

Now the question is:

"That Clauses 6, 7 and 8 stand part of the Bill."

The motion was adopted

Clauses 6, 7 and 8 were added to the Bill

Clause 1

Short Title

SHRI SUBRAMANIAM SWAMY: I beg to move:

Page 1, line 6,—

for "1990" substitute "1991". (5)

MR. DEPUTY-SPEAKER: The question is:

Page 1, line 6,—

for "1990" substitute "1991". (5)

The motion was adopted

MR. DEPUTY-SPEAKER: The question is:

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted

Clause 1, as amended, was added to the Bill

MR. DEPUTY-SPEAKER: The question is:

"That the Enacting Formula and the long Title stand part of the Bill."

The motion was adopted

The Enacting Formula and the long Title were added to the Bill

SHRI SUBRAMANIAM SWAMY: Sir, I

beg to move:

"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill, as amended, be passed."

The motion was adopted

17.13 hrs.

DISCUSSION UNDER RULE 193

Continued Rise in Prices of Essential Commodities in the Country

MR. DEPUTY-SPEAKER: The House will now take up discussion regarding rise in prices of essential commodities. Shri G.M. Banatwalla will now speak. (*Interruptions*)

SHRIMATI SUBHASHINI ALI (Kanpur): In the morning we were informed that the Prime Minister will make a statement regarding the Thomson Press affair and so I would request you to please allow him to make the statement now.

THE PRIME MINISTER (SHRI CHANDRA SHEKHAR): Mr. Deputy-Speaker, the statement is being prepared. But I shall like to share the facts of the case as have been reported by the Haryana Government. According to the Haryana Government, the dislocation of power in Thomson Press is because of some fault and the fault was located. (*Interruptions*)

SOME HON. MEMBERS: No.

SHRI CHANDRA SHEKHAR: Please hear me. When I discussed between 2.00 and 3.00 PM, I was informed that workers are making all efforts to correct the faults and the electricity will be restored this evening. (*Interruptions*)

SHRI G.M. BANATWALLA (Ponnani):

Mr. Deputy Speaker, Sir, the price situation in the country is extremely alarming. The rate of inflation, as every one knows, had touched the double digit figure of 10.9 per cent by the week ended 8th December, 1990 and 11.4 per cent on 15th December, 1990 as per the wholesale price index. Further, as per the Consumer Price Index, the rate of inflation had already touched 10.8 per cent by even October, 1990. The cost of living index has more than doubled to 11.4 per cent from 5.4 per cent in the 12 months. At this juncture, I would first draw the attention of the Minister to the price situation during the Sixth and the Seventh Plans. We have found that during the Sixth Plan, the wholesale price index rose at an annual rate of 8.8 per cent and during the Seventh Plan, the rate of growth had come down to 6.6 per cent. I may briefly remark that this moderation in price rise during the Seventh Plan was because of larger drawings of food-stuffs and because of the augmenting of the supplies of essential commodities. The most disturbing aspect, the most agonising aspect of the present price rise and inflation is that is the prices of the primary products, primary articles which have been hit the most. We find that primary food items have recorded a rise of 13.3 per cent. The non-food items like fuel, power etc. have recorded a rise of even 17.5 per cent during these days. All this is there despite the bumper crops and the growth in the industrial production. We find that in the case of essential consumer items, the rate of inflation has registered a double digit. So, that is the agonising aspect of the inflation. The most agonising aspect of the inflation being the prices of essential commodities being hit the most and having recorded high double digits. I am only for a comparative purpose referring to a few items of essential consumer articles and I compare the rate of growth in 1989-90 to 1990-91.

Sir, in the case of cereals, the rise in price in 1989-90 was 4.9 per cent whereas during the period 1990-91 the rise is to the extent of 12.1 per cent. Pulses recorded a rise of 11.2 per cent in 1990-91. Vegetables led by such essential articles like onions and potatoes have recorded a rise in 1990-91 by

60.1 per cent. Such is the agonising aspect, as I said earlier, of the present inflation. The edible-oils have recorded a rise of 18.3 per cent during the current year. This is also the case with various other essential items, the details of which I do not want to go into now. Various factors have indeed contributed to this rise in prices. A principal factor has been the last Budget. A maximum increase of Rs. 1790 crores in the tax burden as per the last Budget of 1990-91 has accelerated the pace of inflation. Similarly, the additional tax of Rs. 847 crores from the increase in fare and freight by the Railway Budget when it was presented this time for the current year has also pushed up the rate of inflation. This was followed by the gulf surcharge of 25 per cent on petroleum products. It is disturbing to find that even the present Government went into the foot-steps of the last Government and added to the inflationary pressures. We find an increase in customs and excise duties announced on the 17th of December 1990 to mop up additional Rs. 1,340 crores. On the top of it, we have reduced import of essential commodities even edible oils. No doubt, foreign exchange crunch, the import restrictions, the effect of gulf crisis have all led to the inflation. With respect to the gulf crisis, I must mention that hike in oil prices would have multiple effect on prices of transportation and prices of primary articles consumed by the transport. All this will be badly affected.

I want to make certain concrete suggestions to the Government in the matter of control of inflation. In the first place, there have to be adequate releases, adequate releases through the public distribution system of rice and wheat. I must here also plead the case of Kerala and the need for increasing the rice allotted to Kerala. Sir, this should be possible, the increase in the releases of rice and wheat and such articles through public distribution system should be possible in view of the fact that we have the highest ever procurement of rice and wheat in the current year. We have to strengthen the public distribution system now by bringing more essential commodities under its purview. It is also necessary to make efforts to reduce the growth in money supplies. The

[Sh. G.M. Banatwalla]

Federation of Indian Chambers of Commerce and Industry has suggested that money expansion be restricted to 12 per cent per annum. They have suggested several strict fiscal disciplinary measures. But apart from that, there is a great necessity for strict financial discipline and an effort to reduce the growth or expansion in the money supply which is also playing great havoc. It is absolutely inevitable to augment the domestic supplies through even imports, of course, subject to foreign exchange constraints. If prices have to come down, then the only way is that supplies have to be augmented. This augmentation of supplies can only come through greater imports, subject to financial and foreign exchange constraints and also through augmentation in production. I must, therefore, emphasise upon the need to increase agricultural output through better technology. Several technologies are today available and all these technologies should be taken care of. We find today a bio-technology and genetic engineering. All these should be drawn up in order to improve agricultural output.

There has to be a need to improve the productivity of the industrial sector. I must here strike a note of caution. It is quite probable that during the remaining part of the present financial year, that is during the remaining second half of the current financial year, the industrial sector could slow down. It could slow down because of the forced restriction of petroleum imports—the restrictions that are forced upon us—and the massive additional imposts announced by the Government which affects the corporate performance.

I earlier remarked that this Government also unfortunately, in the matter of mopping up greater resources, is following in the footsteps of the earlier Government through massive doses of indirect taxation. Here I would like to emphasize that indeed there is a financial crunch. But instead of depending more on additional taxation, specially the indirect taxation, the need is greater to in-

crease the rate of collection of outstanding taxes. If you go through the figures of the taxes that are outstanding, you will be shocked. The figures run into thousands of crores of rupees and despite repeated recommendations of the Public Accounts Committee—the details of which I do not go into now due to the constraint of time—this rate of arrears of taxation is continuing to grow and has become alarming now. It all shows that very little attention is being paid to the question of increasing efficiency of the various taxation departments to collect these arrears.

I must therefore plead with the Government that instead of resorting to taxation, a greater effort be made in order to increase the rate of clearing of the arrears of taxation. It is our misfortune that the year 1990-91 will go down in the history as the highest rate of taxation measures, enormous amount has sought to be mopped up through dangerous wielding of taxation measures. I must therefore plead for relief on this count and for increasing efficiency in the collection of arrears of outstanding taxes.

[*Translation*]

SHRICHANDRAM (Hardoi): Mr. Deputy Speaker, Sir, the problem of increasing prices is undoubtedly a serious thing and matter of concern not only for the Members of Parliament but also for the entire country. However it is not being tackled properly. That is the greatest problem.

Hon'ble Rao Birender Singh is sitting here who has gained experience in all the situations i.e. while in power and out of power. So he should think seriously about it. The persisting problem of increasing prices has been there inspite of the fact that there is no dearth of any thing in this country and our grain production has increased multifold over all these years. The price situation has belied the economic principle of demand and supply. For example there is a great difference between the prices of vegetables in the wholesale market and those in the neighbouring market place. It is equally true

in respect of the wholesale prices and the general prices of wheat at the time of fresh crop arrival which varies between Rs. 200 and Rs. 275. The benefit of price margin does not reach the farmers. Instead it is pocketed by the traders and hoarders. Similar is the situation in respect of cloth and all other items. Price of raw material stands at a very low level but as soon as it is turned out in the shape of a finished product, its price shoots up very high. In this regard what I want to emphasize is that there should be a limit to earning profits. During my own tenure as a transport minister when the prices of tyres showed a rising trend in the country against the decline trend in the international prices of rubber, I wrote a letter to the Minister of industries asking him to explain the phenomenon of price rise in case of tyres. So unless and until the industrialists are asked to exercise control in respect of the prices of their products and prices thereof are fixed by the Government, the prices will go on increasing with further generation of black money which will also be not in their interest. Since the days of Pandit Nehru we have seen the efficacy of Monopoly and Restricted trade Practices Act which has in turn given rise to monopolies and has increased the number of hoarders. I think we should try the way of dehoarding (*Interruptions*) because it is the element of ineffectiveness on the part of the Government that gives a fillip to hoarding. But I think that even the present Government which is a minority Government can take an effective step in this regard if it chooses to take up that line of action to go in for dehoarding and to unearth the entire stock of items hoarded by the traders. Moreover the prices of all the commodities should be fixed by the government on the basis of the cost thereof. Mr. Devi Lal has referred to the continuing practice of auction in the grain market in spite of the price fixation of all the grains. Even the present government is in a position to take steps to contain prices if it stands up with a determination to achieve that end. So the Government should take steps to unearth all the items hoarded by the traders. One more problem is faced by the farmers when the vegetables produced by them go on rotting and the agents do not

come forward to auction their vegetables as they generally decide among themselves not to purchase such vegetables which results in a heavy loss to the farmers. It is a routine affair. So I think that the government should look in to it. Also the distribution system is not working properly in this country because the distribution outlets in the rural areas are allotted to such persons who are expert in hoarding and black marketing. To avoid this situation, these outlets and fair price shops should be allotted to the people belonging to the weaker sections of the society and the landless with the availability of finance therefor.

