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732

FOOD SHORTAGE AND HIGH PRICES

(Transcript of a speech delivered by Mr. M.R.Masani, M.P., General Secretary, Swatantra Party to the Commerce Graduates Association on August 6, 1964 in Bombay.)

In a discussion on food shortage and high prices, one or two facts stand out conspicuously. The first is that our production of food has not kept up with our population growth. The figures of total foodgrains produced are that in 1960-61 we produced 80.97 million tons; in 1961-62, 81.04 million tons; in 1962-63, 78.75 million tons; and in 1963-64, 79.35 million tons. You will see from this that food production is more or less stagnant, at least over the last four years. On the other hand our population has grown ih recent years by about 2.4 per cent per annum ,and has therefore grown nearly ten per cent during the time that our food production has been stagnant. This is one basic fact. It certainly shows that we are failing to cope with the needs of food production in our country, and that the first failure is that of production.

The second part of the story is told by the rise in prices. This again shows a very sad picture. The rise in wholesale prices, taking 1952-53 at a hundred, shows that in 1960-61 the level of wholesale prices was 124.9; in 1961-62 it was 125.1; in 1962-63 it was 127.9; and in 1963-64 it rose to 135.3. If you total up the percentage increase, you will find that the level of wholesale prices has gone up by as much as 15% in the last four years. A very steep rise. Food prices have risen even a little more than the general level of wholesale prices. These then are the two basic facts, the failure of production and inflation.

What arethe causes of these two phenomena? The major cause is the neglect of agriculture over the last seventeen or eighteen years sihce Independence. This has been due to a faulty pattern of priorities in our so-called planning. The faulty pattern of priorities so far has followed the following order: first, heavy capital-intensive industries; then, consumer and light industries; and last, agriculture. This has been the pattern since the Second Five Year Plan. The First Plan was an exception. That is, for