduced in each of the provinces and states concerned as circumstances permit. The Committee consider that the ceiling price for Bengal should be fixed at Rs. 20 per maund wholesale for coarse rice, and the price in other units should be fixed in parity.

Resolution No. 3.—The Sub-Committee is of the opinion that all bonafide contracts made under the free trade arrangements for export prior to the date on which the Government of India reach a decision to restore provincial control, shall be honoured and the movements in fulfillment of these contracts will not be hampered. The operation of this clause will be subject, where necessary, to the arbitration of the Regional Food Commissioner.

Resolution No. 4.—The Committee record the following with regard to the Food Grains Control Order :—

(a) The Foodgrains Control Order and the power of requisitioning in its support should be utilised to the fullest extent to prevent the holding of excessive stocks both by producers and dealers.

(b) Assam proposed that in order to restore the effectiveness of the Foodgrains Control Order the amendment of the 28th May, 1943, by which licences granted in any province are automatically valid in another province of the Eastern Region should be withdrawn by the Central Government. The majority of the Committee thought that this was a matter which should be left to the R. F. Council.

Resolution No. 5.—The Committee are of the opinion that all imports must be on Government account and a machinery should be set up by the recipient provinces for ensuring that all such imports are brought into consumption within the province.

Furthermore a permit should be given by the exporting province to its authorised agents only for export.

Bengal dissenting with the second part of the resolution, are of the opinion that purchases in provinces should also be permitted to be made either through a central purchasing agency or through a trade agent of the importing province who may also be given the necessary export permits.

REPORT OF SUB-COMMITTEE "B".

SUB-COMMITTEE "B".—Consisting of the following areas :—

Rajputana States, Ajmer-Merwara, Gwalior, Central India States (Western portion including Indore, Malwa, Bhopal and Bhopal Agency States), Kathiawar (including Radhanpur, Idar and Bijayanagar and Sabar Kantha Agency States), Cutch, Baroda, and Gujerat States.

The Committee prepared estimates of surplus and deficit in major foodgrains for the areas comprising Region No. VI. These estimates are shown in the statement below.

The Sub-Committee adopted the following resolutions :—

- I. This Sub-Committee is strongly of the view—
- (a) that a policy of Free Trade will be disastrous.
- (b) that the Central Government should announce that they would not adopt the policy of Free Trade at least for the duration of the war.

II. This Sub-Committee is emphatically of the opinion that the basic procurement plan should be preserved with at least for the duration of the war and its working further improved and strengthened.

III. This Sub-Committee recommends that, subject to necessary local variations in methods, Governments of States and Provinces must take full responsibility for producing the maximum surpluses and reducing deficits to the very minimum by all means in their power.

N.B.—A suggestion made to the sub-committee for achieving this object was that there should be full control over purchase of all surpluses from the cultivator, control over the custody of stocks with the purchasing agency, whether private or official, and control over the disposal of such stocks right down to the consumer.

IV. The Sub-Committee feels that Central Government should aim at adopting a policy of uniform maximum prices payable to the producer (cultivator) in different regions, in order to avoid disparity in price levels in adjoining areas. (The delegates from Gwalior and Kotah dissenting).

V. This Sub-Committee is of the opinion that the Govt. of India be invited to consider the redistribution of the areas under the Regional Food Commissioners so as to include within each region at least one of the chief surplus areas with which the rest of the region is directly concerned in respect of purchase and supply.

VI. In the interest of a successful prosecution of the procurement scheme this committee is of the opinion that subject to adherence to the Basic Plan of allocation prepared by the Govt. of India, the supplying and the receiving units should deal direct with each other as far as bills for, and payment of, the foodgrains given and received are concerned, and not through the medium of the Food Department.

VII. That rationing may be introduced in the case of all urban population on the basis of uniform individual rations, wherever practicable. (Adopted by 7 votes for and 5 votes against.)

VIII. The Sub-Committee is strongly of the opinion that the procurement of foodgrains will be greatly facilitated by a substantial increase of metal coins in the currency as against paper money.