Even in India, the government should introduce the system of putting the price tag for each item so that the customers may pick up the item of their choice after paying the price of it. These 3-4 things require the attention of the government. Under long term measures, we should increase our production of coal, iron and tractors etc. An increase in the price of these items will automatically reflect in the overall level of prices. Moreover I feel that I need not tell anything to Mr. Rao in this regard as he knows everything and needs action on that line. So he should not delay it anymore.

With these words, I would like to thank you.

SHRISATYNARAYANJATIYA (Ujjain):
Mr. Deputy Speaker, Sir, it would be no exaggeration if we call 1990 as the year of increasing prices because during the last several years it has registered a steep rise which has been reflected in the consumer price Index. Taking 1982 as the base year with an index level of 100, we will find that during the last 7 years i.e. upto November 89, there has been an increase of 76 points with an annual average of 11 points. But by October 1990 it has touched the mark of 195 showing an average increase of 19 points which is quite a sharp rise. The worst sufferers on that account have been the people living in the rural areas of the country because 70 percent of their income is spent up on the Head of their food and whenever the prices

[Sh. Satyanarayan Jatiya]

of foodgrains increase, it definitely affects the rural population. However during the last three years we have seen that inspite of an increase in our foodgrain production, the prices showed a rising trend. We did not think in terms of higher production and continued to import foodgrains because we thought that to increase production is a difficult thing. But we should realise that to go in for import is a more difficult proposition. Had we made our efforts to mobilise our resources to increase our production, we would have put an end to such an eventuality in the coming years. That is why I would like to urge upon the government to go ahead to increase the production of foodgrains and to ban the import thereof.

The position in respect of inflation has also not been good because it went on increasing. Against a figure of 40000 crores of rupees in circulation in 1985, it has touched the mark of 81000 crores in 1990 registering a more than double increase during a period of five years. With this soaring inflationary trend, we cannot expect a fall in the prices. Even the expectations of the government in this regard have proved false. Even otherwise we can see that a steep rise in the prices of petroleum products and a higher rail freight with a resultant costlier transport has substantially contributed to the phenomenon of increasing prices. The government should, therefore, pay special attention to achieve higher production with a view to make more and more things available for the common man.

Mr. Deputy Speaker, Sir, today we have a dual price system in this country. While introducing this system, the government might have thought that it will make the essential commodities available for the poor through the Fair Price shops but even this system stands plagued by corruption. Because of the non availability of essential commodities in the rural areas where they required most, the rural people have suffered most. I am sure that in view of the aforesaid situation, the government will take adequate

measures to give relief to the 50 crores population of villages as they have suffered most on the account.

Sir, the public had done a good thing to bring about a change of power but increasing prices have added to their miseries. Hence there should be a change in the existing situation. The government should take adequate measures to make the essential commodities i.e. food, cloth and shelter available for the common man. That is all I want to say at the moment.

[English]

SHRI P. NARSA REDDY (Adilabad): Mr. Deputy Speaker, Sir, price rise is drawing the attention of the entire country and I must congratulate Mr. Acharia for initiating this discussion. I would not take much of the time allotted. So far as statistics are concerned, my hon. friend, Mr. Banatwalla had shown the rate of index which has grown up from a single digit to a double digit. The only question is in what manner prices could be brought down. Two essential features are to be looked into in this regard. Firstly, deficit financing has to be put down with a firm hand and also see that the essential commodities are supplied in a better manner. And there must also be growth in agriculture. Even the Mover of the Resolution had blamed the Congress that one year back, before the National Front Government took power, the coffers were empty and that the deficit financing had exceeded so much due to which prices have gone up. I want to ask the hon. Members of the National Front as to what steps the NF Government had taken in order to curb the rise in prices. The Finance Minister had, time and again, announced that there would be a 10 per cent cut in all the expenditure on the Central Budget, thereby a saving of Rs. 4000 to Rs. 5000 crores may come up. He had also announced that there would be a cut of 20 per cent of the Ministers and officers going abroad so that foreign exchange may be saved. Now, I want to ask the Government as to how much has the Finance Minister saved by this announcement to bring down the deficit finance and

see that the economy will grow. On the contrary, when it was said that the coffers were empty and longer and better epithets were pronounced saying that there would be remodelling of priorities decentralisation of structures, more emphasis on quality of life, nothing of this sort had come forward inspite of the announcement by the Finance Minister of the National Front Government. It was also said that a new initiative would be taken to restructure the agriculture. What initiative was taken to restructure the agriculture, when the announcement regarding waiver of loan to farmers came. The Finance Minister had said that the Government might have to forego Rs. 14000 crores for this, but he only put Rs. 1000 crores in the Budget. Also, the manner in which the loan waiver took place, it has only helped the rich farmers. Earlier, the Finance Minister had said that it would be confined only to small and marginal farmers and that too, to those who had taken a loan up to Rs. 10000. Subsequently, under pressure, he said that even if a farmer took a loan of more than Rs. 10000, even he if he took a lakh, he would be extended this facility of waiver of Rs. 10000. Hon Members of the National Front did not say a word that this is not in favour of the poor, nor is it going to help the economy. They kept mum. On the contrary, in his budget proposal, the Finance Minister gave away Rs. 900 crores to the corporate sector. Even in direct taxation, Shri Pande, Chairman of the Direct Taxes Board, who has retired recently, had said that the Government had erred on personal income tax and the gift of Rs. 250 crores to the so-called troubled persons, who were paying income tax on income more than Rs. 21000 had brought further ruin to the economy.

Today, if you want agricultural production to increase, mere announcement that prices would be increased is not sufficient; there must be infrastructural arrangement so that effective implementation of the price support policy is adequately attended to not only by the Central Government, but the State Governments should also see that the prices announced as support prices reach the growers. Only then, there would be in-

creased production and that would help the nation.

So far as paddy is concerned, though the prices are announced, those do not reach the farmers. The farmer is not given that price. Unless the incentive price announced by the Government reaches the farmers in a proper way, the Government cannot expect that there would be greater production, and, therefore, the unequitable arrangement that would be made both by the Centre or the State would not be of any assistance.

Thirdly, the imported oil was mixed with the local Product and sold. They say that the cutting down of oil import has also affected the prices of oil very much. Therefore, all aspects of such articles which are very essential for the common man must be properly looked into.

Procurement system in respect of paddy is most important and the Government must bestow its attention to it. Merely blaming the Congress Government which was in power a year ago would not help bring down the prices. Government will have to act, will have to show in what manner they are better and in what manner they are taking steps. That must be shown.

SHRI A.K. ROY (Dhanbad): Mr. Deputy-Speaker, Sir, it is the custom of this House to have a debate on price rise in every session and it is also the custom of the price rise to continue as before.

Many hon. Members have already given confusing data and I do not want to add more confusion to that. But one thing is clear. Money supply is increasing in double digit, production in single digit and CPI or WPI is raising in a very unpredictable way. At present it appears as if it is moving towards some unknown destination. In this particular situation I rise to ask only a few things which have come to my mind.

Firstly, what is the magic in the hands of those who control our market by which Adam

[Sh. A.K. Roy]

Smith's supply-demand relationship has been upset. That must be explained first.

All the parties are united or rather competing with each other in condemning hoarding. We all have pointed out that the evil is hoarding and black marketing. So, when all the parties are united on this particular evil then what is preventing the Government to de-hoard. That must be explained. It is not that some party is supporting hoarding and some other party is supporting black-marketing, and, therefore, it is creating difficulty for the Government to be harsh with the hoarders and black-marketeers. When all the parties are one with it then what is the difficulty in de-hoarding and coming ruthlessly on the persons who are playing with our essential commodities.

If you see, the price rise is in the double digit. Basically the rise is in the prices of essential commodities which hurt the common man the most. It has increased to more than 12 per cent. The primary articles constitute nearly 36 points in the price index. Oil and other fuel constitute 10 per cent. I can understand that the Gulf crisis has affected the secondary articles that is the fuel, coal and oil etc. which constitute only 10 per cent. Actually the rise in prices is less this year compared to the last year. In March 1989 we had 10 million tonnes of food grains which increased to 20 million tonnes and now it is nearing 17 million tonnes. We expect to have a 25 million tonne record food stock this year. So, I don't know what prevents the Government from checking the price rise.

