

has been complacent over bringing down actual ejections to 25,000 as against ejection notices served on 75,000 tenants. But for Pandit Nehru's open reprimand, ejections would have gone on. Punjab Government, after a good deal of wavering, has however passed an ordinance prohibiting all ejections except for non-payment of rent or subletting and failure to cultivate land without sufficient cause. Land will be restored to the ejected tenants after the Kharif Crop.

But if anywhere Congress has been going back on its agrarian policy, it is in Pepsu. During the President's rule in 1953, the Pepsu Tenancy and Agricultural Lands Act was promulgated to raise to some extent tenants-at-will to the status of proprietors. 'The permissible limit for personal cultivation was fixed at one half of the area owned by the landowner subject to a maximum of 30 " standard " acres and a minimum of 10 " standard " acres. No - ejection of tenant was to be permitted beyond this limit and tenants were given the option to buy the land under their occupancy on payment of compensation in six yearly instalments at 90 times the land revenue. The Act was promulgated on November 26, 1953 but it came into force on December 3, 1953 and in between these two dates, mass ejection of tenants were reported. Instead of rectifying these loopholes, when the actual implementation of the Act came, the Congress ministry issued an ordinance partly nullifying the President's Act and " depriving the tenants of their right to purchase land". The move, it is reported, is disapproved by the Planning Commission. Even the Pepsu Pradesh Congress Committee strongly criticised it in a draft resolution. The resolution, however, had to be dropped, due to a wide split in the ranks of the Congress. The reason is not far to seek. The Congress sacrificed all its cherished principles by granting a dozen election tickets to Rajahs, Biswedars, Jagirdars and their relations. (Pepsu goes to polls, *Economic Weekly* Feb 20, 1954). Congress in Pepsu has now become for these Teudal lords a means of holding back tenancy reforms. The draft resolution was adopted at the dictation of the Jagirdars in the Congress. One should not forget, however, the quick-changing party groupings in Pepsu legislature and especially the shifting loyalties of legislators in Pepsu, to whatever party they may belong.

### Export Markets for Tobacco

FOR the last three years running the production and export of tobacco have been moving in opposite directions. While production increased from 410 million lbs in 1951-5a to 462 million lbs in 1952-53 and 500 million lbs in 1953-54, exports of tobacco, both manufactured and unmanufactured, declined progressively from 107.5 million lbs in 1951-52 to 81.2 million lbs in 1952-53 and 68 million lbs in 1953-54. Export of manufactured tobacco, never very large, has gone down in these three years from 7.1 million lbs in 1951-52 to 3 million lbs in 1953-54. largely clue to the virtual stoppage of purchase by Pakistan of Indian *bidi* and our exports of manufactured tobacco now consist almost wholly of exports of *bidi* to Ceylon. It is depressing to find that exports of cigarettes which accounted for more than 1.6 million pounds out of a total export of manufactured tobacco of 7.1 million pounds in 1951-52 have shrunk to an insignificant quantity while exports of cigars, never very substantial, declined from a little less than 15,000 lbs in 1951-52 to 7,500 lbs. The export figures of cigars should be noted in view of the encouragement given to the export of cigars by allowing drawback of import duty on cigar wrapper tobacco used in making cigars for export.

Rising production and falling exports have naturally led to a troublesome accumulation of stocks. The Guntur Market Committee reported unsold stocks of 37 million lbs of coarse leaves from the old crop in addition to 12.45 million lbs of new crop at the end of March last.

These stocks may not be very large in view of increasing world consumption of tobacco and strong world demand especially for 'Oriental' varieties, but they are embarrassing enough to have led Government to take some steps to relieve them. Among these are relief in excise duty on both flue and non-flue cured varieties, drawback of import duty on cigar wrapper tobacco, and the encouragement of export promotion work in U K and South East Asia.

Exports to UK, USSR, Belgium and Hongkong have declined heavily, only partly offset by larger off-takes by Aden, Japan and Ireland. UK still remains the biggest single market for Indian tobacco, accounting for about 40 per cent of the total exports. With the contraction

of the European market, the need has been felt for exploring alternative outlets in South East Asia and an export mission was sent to these countries for the purpose. An agreement has been signed with China as a result for supplying, 4.4 m lbs of tobacco 'which is no more than a quarter of our exports to Hongkong alone. The whole of this quantity is to be despatched by the end of this month—half the quota to be supplied by growers and half by authorised packers.

For the disposal of stocks from the old crop, Government offered last month *ad hoc* import licences to those who could find a market for them, in order to enable those countries to buy our tobacco who, but for foreign exchange difficulties, would have bought some. Such *ad hoc* import licences will be granted to importers in India who have exported or can export low grades of tobacco within a specified period to the country from where imports are sought. Twenty per cent of the value for which the import licence is issued has to be guaranteed by a bank and is liable to be forfeited in case of failure to export low grade tobacco of required value within four months' period. The issue of import licences would be subject to the following conditions:—

1. The item sought to be imported has a liberal import policy.
2. The country from which to import is experiencing payment difficulties with India and is thus unable to import Indian tobacco.
3. The intending importer produces documentary evidence of a firm offer by a buyer in the country for the purchase of low grades of flue cured tobacco pertaining to the pre-1954 harvest.

Allowing for the likely development of South East Asian markets for our tobacco, such markets are not likely to be more than sufficient to absorb increased production in addition to rectifying marginal shortfalls in European demand. So long as UK remains the biggest single buyer, the future of Indian tobacco in European markets will continue to depend upon quality. The Central Tobacco Committee is alive to the problem and is concentrating on promoting scientific cultivation, curing, handling and utilisation of by-products. An extension service is being planned in Guntur the most important tobacco-growing district and the crop is expected to be given more attention in the second five-year plan.