Estimates of surplus and deficit in Region VI. Immediate figures (upto March 1944)
(In tons.)

Areas.	Gram.		Wheat.		Rice.		Millets.		Maize.	
	Surplus.	Deficit.	Surplus.	Deficit.	Surplus.	Deficit.	Surplus.	Deficit.	Surplus.	Deficit.
1. Rajputana	5,000	..	..	87,500 18,000 (sub- stitute for Rice)	..	18,000	..	25,000 (500 tons needed at once).	..	..
2. Indore State	..	2,000	..	5,000	..	4,400	..	6,500	..	..
3. Bhopal State	1,800	..	..	..	..	..	..	..	..	..
4. Rest of W. Central India	..	..	..	25,000	..	..	..	1,500 (1,000 jowar 500 bajra).	..	..
5. Gwalior	14,000	..	..	..	..	3,000	7,000 (bajra)	..	..	..
6. Baroda State	..	..	..	5,000 (im- mediate)	..	5,000	..	10,000	..	..
7. Gujerat States	..	..	..	..	..	..	..	4,670	..	..
8. Kathiawar State.	..	5,000	..	20,000	..	..	..	..	..	..
9. Cutch State	..	1,000	..	8,000	..	2,400	..	5,000	..	..
10. Ajmer- Merwara.	..	10,000	..	18,500	..	2,000	..	2,100 (1,700 bajra 400 jowar).	..	17,000
	20,800	18,000	..	146,500	..	34,800	7,000	54,770	..	17,000
	18,000	..	..	146,500	..	34,800	..	7,000	..	17,000
	+2,800	..	..	..	..	..	..	-47,770	..	..

REPORT OF SUB-COMMITTEE "C".

SUB-COMMITTEE "C".—Consisting of the following areas:—

Region No. 2.—U. P. (including Rampur, Benares and Tehri Garhwal States) and Central India States (Eastern), viz., Bundelkhand and Rewa.

Region No. 4.—Madras (and Madras States), Mysore, Travancore, Cochin, and Coorg.

Region No. 5.—Bombay, Deccan States, Hyderabad and Central Provinces and Berar.

I. This Committee recommends that Government of India, make a declaration before the end of the Conference that during the War the Government of India's policy will be one of control and not Free Trade in foodgrains.

II. This Committee recommends that the procurement plan be adhered to in principle with the requisite alterations in respect of quantities which should be suggested immediately by the Provinces and States concerned.

III. This Committee further considers that the implementing of the proposal to form a long term committee is certain to produce grave complications in the matter of prices and availability of supplies, and that the long-term committee should therefore be abandoned.

IV. This Committee is of the opinion that the proposed differentiation between short-term and long-term policy is unsound and that the constitution of a "Long term" Committee is both unnecessary and undesirable.

V.—*Procurement in surplus areas*.—Each Administration should have discretion to use all possible measures to procure grain in its surplus areas and for that reason should be armed with powers and not restricted in the use of those powers.

VI. This Committee is of opinion that for procurement of supplies a Govt. agency or an agency under the complete control of the administration concerned should be employed.

VII. This Committee recommends that rationing should be resorted to as far as possible in all Provinces and States.

VIII. This Committee recommends that with a view to help deficit areas and reduce the deficit and surplus areas to increase their surplus, the Government of India should immediately arrange for the supply to the Provinces and States on the basis of highest priority of (1) imported fertilisers and plant and machinery for manufacture of fertilisers and (2) motor lorries.

IX. This Committee recommends that consumers' goods including metallic currency in the greatest quantities possible should be made available to cultivators in the rural areas.

REPORT OF SUB-COMMITTEE "D".

SUB-COMMITTEE "D".—Region No. 1 consisting of the following areas:—

Punjab, Sind, Baluchistan, N. W. F. P., Kashmir and Punjab States (less Tehri Garhwal).