The only question is about the edible oil which contribute to 2.2 per cent in our price index. It is true that the production of edible oil was less by 15 to 16 per cent this year but edible oil does not come under the category of essential commodity as the Carbohydrate and Protein. The whole thing depend on the demand management, supply management and production management and that can be adjusted. I would like to know what steps have been taken by the Government to in-

crease the oilseed production in the country. Actually, the oilseed production is stagnant and to some extent it has decreased. Today our oilseeds production is less than what we were producing in 1988-89. In a formal question I suggested that other areas also must be encouraged to grow oil seeds. It is not as though Gujarat alone can produce groundnuts. I have submitted to the Government that a vast area in the Chotanagpur Region which is bigger than Gujarat, area-wise, and Puruliya District in West Bengal are also suitable for oilseeds cultivation. The soil in these regions is tested and it is found that it is very good for the production of oilseeds. You have also answered it. Now also I propose the same. Why don't you start groundnut production in the Chota Nagpur region? You encourage the State Government, give the cultivators some incentives so that these vast areas can be utilised. If the climate fails in one area, it will be compensated in another area.

Secondly, I would like to mention about ricebran oil. We are producing nearly 75 lakh tonnes of rice. But we are producing only 3 lakh tonnes of ricebran. We can produce more ricebran. We can enact a law that all the mills who remove the husk from the rice must have a device to extract oil from the ricebran. This way we can increase our domestic supply. I do not support import of oil and spending precious foreign exchange. Last time we imported 1.6 million tonnes of oil by spending nearly one thousand crores of rupees. We do not want that. In this way and by austerity and planning, we can tide over the difficulties and increase our oilseeds production.

But you must keep the middle factor in mind. What is the middle factor that comes in and takes away the whole thing? Your grain production is there; your foodgrain stock is there; your pulses are there; and your godowns are there. But prices are increasing. I want to point out one thing. The Finance Minister is not here. When you think over it, you will be surprised. There is some deformation in our entire economic system. Previously 70 per cent of our population de-

pendent on primary sector, that is agriculture, used to contribute more than 46 to 50 per cent to our national income. Five to ten per cent population dependent on the secondary sector, that is the minerals, ores and other infrastructure, used to contribute 10 per cent to our economy. The tertiary sector with hardly 5 to 10 per cent population used to contribute to national income by about 25 per cent. Now, what has happened after these 40 years of perverted, deformed capitalistic development? The percentage of population dependent on agriculture remained the same but their contribution to our national income was reduced to less than 30 per cent. The secondary sector, that is the manufacturing sector, remained stagnant. But the tertiary sector with hardly 5 per cent people, which is a parasitic, non-productive sector, the so called servicing sector has increased its share to more than 40 per cent. Hardly 5 per cent people are controlling 40 per cent of our national income!

MR. DEPUTY SPEAKER: Please conclude.

SHRI A.K. ROY: I want to know why more than 70 per cent people in the primary sector are having only 29 per cent? You must also find out how 5 per cent people in the tertiary sector control 40 per cent of our national income. If you can find out this mystery, perhaps then, we can handle the situation more competently. Thank you, Sir.

18.00 hrs.

SHRI HET RAM (Sirsa): Mr. Deputy Speaker, Sir, as you are aware, the prices are going up. There are several factors which are responsible for rise in prices. There are so many micro and macro reasons that are put forward behind this rise in prices.

Firstly, some people have said the rate of inflation has gone up to two digits. Secondly, some people have said that production is very less as compared to the demand. Thirdly, some people have said that distribution is not proper. Some people have also said that transportation charges are increasing. In

villages, so many vegetables, cereals and other things are grown. They are sent to cities like Delhi for storage. So, they are stored in godowns and cold storages before they are distributed to the poor people living in villages. Just to carry these things again to same villages for re-distribution and transport charges the prices are being increased. Another problem is that *per capita* income of a poor person per day is Rs. 1.25. Because of this rise in prices, the very survival of a poor person becomes very difficult. The rich people, with their power, blackmoney, by hoarding and profiteering, are enjoying a lot. But you cannot compare them with rich people of America or any capitalist country. The rich of India are enjoying more.

In rural areas, on Deepawali festival, they used to purchase only 5 Kgs of gur sugar and if possible, they used to keep them till next Deepawali i.e. control on consumption. So, use the gur five kg for full twelve months. But in the Five Star Hotels society you can see a number of varieties of Whisky bottles upto Rs. 3000/-. In the Five Star Hotels, you can see a number of rooms, some rooms are rented per day upto Rs. 7 or 8 thousand by rich people. It is, even the rise in prices in 3 digits is not going to affect them. It is only affecting the poorest of the poor. What I want to suggest is that, distribution of commodities should be in the hands of the poor people so that they may be able to manage their own economy and godown. Godowns should be in the villages itself. If you do it, then they can automatically come out from the clutches of the rich people who are meant for earning profits by sucking the blood of these poor people.

The other problem is that due to many micro and macro reasons, the prices are rising. I want to bring to the notice of the hon. Minister—I have high regard for Rao Sahib—that due to rise in prices, prevailing unemployment and for lack of resources and so on, many people are suffering in our country. It is not the question of having money. He may not be having anything. He may be employed as an agricultural labourer. He may be earning Rs. 5 to Rs. 25. But here

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again the question of price rise comes. So, you must keep one thing in mind and that is how to save the poorest of poor people; that is the micro level people. Even if the inflation rate goes upto 3 digits or 4 digits it is not going to affect the living standards of the rich people. The rich people will be able to manage themselves. It will only affect the poorest of the poor who is not having any land or resources or work and who is having ten family members. And in his family he is the only person who is earning a living. So, you should keep this factor in mind and restructure the same. You should also restructure the pricing system. You should also control the pricing mechanism. If you do so, it may greatly help the poor people, who have no resources at all. (*Interruptions*)

AN HON. MEMBER: Sir, there is no interpretation available.

MR. DEPUTY SPEAKER: Mr. Kuppuswamy, did you inform that you were going to speak in Tamil?

SHRI C.K. KUPPUSWAMY (Coimbatore): Yes, Sir; I did.

MR. DEPUTY SPEAKER: Please take your seat now, Mr. Kuppuswamy. Someone will speak now. We will make some arrangements. Now Mr. Agnihotri.

We have discussed this matter for a pretty long time. The time fixed was two hours; we have discussed it for more than 3 1/2 hours. I would request Members to be very brief, and not to repeat the points already made.

[*Translation*]

SHRI RAJENDRA AGNIHOTRI (Jhansi): Mr. Deputy Speaker, Sir, the phenomenon of continued rise in prices is spreading like jungle fire throughout the length and breadth of the country as a result of the wrong economic policies of the previous Congress Government and the deficit bud-

gets presented by various State Governments and by the Central Government. The deficit budgets are more responsible for the price rise. The previous Government of Shri V.P. Singh had promised to check inflation as well as rising prices but contrary to it the inflation rate has surpassed all the previous records during the last 11 months. When the last budget was presented, the House and particularly the Members of B.J.P. expressed their concern over the deficit projected in the budget and warned that it would lead to price escalation in the country. Who suffers from the price rise? It mainly affects those people, who are farmers and constitute 85 per cent of the population as well as the largest chunk of consumers in the country and mostly live in villages. It is only the big farmers who have got benefit from the increase in prices because of their increased production. The small farmers, having 4-5 acres of land, are the worst sufferers of price rise and it has disturbed their mental peace because the cost of production has gone up due to rise in prices. With the rise in electricity and water charges, and increase in prices of seeds and fertilisers, the farmers owing upto 10 acres of land are mentally disturbed and are on the brink of starvation in the country. It is only because of price rise. And to my mind even if the Government intends to check the price rise, it will not be able to succeed. Hon. Prime Minister, has himself confessed if we do not get foreign loans, it will be difficult for the Government even to pay two months salary bills of the Central Government employees. It is almost certain that there will be further rise in prices. Therefore it is necessary for the Government to contemplate measures to check deterioration in the standards of living of the masses which is going down rapidly due to price rise and also to take measures to make available essential commodities to the consumers at reasonable prices to check growing disillusionment.

I come from the plateau region of Uttar Pradesh-Bundelkhand, where 60 per cent of the population consists of labourer and poor farmers. One thing I can say with certainty that at present in Bundelkhand region, the condition of the farmers is very miserable.

They have got nothing to eat and no kerosene to light their houses, due to low production. Farmers have no money to make purchases and they find it very difficult to buy daily necessities for their sustenance. They are unable to buy kerosene to light their houses in the night. Such is the condition of the people of Bundelkhand. Therefore, I would like to say one thing about the present state of continuing rise in prices, that unless the Government exercise effective control over the price scenario by making available essential commodities at reasonable prices, it can't hope of ameliorating the condition of weaker sections, middle income group and salaried class people. The prices of goods available at fair price shops are continuously going up. On the one hand prices are going up and on the other people are finding it difficult to procure these goods. Nowadays the poor, farmers and labourers find it difficult to procure wheat, rice, kerosene and other essential items from the fair price shops. When they return empty handed from the shops, they realise the gravity of the problem. Every man is very perturbed because of the rise in prices. First of all there is no item available of the fair price shops and whatever is available, it is distributed in an arbitrary and corrupt way. There is absolute corruption at the fair price shops and nobody gets goods from there. Therefore to check the price rise effectively, my only submission to the Government is to make available essential goods to the middle income group people, farmers, labourers and salaried class people at reasonable prices. Thus, the increasing prices are creating numerous evils in the country besides disillusionment and unrest among the people. Only if the prices are brought under control, it will be possible to exercise effective check on these things.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): There have been plenty of suggestions about what should be done and why this price situation is going out of control. Now, my agreement with many of the suggestions remains. But there are a few points which have not been brought to the attention

of the House. I rise only to make those points and do not want to take more time of the House.

There should be a public sector intervention in the wholesale trade. This has not yet been mentioned. The intervention can be in two ways, (1) Squeezing of public financial institutions' advances to the trade sector. It is time that our economy has a large intervention of the public sector in the wholesale trade itself. Without it, the talk of an effective public distribution system, I believe, is meaningless. I, therefore, suggest that on these two points the Minister should give his comments.

We were raising this question since the Budget was presented by the earlier Government. We insisted that even if the petrol prices cannot be reduced, try to reduce the diesel prices. If the diesel prices can be reduced, then a good deal of rise in prices can be controlled. It is the diesel which affects prices in the country-side, in agriculture output; it is the diesel which affects the entire transport system and adds to the cost of the transport. So, if you can persuade the Finance Minister, if you can persuade the Cabinet to reduce the prices of diesel, then you will be able to have an impact on the price spiral.

This is a delicate subject. I know it is almost treason to utter this kind of a statement. That is how people react to it. That is how people react to it. I am referring to Defence expenditure. It is known that out of Rs. 14000 crores of Defence expenditure, approximately Rs. 5000 crores of Defence expenditure is in the form of imports. Nobody says that our Defence strength should be weakened. It is not that. I have been in the Public Accounts Committee while in the Rajya Sabha and today while in the Lok Sabha. I know how much waste takes place, how much in the name of imports—Bofors is just an example of that—we waste our money in importing Defence equipment and Defence material. If you give a close look to it, just imagine the figure of Rs. 5000 crores which is just about our balance of trade deficit and Rs. 5000 crores which is about a size of our

[Sh. Nirmal Kanti Chatterjee]

internal deficit that is all spent on imports. If we give a close scrutiny, if we apply our mind, that figure we will realise it. I know because I am in the Consultative Committee also, that it is very difficult to reduce the revenue expenditure and the inflation comes not because of our loans for plan expenditure but because of loan financing in order to meet our revenue expenditure, the revenue side consumption. If we borrow funds in order to make Government consumption possible, that is the guaranteed way of spiralling prices. And from the revenue expenditure we know the objective. You cannot go back from your interest commitments, you cannot go back from the expenditure you make on the salaries and wages of Government servants, and you cannot go back really on the food subsidies, because if you cut the food subsidies you will put pressure on the prices. Therefore, the other area, is the Defence expenditure, without weakening, I underline again and I repeat it, without weakening our Defence strength there is scope for cutting down Defence expenditure and in terms of imports too. This is another area to which I want to draw your attention to.

And lastly, of course, try to find out which other areas are there. Because the reasons for this have already been stated. It is the accumulated liquidity over the last decade that is leading to that. That liquidity is not in the hands of the Government. That liquidity is in the hands of the black money earners, the traders. And if you can do that, though it is a suggestion which is not relevant to you but relevant really to the Finance Ministry, if we can strengthen our revenue earning staff, in that way it would be better. If you spend one more rupee by employing a few more persons on the revenue side, you earn much more than one rupee in terms of taxes. That is one way of plugging black income once again, which is generated not only in the wholesale sector but in various other sectors.

These are the suggestions which I feel were not submitted before the House and

which I made, when you kindly permitted me.

MR. DEPUTY SPEAKER: Thank you. Mr. Kuppuswamy, have you informed that you were going to speak in Tamil?

SHRI C.K. KUPPUSWAMY: I have informed the interpreter. He is not here.

MR. DEPUTY SPEAKER: Whom did you inform? Have you informed in writing?

SHRI C.K. KUPPUSWAMY: I have informed him.

MR. DEPUTY SPEAKER: You do not have to inform him. You have to inform us so that we can keep him ready.

Shri Sharma.

[*Translation*]

SHRI DHARM PAL SHARMA (Udhampur): Mr. Deputy Speaker, Sir, the prices of the commodities of common use have sky-rocketed which is resulting in difficulties for the common man.

Presenting the Budget, Shri Madhu Dandvate had shown a deficit of Rs. 720 crores but it has now increased to Rs. 1400 crores. Moreover, the National Front had promised during elections that the price will be brought down. The prices have increased because taxes worth Rs. 1790 crores have been levied. Similarly, taxes worth Rs. 947 crores have been levied by the Railways also. In addition to this 25 percent surcharge has been imposed on petroleum products also because of gulf situation. All these have resulted in spiralling of prices. Situation has become so grave that Dalda is being sold at Rs. 40 a kg, mustard oil at Rs. 37 per kg, wheat flour at Rs. 4.5 a kg and pulses are being sold at Rs. 17th 18 per kg. The common man has been crushed under these prices. Some of my friends say that prices had increased during the Congress regime. I would like to say that in 1988-89, the country had to face the severest drought of the century. Rs. 800 crores were spent on

Rajasthan only. Similarly, Rs. 12 to 14 hundred crores were given to Gujarat also because that State was also severely affected. Not a single person had died of hunger in those days because of the full stocks of foodgrains. So far as the development of economy is concerned, even during that period we had a domestic growth of 4.9 percent. This had happened in 1988-89 when country had to face a severe drought. Inflation was 9.1 percent at the time. But during their regime, the inflation has increased much. The condition is such that the foreign reserves have shrunk to only Rs. 2500 crores. Regarding foreign exchange, the stockiest have started thinking that this Government of speculation will not resort to imports. It is a matter of happiness that few days back the Commerce Minister stated that they will be importing edible oils. It should be done. The prices have gone quite high. Regarding edible oils, I would like to suggest that a limit for stock of these items should be fixed for stockiest and retailers. BJP has taken one benefit of supporting the Government and that is that stockiest have not been raided. The biggest reason for such a situation is the mismanagement of the economy. The other reasons are, heavy taxation surcharge on petroleum products due to Gulf situation and collusion. (*Interruptions*)

SHRI SHOPAT SINGH MAKKASAR (Bikaner): Start raiding them now. (*Interruptions*)

SHRI DHARM PAL SHARMA: I would like to say that for bringing the prices down, massive procurement of foodgrains should be done. Last time it was of 117.50 lakh tonnes. This time it should be for more quantity. It is true that the prices of tyres have increased. Shri Devi Lal has given relief to the farmers and I support the measure. Procurement price has been increased. That is a right step. It should continue through different measures. On 17 December, 1990, taxes, Excise and Custom Duties to the tune of Rs. 1340 were imposed. I oppose this. This will lead to increase in prices. Unless harsh measure are taken, things are not properly managed... (*Interruptions*)

MR. DEPUTY SPEAKER: Please, do not repeat.

SHRI DHARM PAL SHARMA: Effective measure should be adopted; stock should be controlled, hoarders should be raided. The entire House agrees to these suggestions. The increasing prices have made the life of the poor, the labourers and salaried class miserable. Steps should be taken to ameliorate their condition.

SHRI MITRA SEN YADAV (Faizabad): Mr. Deputy Speaker, Sir, the problem we are discussing today is the biggest problem of the country and affects the people of the country. In our country, 50 percent of the people live below the poverty line. The way these people bear the burden of the price-increase is a matter which has no precedent.

In the villages the salt which earlier used to be sold at 80 paise a kg. is being sold between Rs. 1.40 per kg. to Rs. 2 per kg. Kerosine oil is not being sold at Rs. 5 a litre whereas it was being sold earlier for Rs. 4 a litre.

MR. DEPUTY SPEAKER: There are no two opinions that the prices have increased.

SHRI MITRA SEN YADAV: Similarly, the prices of rice has gone up from Rs. 12 to 18, pulses are being sold now at Rs. 17 as against the earlier rate of Rs. 13; the mustard oil prices have jumped up from Rs. 26 to Rs. 36. During the last 3 to 4 month, the prices of all the commodities have increased so much that the life has become miserable. After all how it happens that we do not have salt to put in the pulses, and the salt-seller becomes a millionaire. The earthen lamp in our house goes off but the man who sells oil becomes a millionaire. In the month of March, the iron, coal and cement dealers earn crores of rupees. Which is that magic wand which makes the traders millionaires and the farmers paupers? Is the hon. Minister aware of such a thing? More the measures are taken, more the problem becomes grave. Alongwith the increase in facilities and concessions to the officers and Ministers the

[Sh. Mitra Sen Yadav]

burden on the poor is also increasing. Our money in the banks is being taken by the traders who use it for hoarding the foodgrains in their godowns. They sell these commodities at prices of their own choice and the Government is not in a position to take action against them because it knows that if it takes action against them, it will come down itself. It is beyond the capacity of the Government to take action in this regard.

Now I will give certain suggestions. One is that the distribution system should be strengthened, the farmers should be given remunerative prices for their produce, the bank loans to the traders should not be given to that extent that they may purchase and hoard the essential commodities. Another suggestion is that the infructuous expenditure like the facilities and concessions given to the bureaucrats and Ministers should be stopped and the losses being incurred by the big corporations, which run in crores of rupees, should be stopped. It has been observed that the big officers like I.A.S. officers keep on enjoying at the Government cost and spend money indiscriminately. When someone wants to take action against them, it is found they have already retired. No action is possible against them at that time. The Government does not have guts to take some deterrent action so as to control the price rise which is crushing the people of the country, 50% of whom are living below the poverty line. The people sitting on the treasury benches keep on appreciating the Government which please them. We oppose the Government on the issue of price rise but the Government does not pay heed to our views. Therefore, I would say that Government must take some steps against price rise if they have any.

S. ATINDER PAL SINGH (Patiala): Mr. Deputy Speaker, Sir, I do not want to repeat what has already been said but I want to bring to your kind notice that the Government borrowings from the Reserve Bank of India are increasing by 14 percent whereas the deficit is going to be more than double. The

steps that have been taken by the Government to reduce the deficit are such that it will become difficult for the poor to make both ends meet. In the name of Gulf crisis, the Government has increased the price of the kerosine oil but has not touched the price of LPG. What else can be more anti-poor?

The hon. Members have given suggestions. I would not repeat them. I would only say that if the Government is sincere in bringing prices down, it should link the salaries with the productivity.