The Hon'ble Chaudhri Sir Chhotu Ram pointed out that no difficulty was being experienced in the Punjab in so far as procurement of food supplies was concerned. There was room, however, he said for development of food sources if alkaline lands could be cultivated. It was pointed out by him that if the Government of India could give to the Punjab the difference between the estimated cost and actual cost of some irrigation schemes (the difference would not be more than Rs. three crores) nearly half a million acres could be placed under food crops and the first results would be visible in 15 months.

Mr. Bolton from Sind laid great emphasis on the fact that in Delhi available areas were not being ploughed up and it was necessary that these areas should be sown with foodgrains and vegetables and that the Government of India should insist that the Public Works Department of the Delhi, Province should undertake to utilise for producing food areas that are at present not under cultivation. Mr. Thompson, Revenue Minister, N.-W. F. Province, also stated that new areas, in that Province could be brought under cultivation.

On behalf of the Bahawalpur State, the Bahawalpur representative pointed out—and the suggestion was welcomed by the Committee—that where water was available, either of the Sutlej river or of the Chenab river, maximum use should be made of the available supplies especially in flood times, and the Committee recorded that the Governments concerned should settle terms and details directly.

Mr. Bolton then suggested to the Committee that it might be advisable to curtail the production of oil-seeds and replace the area under oil-seeds by foodgrains. He pointed out that if there was to be a deficiency of either, it had better be of oil-seeds than of foodgrains. The Committee considered this question of oil-seeds and it was recorded that as at present oil-seeds were not controlled the question should be left to the Government concerned to deal with.

The Committee then proceeded to consider the question of minor dhals and it was recorded that Provincial Governments should, as necessity dictated, control movements of dhals, but the advice of the Government of India would be welcome in so far as destination was concerned.

The next question taken up by the Committee was with regard to vegetable-growing, quite apart from the cultivation of vegetables in Delhi as already suggested by Mr. Bolton. General Beresford pointed out that in the Kangra valley eight tons of vegetables were required daily and the price at present being paid was something like Rs. 13 per hundred pounds. It was felt that encouragement of vegetable production was necessary all over the Province and special measures appeared to be desirable so that the enormous profit (which at present was being taken away by contractors) could go in part to growers working under proper Government encouragement.

The Committee then took up item (b) in the terms of the reference and Mr. Buch from the Punjab indicated that he had prepared two notes on the subjects. These notes are attached. The gist of his remarks was, that as the working of the Railway happens to be at present, it is not likely that more than 3,000 tons daily for 25 days in a month could be exported. If the procurement scheme is to work, Sir William Roberts and Mr. Buch were of the opinion, that arrangements should be made immediately to transport the quantities

prescribed by the Government of India in their monthly movement programme which should not in any case be less than 1½ lakh tons per mensem. It was emphasised that the reason for this was that if this transport did not take place as suggested, it would come into conflict later on with the transport of cotton and other kharif crops. Sir William Roberts also, emphasised that the Committee should bring to the notice of the Government of India, that apart from Railway transport, motor convoys and shipping facilities from Karachi and the use of the river Ganges for transport of foodgrains should be studied and measures taken to reduce the pressure on Railway transport.

Mr. Buch explained certain difficulties experienced in the working of the procurement scheme and his note on the subject is attached to the proceedings.

The suggestions in the note were explained to the Committee. Mr. Bolton pointed out that provinces should indicate acceptance before orders were placed with the despatching provinces.

As regards inspection the general sense of the Committee was that when inspection has taken place at the station of despatch the payment should be 100 per cent, and not only 95 or 90 per cent, as the case may be. As regards the recovery of the balance of 5 or 10 per cent, the Committee was unanimously of the opinion that such recovery should be expedited.

It was agreed that a time limit should be fixed for the return of the consignee's receipt by the recipient Government.

The Committee considered it of the greatest importance that the Government of India should make adequate arrangements for inspection. As regards storage the Committee was of the opinion that receiving Government should make adequate arrangements for proper storage.

The Committee then proceeded to consider the question of the use of purchasing agents, Sir William Roberts suggested that the Director of Food Supplies should receive direct offers from any one and if the bargain is completed he should then direct the purchase agent concerned to take it over.