The subsidy that is given is taken back through back door. This subsidy system should be done away with. The price rise is not because we are giving subsidy. It is not that we are producing the foodgrains cheaply. On the contrary, subsidy is causing price rise. In 1960, the purchasing power of rupee was quite high. Whatever we could purchase for Rs. 11 at the time is now available for Rs. 100. Thus purchasing power of the rupee is coming down, whereas the prices are increasing. It has become difficult for the poor to make both ends meet. If this is the definition of the Welfare State then the democracy in India will be in danger. This aspect should be taken care of by the Government as well as by the House and the people of his country and collective efforts should be made to bring the prices down. For this, even if someone has to sacrifice something, he should do this. The Government should form a policy that for the next 10 years at least the salaries and the prices are frozen.

With these suggestions I thank you for the time given to me.

[English]

DR. THAMBIDURAI (Karur): Mr. Deputy Speaker, Sir, on behalf of my party, I would like to say a few words on the subject of price rise in our country. I remember that in my college days, my Lecturer of Economics used to deliver the lecture and say that the day may come when we may have to go the market with a basket of money and come back with only a few handful things. I thought

that stage may come after some time, but in our period itself we are noticing such kind of things taking place. The galloping inflation which has now started in our country, to what extent it will go, we do not know.

Price rise affects the common man, especially the labour class. Whatever salary or wages they are getting are very low. At the same time, when the prices are increasing, their purchasing power is becoming very low. This is because of our fiscal policy. I remember when Prof. Madhu Dandavate had assured the House that his budget deficit may not be a big one in course of time. He had announced that. But because of the wrong policy adopted by the National Front Government, the prices are increasing at an alarming scale. If we fail to arrest this kind of inflationary trend in our country, the common man will definitely suffer. For that, the Government has to take so many measures, especially with regard to distribution system. The consumer products must reach the consumer in such a manner that he can get them at a reasonable price. For distribution of consumer products, we are having ration shops but the number of ration shops that we are having is not sufficient. In rural areas, for so many hamlets we are having one ration shop. Sometimes the distance that they have to cover is five kilometres, ten kilometres because we are saying that thousand card holders must come to purchase the things at one ration shop. It may be convenient for the urban people to go to the ration shop. Therefore, I request the hon. Minister to take note of this. No doubt we are having ration shops in rural areas, but each hamlet must have its own ration shop. If we are not able to provide such kind of facilities especially in rural areas, the rural people will suffer a lot. If you take even the petroleum products, you will find their prices are also increasing. If you go to any town or even any part of the country, you will find that diesel is not available. To get diesel, the lorries are waiting in queue for kilometres together. If you are not able to provide sufficient diesel and petrol for the vehicles, it is very difficult for them to transport goods from one part of the country to the other. Because of that also the prices

are increasing. We are only having Gulf crisis now. But even before the Gulf crisis, increase in the prices of diesel and petroleum products started in our country. Whatever kind of economy we want to have, we cannot dispense with this kind of essential commodities in our country. Even though we are having shortage of foreign exchange, it is the duty of the Government to see that the petroleum products are imported. They have to import all these products and try to distribute them in a proper manner. By this at least the motor vehicles in our country can get sufficient diesel. This is also one of the contributory factors leading to the rise in prices and we are suffering a lot because of that.

I do not want to go into details because of the limited time at my disposal. Only one point which I would like to make is that there is a lot of corruption going on in the fair price shops in Tamil Nadu. I want to bring to the notice of the hon. Minister for taking necessary action because in Tamil Nadu they are distributioning bogus ration cards and whatever the Central Government is giving by way of palm oil and rice, it is going somewhere.

AN. HON. MEMBER: Is it because you belong to AIADMK? (*Interruptions*)

DR. THAMBIDURAI: When the Marxist Member is suggesting like this, what can I say? It is because you know, you have read in the newspapers that Sri Lanka militants are smuggling diesel and other essential commodities. Here it is the poor people and the labourers who are affected. Therefore, let the Central Government take necessary action to see that whatever good commodities are given to the State properly reach the common man in our State. Thank you.

MR. DEPUTY SPEAKER: Shri Surya Narayan Yadav. Please be brief.

[*Translation*]

SHRI SURYA NARAYAN YADAV (Saharsa): Mr. Deputy Speaker, Sir, I have heard the Congress Members. According to

[Sh. Surya Narayan Yadav]

them, the prices have skyrocketed since the time the National Front Government came to power. We are discussing in the House the price rise in the country. If we do not discuss it sincerely and honestly, the prices cannot come down. The Congress has ruled this country for 40-45 years. They have polluted our economy to such an extent that the prices have gone out of control. When the National Front Government came to power, our Prime Minister Shri V.P. Singh had stated that the coffers were empty but in spite of that, he would streamline the economy of the country. But what have we seen? When we were ready to solve the different issues, the Congress and BJP together brought the Government down. During the 40 years of misrule of the Congress, the prices have jumped up beyond anybody's control. Today the farmers are not getting remunerative prices for their produce. On the other hand, the middlemen buy foodgrains from the farmers and sell them on high rates and this is done with the help of the Congressman. I have detailed proof of these things with me but due to shortage of time I would not like to go into that. Though we have discussed the issue of price rise at length, the prices have not come down. Why is it so? The reason is that while discussing we do not state the correct position and unless we do this, there cannot be reduction in the prices. During the last session when we were discussing the price rise, you were sitting on this eat. At that time it was stated that the price rise has been caused because of petrol and diesel crisis. Shri Rao Saheb ji is sitting here and he is an experienced Minister. I would like to ask him if petrol is costing more and its supply from Kuwait is not easy, can we not send the consumer items through trains? Is there no rail system in our country?

I would like to tell the hon. Minister that he should give all the facilities to the factory owners for sending their goods through trains. This is the duty of the Government. The people of the country are not ready to listen to the excuse that because petrol and diesel are costly and there is shortage of these

items, the prices are increasing. Just now one of our hon. Member was saying that a particular brand of soap which we used to purchase for one rupee 5-6 years back was being sold for Rs. 6.00 a cake when Shri VP Singh came to power but now its price has gone up to Rs. 6.50.

I admit that there has been price rise during the regime of our party but this has happened because of complicated and wrong economic policies prevailing earlier. We are not responsible for this. Mr. Deputy Speaker, Sir, the hon. Minister, when he was Agriculture Minister had announced that all factory products will have fixed prices written on them along with the taxes applicable. I would like to ask Mr. Rao whether he implemented this decision? If they could not do that it was their fault not ours.

Mr. Deputy Speaker, Sir, you are ringing the bell and time is also short. Therefore, I would like to give one or two suggestions and conclude. When there is any clamour you try to provide relief by sending the supplies by air. This should be done where there is no rail facility so that in the rural areas goods are available on normal rates and the people living there are not adversely affected by price rise. Sir, arrangement should be made in every District Headquarters for procurement of foodgrains. Along with it, more and more factories should also be set up. About petrol, we are told that talks are going on and the hon. Minister will be informing us about that. You are aware that gas is produced from Puraini leaves and Cheechors and these are available in abundance in India. Why do not you set up factories for it? If we provide gas to the villages, we will be saving cowdung, wood and trees and in this way our production will increase and we will also be able to control prices.

Mr. Deputy Speaker, Sir, I am thankful for the time given to me.

[English]

MR. DEPUTY SPEAKER: Shri C.K. Kuppaswamy.

SHRI C.K. KUPPUSWAMY: Sir, for the first time the Interpreter was not available. This is a serious matter.

MR. DEPUTY SPEAKER: You should have given notice in advance.

[Translation]

*SHRI C.K. KUPPUSAMY (Coimbatore): Hon'ble Deputy Speaker, I would like to express my views, while participating in the discussion on price rise. Several Hon'ble Members have also expressed their views.

Sir, I can without any doubt prove the fact that black-marketing, hoarding and adulteration and other serious market crimes were the order of the day during the last 11 months. This is the main factor responsible for this galloping rise in prices. Petrol which was at Rs. 7.25 is now at Rs. 11.25. Diesel which was at Rs. 3.25 is now selling at Rs. 5.50. I would also like to draw the attention of the Minister to the acute scarcity of diesel in Tamil Nadu.

I would also like to draw the attention of the Minister to the malpractices in the distribution of essential commodities through fair price shops in Tamil Nadu. The rice that is allocated to the State from the Central Pool does not percolate to the poor through the fair price shop, but is being bartered away by the DMK volunteers. Thanks to the encouragement of the DMK Government. You are sending from the Central Pool 40,000 or 50,000 tonnes of rice. You will have to see whether these rice reaches the poorest of the poor and harijans in Tamil Nadu who are below the poverty line. If that does not, the purpose is defeated. I would hence urge upon the Minister to constitute a Committee to inquire into these malpractices as also to constantly monitor that the Central rice allocation to the State reaches the poor and not the D.M.K. volunteers. Mr. Deputy Speaker Sir, this is a very serious matter. I

had myself several times caught red-handedly while people were smuggling several bags of rice meant for the poor out of the ration shops and handed over these rice bags to the District Collector. In Thiru pur itself on one occasion I and the public prevented the smuggling of rice bags from ration shops and handed over the culprits to the District Collector. At this juncture I would also appeal to the Government to provide employment to the educated unemployed in Tamil Nadu or rice till employment is provided to them.

I must say it with agony that the mid-day-meal scheme in Tamil Nadu which was started by our late leader Kamaraj and enriched by Dr. MGR and renamed as nutritious meal scheme which served millions of children in Tamil Nadu with the nutritious meal a day is in a quandary today under the DMK Government. The scheme is not being properly implemented and several malpractices are being committed at the cost of the children to serve certain people's self interest under this DMK Government. I would like the Government to take note of these things and act immediately to salvage the scheme from the shambles.

Sir, Hon'ble members have rightly pointed out that the prices of essential preparations like idili and Dosa have steeply risen up. And it would be in the interest of the poor if I demand the introduction of Janata Meals Scheme at affordable price in the country, especially in Tamil Nadu. With these words, Sir, I conclude.

[English]

SHRI VAMANRAO MAHADIK (Bombay South Central): Mr. Deputy-Speaker, the question is what to do with the increasing price-rise so far as essential commodities are concerned. No answer is given. Only criticism on the Government is made. I do not know whether it is cheating ourselves! Nothing can be done because there is no

[Sh. Vamanrao Mahadik]

agency with the Government which can stop this tendency of increasing price. It is because, the world has become one big market and just as thick air runs towards thin air, wherever less prices are going, the commodities are bound to go by way of smuggling or otherwise and if there is no exchange and consumption capacity within the countries, they will export those commodities. In any way, the price level cannot be brought down just as it was done when deflation was there in 1929 and the whole world suffered. Inflation is going to be there. There is only one way out. Whatever we are distributing as a Government by way of rationing, those commodities should be subsidised. For that, the Government should have money. This Government's treasury is not full of money. It is empty. This Government has taken a loan of Rs. 1.5 lakh crores. This Government has sold our gold. This Government is monetarily very poor. The rupees of this Government has become a bogus rupees. If we want, we can make it up.

This Government has depreciated their own currency and so they cannot subsidise the articles in money. If it is to be done, find out the family who has got no earning man. Give them ration free of charge. If there is no one earning or if there is a man without any job, do as we did in Maharashtra. Under the Employment Guarantee Scheme, anybody who wants to work will come and work. He will get Rs. 20/- along with two kilos of rice free. As this has not been done, the Government is not able to face even the demand and supply rule. To meet the demand, the Government should control the population. Government tells "Ham Do Hamare Do" but does not accept the challenge of those who believe in a very large family.

The Government is not able to accept the challenge of increasing population and so the demand and supply are increasing. What about the supply? The whole land is not put to production. What are the schemes that the Government has undertaken to increase

fullest agrarian output. Show to us how much land was put to food production. Only rich farmers are able to produce more. But production is not in the hands of poor people. That is why, the Government is lagging behind in controlling the prices. There is only one way and that is, while subsidising the prices, Government should control those who are hoarders and those who are corrupt.

This Government is facing inflation. Crores of rupees are in black. You call such people and put their money into Government investments. Give them some rate of interest.

We have lost our credit in foreign exchange because we have no power over money and over things. Why is it so? Government should think twice.

There are Sixth, Seventh and Eighth Plans. Have not the prices increased in these Plans? These Plans are planned for creation of big industries and projects but they are not putting something into the hands of poor man and, therefore, I say we cannot control the prices.

Only three or four days ago, there was a strike by the carriers of onions in Maharashtra. When this Government came to power, the rate of onions was Rs. 8/- a kilo. Then it rose to Rs. 12/- a kilo and it is Rs. 16/- a kilo now. It has affected the price of vegetables and the food ingredients. This instance of rise in the price of onions, is going to destroy our country's union. That is what is happening here because of Petrol, Diesel prices. Wherever we see, the prices are increasing. It is not Bofors only but there is corruption everywhere.

[*Translation*]

The Government should rule properly but it is not doing so. When they are not able to deliver the goods, they bring issues like Mandal Commission or Ramjanambhoomi Babri Masjid.

[English]

We are only quarrelling over politics. Just as we call a crow for "pind-day" to our forefathers in similar fashion, whatever we do for the poor by way of legislation and whatever we spend for their benefit, does not go to the poor but goes to the rich. Our economy is a beggar's economy. Government should come forward with subsidising proposal to meet out economy to control the increasing price level.

[Translation]

*SHRI KANCI PANNEER SELVAM (Chengalpattu): Hon. Deputy Speaker, Sir, I would like to say a few words on behalf of the AIADMK on the issue of price rise that is under discussion by the House.

Those affected by this steep increase in prices of goods are those who are the have-nots and *not* the rich. The poor are not only reeling under the oppression of prices rise but also have to suffer on account of acute scarcity of essential commodities. The farmers in the villages are the most affected by the price rise. The rise in prices, besides affecting the poor, also encourages black marketing, hoarding and adulteration.

As far as Tamil Nadu is concerned, price of all essential commodities have gone up. *Dal* was sold at Rs. 6 a kilo is now selling Rs. 12/-. The price of Tamarind has also doubled to Rs. 20/- a kilo. Prices of cooking oil have also gone up. The Chief Minister of Tamil Nadu, Mr. Karunanidhi is not taking any step to control the price rise.

When Puratchi Thalaivar Dr. M.G.R. was the Chief Minister of Tamil Nadu, he distributed rice at Rs. 1.25 a kilo. But the present Chief Minister has hiked it to Rs. 3.60 a kilo. Not only the price of rice but the prices of all essential commodities in Tamil Nadu have been hiked by the Chief Minister, Mr. Karunanidhi to oppress the people.

Today, the standing paddy crops in Tamil

Nadu are the most affected by scarce water supply. This Government is not taking any step to save the standing paddy crops. This is also one of the reasons for the rise in prices in Tamil Nadu.

Essential commodities, diesel and petrol are not being supplied to general public but are being smuggled by militants out of this country. This is the state of affairs in Tamil Nadu. I, therefore, urge upon the Central Government to issue necessary directives to the State Government to streamline the distribution system of essential commodities so that the poor are relieved of the operation of price rise.

Before I conclude, I thank you for the opportunity given.

18.56 hrs.

[MR. SPEAKER *in the Chair*]

OBSERVATION RE. RECEIPT OF
INTERIM NOTED FROM HIGH COURT
OF DELHI

[English]

MR. SPEAKER: I have to make an announcement. I had informed the House on 27th December, 1990 about the receipt of a notice from the Registrar of the High Courts of Delhi requiring me to arrange to show cause in connection with Civil Writ Petition No. 3871 of 1990.

I had also informed the House that as per well-established practice and convention of the House, I had decided not to respond to the notice. I had passed on the relevant papers to the Minister of Law and Justice for taking such action as he might deem fit to apprise the High Court of the correct constitutional position and the well-established convention of the House.

I have received today a letter from the

Registrar of the High Court of Delhi forwarding therewith a copy of an order dated 8th January, 1991 passed by the Division Bench of the High Court of Delhi. The Division Bench has passed the following orders on the arguments on stay application in Civil Writ Petition No. 3871 of 1990:—

"The arguments on the stay application are in progress. It would be in the fitness of things that an order of *status quo* may be passed as the hearing of the arguments on the stay application is likely to take time.

Therefore, we order that all the petitions presented before respondent No. 2 under the 10th Schedule of the Constitution shall not be proceeded with or pursued by the petitions before the Speaker and we further order that *status quo* as it exists today shall be maintained by the parties.

Adjourned to 9th January, 1991.

A copy of this order may be sent to the Speaker immediately."

DR. BIPLAB DASGUPTA (Calcutta South): Sir, are you bound by this? The Courts should not intervene.

PROF. RAMGANESH KAPSE (Thane): The Court should not intervene. The Speaker is the supreme authority.

MR. SPEAKER: Please take your seats. Acharia-ji, I am convening a meeting of the Leaders of the parties tomorrow at 10 A.M. sharp.

PROF. RAMGANESH KAPSE: It is our suggestion that the Court should not intervene. The Speaker is the supreme authority.

19.00 hrs.

DISCUSSION UNDER RULE 193

Continued Rise in Price of Essential Commodities in the country—*Contd.*

[MR. DEPUTY SPEAKER *in the Chair*]

[*Translation*]

SHRI K.D. SULTANPURI (Shimla): Kindly give me time to speak. My party has not given me time. You may please give me time.

MR. DEPUTY SPEAKER: No, please. Now the Minister will reply.

SHRI K.D. SULTANPURI: As you are not giving me time, I am walking out.

19.01 hrs.

The Hon. Member, Shri K.D. Sultanpuri then walked out of the House

19.01 hrs.

[*English*]

THE MINISTER OF FOOD AND CIVIL SUPPLIES (RAO BIRENDER SINGH): Sir, a very important subject of price rise has been discussed in the House for nearly four hours. You have been kind enough to give as much time as possible to all the parties in view of the importance of this subject. I am grateful to hon. Members who have participated in the debate. The issue was raised very forcefully by Shri Basudeb Acharia and several other Members of this House had equally, forcefully and eloquently discussed this issue.... (*Interruptions*)

MR. DEPUTY SPEAKER: I would like to say that we will continue to sit in the House until the reply is over. We had decided to sit up to 7 O' clock and that is why I said this.

(*Interruptions*)

RAO BIRENDER SINGH: I will try to be as short as possible.... (*Interruptions*)

SHRI ANIL BASU (Arambagh): Is it an effective reply?

[*Translation*]

SHRIDAUDAYALJOSHI (Kota): Kindly make it clear as to what you are going to do to curb price rise.

RAO BIRENDER SINGH: On many points, you have yourself given replies. You have also identified the reasons for the price rise. You have stated the ways and means also for bring the prices down. I will try to reply to your satisfaction. (*Interruptions*)

[*English*]

whose legacy this present situation is. It is a fact that this Government came into power at a very difficult period.

SHRI ANIL BASU: Through manipulation.