With regard to item (c) the discussion was opened by Hon'ble Ch. Sir Chhotu Ram who indicated the Punjab Government's position to be as set out below. He was of the opinion that the Punjab Government should be authorised to charge for supplies made to the Government of India for export to other provinces, Re. 1 less than the Hapur rate or the prevailing market rate in the Punjab whichever is higher, when the order is complied with. The arguments in support of the view were the same as were set out by the speaker in the plenary session of the Conference. It was emphasised that the cultivators had to meet so many other heavy charges on account of cloth, iron, etc., that this demand on the part of the Punjab was so reasonable and that the Punjab should be in the same position as some other provinces to raise a stabilisation fund (peasants' welfare fund). The large majority of the members of the Committee could not see eye to eye with this proposal and it was agreed that there could be no finality in a proposal of this sort because if the price of wheat was to be raised as suggested if price of the cloth and iron rose higher, it would logically entail a further rise in the price of wheat. It was also argued that in view of the serious dearth of food in certain parts of India the question should not be looked at merely from the point of view of profit.

Sir Chhotu Ram, referred to certain figures showing how in a Government farm agriculture under rigorous supervision without overhead charges, was being run at loss within the recent years and he pointed out that it was quite justified that Punjab peasants should be given full advantage of the prices obtainable.

The representatives of the North Western Frontier Province and Bahawalpur were not in favour of the proposal but urged that if the Punjab proposal was acceptable to the Government of India the same should apply to these two respective units.

The Committee then took up item D of the terms of reference. The only suggestion received was that if wheat is exported from Bahawalpur into the Punjab should be correspondingly confidence in the Bahawalpur State the target figure of the Punjab should be correspondingly reduced. The Hon'ble raised and the target figure of the State should be correspondingly reduced. The Hon'ble Ministers from the Punjab expressed the view that the point will be considered and carefully examined. As this was to be a reciprocal arrangement the Committee had nothing to say in the matter. Mr. Bolton however pointed out that the arrangement might entail a wastage of wagon capacity.

DIFFICULTIES WHICH HAVE BEEN EXPERIENCED IN THE WORKING OF THE PROCUREMENT SCHEME.

1. Non-receipt of destination stations from Provinces for a long time, e.g., C. P., Madras, Bombay, etc.

2. Unwillingness of the Provinces to receive supplies when purchases have been effected, e.g., (a) by Ceylon of maize as the apprehended weevil when the staff reached Ceylon, (b) by Kashmir and Baluchistan for want of storage accommodation, (c) several Rajputana States as they thought the price was too high and as they discovered that they no longer stood in need of any stuff.

3. Frequent modifications by Government of India and Provincial Government in supply orders and stations of destination.

4. Absence of inspection arrangements. The Government of India have failed to set up any inspection machinery. For odd consignments, recipient Governments have appointed their own inspection agents like Volkart Bros., Ralli Bros., Chandulal Kanji and others. Each of these agents has a different standard. Very often they desire inspection at the point of despatch but go away without doing anything as they have to visit a large number of places where the stuff might be lying distributed.

5. Traders are not at all certain as to what they might have to put up with at the other end and therefore the mere fact that a contract implies inspection at destination raises the prices by 2 to 4 annas per maund. I apprehend a number of quality disputes and objections by the Controller of Food Accounts at the time of payment.

6. Inspection of rice must take place before despatch, but there is no agency at the point of despatch for inspection.

7. The payment of 5 per cent. depends on the receipt of the consignee's receipt which is never given at the other end without the greatest possible difficulty.

8. It takes some time to reach an arrangement with the Banks. Now, I understand, the Controller of Food Accounts refuses to give the overdue interest charged by the bank for the period that elapses between payment by the bank to the Agent and by Government of India to the bank. This should be settled.

9. Prices—Apart from general price policy, the variations of prices in different adjoining Provinces is creating great difficulties. The internal control price in Sind might be about Rs. 7 and uncontrolled price in the Punjab about Rs. 10. It is Rs. 12 to 14 in U. P. and about Rs. 8 to 9 in Bahawalpur State. In some cases the price is artificially manipulated. This is about wheat. In the case of rice it was Rs. 5 to 5/8 in Baluchistan, Rs. 15 to 20 in the Punjab and Rs. 8 to 10 in Bihar and Orissa. All these require proper coordination.