RAO BIRENDER SINGH: This was a very conscious decision to inherit this legacy from whomsoever it might have descended. It is a difficult task indeed. Economic situation in the country, the disturbance and of course, high prices are naturally very perturbing. I can only assure you that the Government is also as deeply concerned as the hon. Members are because no Government can afford to live with such a high price rise. It has to think of effective measures. And I would only briefly like to state that certain steps have already been taken. (*Interruptions*)

SHRI ANIL BASU: Increasing the price of rise is an effective step! (*Interruptions*)

MR. DEPUTY SPEAKER: Please do not interrupt.

RAO BIRENDER SINGH: That has been withdrawn.

SHRI ANIL BASU: After so many interventions.

RAO BIRENDER SINGH: We do not want to blame one party or the other which has been ruling the country in the past. As the Prime Minister has repeatedly said, without blaming anybody, knowing what the situation was, this Government took over at a very critical period in the interest of the people and democracy. Our intention is and our firm determination is that we want to improve the situation, of course with the cooperation of all the States, with the cooperation of all the parties represented in this House and even outside. A situation like this cannot be really controlled by the Government's efforts alone. The root cause has to be identified and everybody's active cooperation and support is needed to curb a very high rate of rise in the prices as we have witnessed recently.

Anything can be proved or disproved by figures. But I don't want to take recourse to any devious method to hide facts and I would not try to say that what the hon. Members have stated is not right, is not true. The fact remains that there has been an unprecedented rise in prices for some time. I shall come to the various factors that have contributed to this. The hon. Members have themselves mentioned that during the current financial year upto 15th December 1990 the whole sale price index rose by 8.3% as compared to the last year during the same period which was 6.1%.

DR. ASIM BALA (Nabadwip): I want to know one thing. The hon. Minister may kindly say what was the rate of price rise for the last five years.

RAO BIRENDER SINGH: I can send him the figures for the previous years.

The annual rate of inflation in terms of wholesale price index as rightly stated by almost all the hon. Members who spoke about it was 11.4% as compared to 7.4% during the same period last year. The figure with regard to consumer price index for in-

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dustrial workers is still higher. It is an increase of 10.2% in the financial year upto October 1990; for the same period last year it was 6%. The annual rate of inflation in terms of consumer price index upto October 1990 comes to 10.8% which is exactly double of the rise in the previous year during the same period which was 5.4%.

All these figures I would even go to the extent of saying do not exactly indicate the real hardship that the people have been facing on account of higher prices in retail for various commodities. If we come to the factors which have contributed to this, some are fiscal measures, raising of administered prices of certain commodities, then naturally the demand and supply gap for certain goods and as I said increased money supply. But the suggestions given by the hon. members have been noted by us; they are also noted by the Ministry of Finance. Whatever can be done on the basis of these suggestions and even otherwise, the Government intends to take measures to curb this price rise.

As you know, our position with regard to foodgrains is quite comfortable and the same goes for sugar. We have a good stock of wheat; we have a comfortable stock of rice and we hope that we shall have a very good procurement season for rice this year also, as in the past year. But the prices of foodgrains have also gone up. As everybody knows, it is on account of the higher support price announced by the Government. On account of that, the issue prices had also to be raised. *(Interruptions)* I will try to reply to some of the points, at least of the hon. Members who are good enough to be present even at this fag end of the sitting like Shri Acharia, Shri Jha, Shri Chand Ram, Dr. Thambi Durai and several other friends. *(Interruptions)* Shri Nirmal Kanti Chatterjee is also present and he has also given very good suggestions. We always hear him, giving a new turn to certain things every time he speaks in the house.

Sir, as you know, the prices of paddy last year were raised from Rs. 185 per quin-

tal to Rs. 205 per quintal. Subsequently, the issue price had to be raised from Rs. 244, to Rs. 289 for common rice. Similarly the price of wheat was at Rs. 183 per quintal in 1989-90. That price now stands at Rs. 215 per quintal. It is on account of that, the issue price was also raised from Rs. 204 to Rs. 234. There was a second increase that had been decided by the previous Government for issue of rice. But, on the demand of parties in the House and of hon. Members, the Prime Minister announced the withdraw of the increase. Just as the prices of foodgrains have been raised to provide incentive prices to farmers, ground-nut prices were also raised to a very high level, i.e. from Rs. 430 in 1988-89 to Rs. 500 in 1989-90 and to Rs. 580 on 16.6.1990.

Similarly, the prices for various other oil-seed crops were raised very substantially and it is because, you would agree, that unless we become self-sufficient in certain commodities, it will not help India to continue to import large quantities of commodities that we are short of. A situation has now arisen on account of which prices of edible oils have gone up. It is on account of the fact that during the past few years, the Government has been deliberately reducing the imports of edible oil. In the year 1987-88, we imported 18 lakh tonnes of edible oil. The next year, it was around seven lakh tonnes. Last year, it was merely six-and-a-half lakh tonnes only. This was done only because we wanted that the prices of oil-seeds should be so remunerative and should be so attractive, that the farmers grow more of this. Unfortunately, whereas the productivity of certain crops in the agricultural sector has gone up satisfactorily, the productivity of pulses and oil-seeds has not improved. That is one reason why we are still short of these commodities. Some of the criticism was directed at high prices of pulses and edible oils.

SHRI NIRMAL KANTI CHATTERJEE
(Dumdum): There is also shrinkage in area for pulses.

RAO BIRENDER SINGH: In the case of rice, since 1950-51, during these past 40 years or so, the increase in productivity is

120 per cent, from an average of 698 to 1,541 kilo grams per hectare. In the case of wheat, the productivity has increased by 212 per cent. For other cereals also, it is quite high—an increase of 76 per cent. But for pulses, it is only 24 per cent. For oilseeds, it is around 40 per cent. I am not very sure whether this can be taken as an average applicable to some of the oilseed crops though groundnut and mustard oil have done quite well.

SHRIMATI MALINI BHATTACHARYA (Jadavpur): May I ask you a question? Precisely because the price of oilseeds has gone up, the price of edible oils has gone up, the quota of edible oils in public distribution system should not be decreased. This is precisely what has been done in the case of West Bengal.

RAO BIRENDER SINGH: We are trying to supply edible oil in the PDS because we know that for the poorer people, who form the mass of our population in this country, it is a very essential commodity.

SHRI BASUDEB ACHARIA (Bankura): From when are you increasing the quota of edible oils?

RAO BIRENDER SINGH: Sir, I am happy to inform you that Government has taken a decision to import more edible oil and some quantities of it will be reaching this very month.

SHRI BASUDEB ACHARIA: To West Bengal also? (*Interruptions*)

RAO BIRENDER SINGH: West Bengal and Tamil Nadu would also get their share. (*Interruptions*) From the stocks that we had, we tried to supply some quantities to some of the States for Christmas and New Year. For Pongal also, we are trying to see what quantities can be given to the southern States.

We have been making monthly releases of sugar. Public distribution system apart, even free sale sugar is controlled by the Government. This is with a view to keep the

prices at a level in a balanced manner. If we find the prices rising too high in the free market for sugar, we release more quantities. If we find that the sugarmills are likely to suffer losses, then we reduce the quantity so that they can partly make up for their losses. The price of sugar has not risen very high. But the prices that are now ruling the market have to be seen in the context of the fact that the farmers are now getting about Rs. 45 or Rs. 46 per quintal of sugarcane as against Rs. 22 or Rs. 23 only three years ago. If the farmers have to be given high prices of sugarcane naturally the cost of production goes up and the Government cannot bear immeasurable burden of subsidy.

DR. BIPLAB DASGUPTA (Calcutta South): What about the middlemen between the producer and the consumer. There are middlemen who earn a lot of profit. If you can stop hoarding if you can stop this profit by the middlemen, you will be able to give the sugar at a low price to the consumer and at the same time to offer good price to the producer. Have you taken that into account?

[*Translation*]

SHRI DAU DAYAL JOSHI (Kota): One can understand this but make the position clear about cement and Iron also. Why the prices of cement have gone up? Wheat is not available on fair price shops. (*Interruptions*)

[*English*]

SHRI ANIL BASU: You should not put the issue in such a way as if there is a conflict between the producer and the consumer. (*Interruptions*)

DR. BIPLAB DASGUPTA: The farmer who has 200 acres of land is also a farmer and a farmer who has one acre of land is also a farmer. How can one judge the status of a farmer as per the land he is holding? (*Interruptions*)

RAO BIRENDER SINGH: Hon. Members have repeatedly talked about hoarding operations which the Government should undertake. There are several Acts which we

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are implementating but the real implementation is through the States for all these Acts.

[*Translation*]

SHRI DAU DAYAL JOSHI (Kota): The prices of cement, iron and steel are very high. Kindly explain this also. (*Interruptions*)

[*English*]

RAO BIRENDER SINGH: There is the Essential Commodities Act, there is the Prevention of Blackmarketing and Maintenance of Essential Supplies Act and there are various other Acts also. The Prevention of Blackmarketing Act is being enforced and people can be put behind bars even without trial. There is the Essential Commodities Special Powers Act which is also being implemented by the States and the hon. Member will be glad to know that we are monitoring the action taken by the States under all these Acts very regularly. Monthly and quarterly returns are being received from the States.

[*Translation*]

SHRI RASA SINGH RAWAT (Ajmer): It should show some good results.

RAO BIRENDER SINGH: About the results I am going to give you the position, provided you listen to me.

[*English*]

From 1.1.90 to 30.11.90, during these eleven months, the number of raids conducted was 1,04,388, the persons arrested were 4650, the persons prosecuted were 3402 and out of the decisions so far announced, 424 persons have been convicted and I would like to inform you Sir, so that Choudhry Chand Ram can also listen to it, that Rs 15.63 crores worth of goods were confiscated after these raids. And this is a continuing process. These figures are at the all-India level. But I am personally of the opinion that de-hearding by itself is not going to curb

price rise to the extent which the hon. Members feel that it would. When we are short of supply not train commodities, there cannot be very largest quantities of them hoarded.