10. The Purchasing Agents might be trading in private names and I see no method of stopping this.

11. The great problem of course is transport and inspection. The transport position, which has been described in a separate note, is such that in fact unless the Railways guarantee that they would clear whatever is still to be despatched at an early date and are in a position to despatch further quantities according to a set programme, no further purchases should be made. If purchases are to be made as they should be during the purchasing season, the purchased quantities should be stored and storage charges will have to be paid. It is extremely difficult to find storage accommodation on such an extensive scale in the Punjab, although considerable amount could be found by the Agents. In the case of purchase by Defence Services, the storage is limited as the Mills concerned have no room for expansion.

12. My own view is that the Railways would be unable to transport more than 3,000 tons a day for 25 days in a month and at the maximum they could transport 1,00,000 tons in a month. Therefore the monthly movements programme would require radical alterations.

N. M. BUCH.

TRANSPORT POSITION.

According to the Basic Plan, the Punjab is to export the following quantities from the 1st April 1943 to 31st March 1944:—

Rabi foodgrains:—

Wheat	10,00,000 tons.
Gram/Gramdal	1,50,000 "
Total	11,50,000 tons.

Kharif foodgrains:—

The Kharif foodgrains year is from the 1st December 1942 to 30th November 1943. The target figures for the Kharif foodgrains are as under:—

Millets	3,00,000 tons.
Rice	50,000 "
Total	3,50,000 tons.

GRAND TOTAL. 15,00,000 tons.

The major export would be of Rabi foodgrains, and these should move as far as possible from April to August 1943.

2. The Government of India, in their secret letter No. S. IV(5)/43, dated the 8th May 1943, prescribed monthly movements of foodgrains between surplus and deficit areas. This programme of monthly movements had been very carefully concerted with the Railway and War Transport Departments, who had agreed that the transport could be arranged for the quantities specified monthly subject to the general principle that purchase and storage arrangements should be made as far as possible in areas close to deficit areas to avoid cross-traffic and unnecessary railway movements.

3. In the Punjab, the Regional Controller of Priorities has prescribed zones from which alone movements could take place to different directions and, therefore, the Government of India's condition has been met. Any other desirable improvement could always be made.

4. This programme of monthly movements contemplated movement of wheat alone to the extent of 1,00,000 tons in April, and 1,50,000 tons in May 1943, but the Government of India letter although dated the 8th May, was actually printed on the 15th May, and received in the third week of May 1943. The programme, therefore, started with nearly two months' movements in arrears.

5. The following movements were to take place in May and June:—

	May.	June.
Wheat	1,50,000 tons.	1,75,000 tons.
Gram/Gramdal	24,000 "	25,000 "
Millets	45,000 "	40,000 "
Rice	6,000 "	5,000 "
Total	2,25,000 tons.	2,45,000 tons.
Total for May & June		4,70,000 tons.

All the above figures, both for targets and movements, are for civil consumption as well as for Defence Services.

6. From the 15th May when the first purchases under the new scheme began to be offered for despatch and on which the office of the Regional Controller of Railway Priorities came into existence, the following movements of purchases for civil consumption have taken place, in accordance with the despatch advices received in the office of the Director of Food Supplies, Punjab. These figures relate to the week ending the 26th June 1943:—

Wheat	42,690 tons.
Rice	10,214 "
Bajra	4,262 "
Maize	447 "
Gram/Gramdal	5,282 "
Total	62,895 tons.

7. It is difficult to give exact figures of movements of foodgrains for Defence Services, but if it is presumed that about as much leaves the mills as enters them, the following rough figures might be taken as representing movements in May and June:—

	(May) 35,108 tons.
Wheat/Wheat products.	(June) 21,202 "
Total	56,310 tons.
	5,000 "
Gram (roughly)	8,000 "
Barley (roughly)	8,000 "
Rice (roughly)	
Total	77,310 tons.

8. Even if we add to this a liberal margin of about 15,000 tons, the total maximum movements which could possibly have taken place would be about 1,50,000 tons on both accounts during May and June, as against the promised* movement of 4,70,000 tons. In two months alone, therefore, the movement is behindhand by 3,20,000 tons.

9. Of course, all the 3,20,000 tons have not been purchased, and the position for civilian consumption is given below for the period ending the 26th June 1943:—

(In tons)

Foodgrains.	Total order.	Total purchases.	Quantity despatched.	Quantity remaining to be despatched.
Wheat	2,29,215	1,53,000	42,690	1,10,310
Rice	16,500	14,896	10,214	4,682
Gram/Gramdal	46,500	29,727	5,232	24,445
Bajra	38,834	19,783	3,635	16,148
Maize	1,079	1,079	447	632
Barley	669	169	Nil.	169
Total	3,32,797	2,18,654	62,268	1,56,386

There is, in addition, a big order for 1,13,500 tons of millets. 827 tons have been purchased and nothing has been despatched. The position, therefore, is very serious and in addition to the many other causes that might exist the following might be considered:—

The contemplated and sanctioned quota to pass via Delhi to B. B. & C. I. and G. I. P. Railways, of Wagons is 110 per day, but over a period of 45 days beginning

* 5 above.

with 15th May 1943 only an average of 54 wagons has been maintained so that every day we are short of 56 wagons even on the allotted quota which itself is not adequate. Taking the minimum quantity of 20 tons per wagon over the B. B. & C. I. and G. I. P. Railways, therefore, we are falling behind and at the rate of 1,120 tons a day. The main interest has been Southern India, as booking via Bulmarshah Junction remained suspended for over a month since the 17th May. It opened only for one or two days in between intermittently.

Calcutta has a target of 42 wagons a day, although at one time I thought it was 50. An average of 38 wagons has been maintained, but the difficulty arises from the fact that most of the consignments for Bengal and Assam are received at Calcutta itself instead of being dispersed at different stations. Calcutta cannot receive more than 50 wagons, I understand, and if these destinations were dispersed many more wagons would be available over the E. I. Railway.

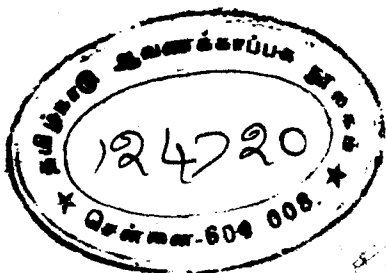
10. For the movements via Karachi although considerable movements have not taken place, I understand from a communication from Messrs. Ralli Brothers, Karachi, that adequate shipping facilities are not available on that route. Therefore, although sufficient allotment might exist, Karachi is not in a position to receive more, as it also handles the large exports from Sind. Information should be available about the extent of tonnage which could be shipped from Karachi. It should be clearly stated how much of it would be available for movements from the Punjab and Punjab States. Large movements will take place from Bahawalpur and Khairpur States in that direction.

11. I do not intend, in the present note, to give the details about a number of other difficulties created by zoning, station masters' activities, temporary suspensions, local orders like the one by the B. B. & C. I. Ry., refusing to accept booking of millets from the metre gauge section to go via Karachi without informing me that I should not make purchases in that direction, and a number of other minor ones.

12. The fact is that these transport difficulties result (a) in Government Agents having to pay at least 2 annas more per maund, (b) locking up of large amounts of capital of dealers, sub-agents and traders in the mandis as they cannot receive payment to the extent of 95 per cent. till Railway Receipts are produced and since the R/Rs could not be obtained on account of want of wagon allotment in some cases for nearly two months they were unable to make any purchases even if they wished to and they would be extremely unwilling to deal with Government Agents in future.

13. My own view is that the Railways would be unable at any stage to transport more than 3,000 tons a day for 25 days in a month and at the maximum they could transport, 1,00,000 tons in a month. Therefore, the monthly movements programme would require radical alterations.

N. M. DUCH.



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