SHRI BHOGENDRA JHA (Madhubani): Will the hon. Minister yield for a minute?

RAO BIRENDER SINGH: Yes.

SHRI BHOGENDRA JHA: I would like to give a suggestion that the Government should stop the bank advances for hoarding to the wholesalers. I am not talking of retailers. You can utilise the same amount for purchase by your own agencies utilise the same amount for purchase by your own agencies like the Food Corporation of India, etc. Will the Government do this?

RAO BIRENDER SINGH: I will convey this suggestion to the hon. Finance Minister. (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: If there is a shortfall in supply, even a small hoarding is a large push to prices.

(*Interruptions*)

RAO BIRENDER SINGH: It does. But even if there is scare about shortage that also gives a large push because every family wants to hoard a little more to stock the commodities for two to three months in advance. Probably, that makes a greater effect on the market than the business men who hoard. I would convey the suggestion given by Mr. Jha to the hon. Finance Minister but in my view Sir, as you also must be knowing, most of the black market business in the whole-sale is run with blackmoney. It is not so much on bank advance not bank finances. ... (*Interruptions*)

SHRI BHOGENDRA JHA: Not a single wholesaler is doing business with his own money... (*Interruptions*)

RAO BIRENDER SINGH: I would only mention one or two essential items, with your permission.

My friend opposite is very much agitated

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over the high price of cement. We are ourselves very deeply concerned about the undue rise in cement prices that was witnessed some time ago. There was a sudden spurt in cement prices. The previous Government also was aware of it and it had been suggested to them also that some strict measures should be taken so that the industry does not arbitrarily enhance prices without any proper justification. This Government is also very much concerned about this. There are various reasons given by the industry. But the main reason is large consumption and short supply. Government also has been making bulk purchases for its own construction work.

SHRI BHOGENDRA JHA: There was over-production of cement last year.

DR. THAMBI DURAI (Karur): But the cost of production would not have increased.

RAO BIRENDER SINGH: I agree. That is why, I have stated that it was unjustified.

[*Translation*]

SHRIDAU DAYALJOSHI: Till two years back, there was a slump in the prices of cement and cement companies had a buffer stock of cement with them. Now they have gone ahead to collude with the industrialists to increase the prices of cement. (*Interruptions*)

[*English*]

RAO BIRENDER SINGH: Earlier a decision was taken to decontrol cement. Cement was a controlled commodity. A decision was taken by the previous Government earlier that it should be decontrolled and this decision was taken on an assurance from the industry that they will try to maintain supplies according to demand and they will try to maintain supplies according to demand and that they will also keep the prices low at a reasonable level. That assurance naturally has not been fulfilled and the Government is looking into it. We are aware of it.

[*Translation*]

SHRI DAU DAYAL JOSHI: Does the government propose to take any action against the Cement industry who had given an assurance in this regard?

[*English*]

RAO BIRENDER SINGH: At the highest level Government has considered this situation about cement as also about other things. I am glad to inform the House that on 11th, a group of Ministers appointed by the Cabinet is looking into these things and discussing matters with the cement industry. On 11th, we have called the cement industry representative to discuss the matter of high prices of cement. Only after that, the Government may be able to announce something. But we are trying to see what can be done. If need be, if the industry does not come round and behave properly, then Government probably would consider further measures, but at this time we are trying to persuade the industry to cooperate with the Government and to look to the problems that are being faced by the people. We hope, they will come round. Earlier, there was also a voluntary control over prices of edible oils. (*Interruptions*)

[*Translation*]

SHRI KAPIL DEV SHASTRI (Sonapat): I would like to know as to why the government has shown leniency in this regard. The middlemen should not be given money from the banks. The government should not give them finances. Also harsh measures should be taken to contain the increasing prices of cement because they say:-

"Dandah Shashti, Prajah Sarva,

Dandah evabhirakshati.

Dandah supteshu Jagarti,

Dandam Dharman Vidurbudhah.

It means that it is only the fear of punishment which works effectively at a moment

[Sh. Kapil Dev Shastri]

when everything else has become ineffective. In fact this very sense of fear protects us and the people. It is for this reason that the learned have called it the Dharma.

So, why does not the government deal firmly with the increasing prices. For that matter, the entire House will extend its support to the government.

[English]

SHRI HAMENDRA SINGH BANERA (Bhilwara): Why are you negotiating with them. You take strict action against them. You take strict action against them.

[Translation]

RAO BIRENDER SINGH: If the Hon'ble member is pleased to take a lead, I am prepared to assist him.

SHRI DAU DAYAL JOSHI: I am ready for it. (Interruptions)

RAO BIRENDER SINGH: He should also do something.

[English]

I might briefly mention various other matters which the hon. Members have already identified, like increase in rail freight and fares.

SHRICHANDRAM (Hardoi): You should check the rise in prices.

RAO BIRENDER SINGH: I can only check the rise, if the suggestions are workable, if the Government finds that this can be done. If they are workable, everything possible will be done.

Sir, about cement, as I said, we will look into the matter. There has been a mention of strengthening the public distribution system. This is a very important activity of the Government, for market intervention. But all the needs of the community cannot be met

through public distribution system. We are trying to meet partially the requirements in the public distribution system. It is aimed particularly at providing relief to the poorer sections of the society.

On the 5th, I had a meeting of all the Ministers of Food and Civil Supplies from the States and other representatives from the States, in the Advisory Council for Public Distribution System. We have considered various measures. We have also considered how to amend acts wherever it is necessary so that, as some hon. Members, have suggested, there must be some teeth in all the rules, regulations and acts. Parliament has enacted very strong laws. If they are properly implemented by the States-as the implementation is entirely in their hands-there is no reason why, there should be any Blackmarketing, any hoarding or undue rise in prices of commodities or exploitation of market because of manipulated short supplies. All that can be checked. I have requested the State Governments to cooperate with the Central Government fully in this matter. I hope, it will bring results.

DR. THAMBIDURAI: Have you received any complaint from Tamil Nadu? So many people are raising this issue. The State Government is not properly distributing the commodities. You are simply telling this thing. What actions have you taken in this regard?

RAO BIRENDER SINGH: It is not only a complaint from Tamil Nadu. There is a general complaint and everybody knows that some percentage of essential commodities. (Interruptions)

DR. THAMBIDURAI: Mr. Kuppuswamy has also mentioned about what has happened what is happening in ration shops.

RAO BIRENDER SINGH: I know it. I know about these mal-practices. (Interruptions)

This meeting was convened only to find measures to plug these loopholes, to stop leakages, to stop misappropriation of es-

sential commodities, by the wholesalers, the suppliers, even the Government agencies through whom it is supplied, the State Civil Supplies Corporation, even the Officers of the Food Corporation of India. Anybody can be blamed for it. All of them are not working as they should. *(Interruptions)*

SHRI ANIL BASU: Market intervention...

RAO BIRENDER SINGH: Would you permit these questions now or are you going permit these questions afterwards?

MR. DEPUTY SPEAKER: You can put your questions later on and not now.

SHRI BASUDEB ACHARIA: Let him finish, after that, we will ask clarifications.

RAO BIRENDER SINGH: For market intervention, we have various agencies. We have the National Dairy Development Board. That is a canalising agency appointed by the Government. They are required to purchase oilseeds when the prices are low in the market. They can also purchase edible oil; and this is meant to be released when the prices go up. That agency is also working in the field.

Similarly, we have NAFEDs, again under the Ministry of Agriculture. When the prices of onions and potatoes shoot up, it is not because of their short supply in the country, not because of low production; but it is on account of transport and other difficulties. Earlier, we had seen that because of diesel shortage, transport network had almost come to a standstill, as has been mentioned by hon. Members. But the position of diesel supply has now improved. There is no problem at all, now. Kerosene is also being supplied to the States.

[*Translation*]

SHRIDAU DAYAL JOSHI: Just today in the morning, I have given a notice to call attention of the government to the fact that a supply of 1 lakh litre of diesel did not reach Kota, Bundi and Jhalawar during the last month. As regards the supply position of

diesel in Delhi Area, the people have to stand in long ques for 7 to 8 hours to get their supply. The hon'ble minister may accompany me to go there and see the situation in Kota with his own eyes.

MR. DEPUTY SPEAKER: It is not good. You are doing such thing time and again.

RAO BIRENDER SINGH: I will definitely accompany you but now let me complete it.

We are trying to plug the loopholes, as I said, and to correct the malpractices. The depot-holders also indulge in them. The agencies of the Government also need to be pulled up. All that is being done. The depot-holders sometimes supply sub-standard quality of commodities, and they blame it on the Central Government agencies: for instance, FCI. They keep false samples of sub-standard items which they purchase from the market; and the good quality commodities are sold in their private trade. We have laid down the rules. This was also discussed-i.e. how to stop diversion of these commodities. Because they are diverted, they do not reach the targeted groups. So, I have suggested to the States that the traders who run their own business should not be allowed to handle ration depots under public distribution system. They should be absolutely separate.

Similarly, people who have any link with petrol pumps should not be stockists of kerosene oil, because we know that tankers and tankers of them reach, at night, in collusion with the officers of the Oil Corporations, and the Inspectors of the Civil Supplies Departments; and the kerosene intended for poor people does not reach them, as was the complaint voiced by some of the hon. Members.

AS HON. MEMBER: It is moved with diesel oil.

RAO BIRENDER SINGH: It is mixed with diesel. I think the hon. Members will be glad to hear that the Ministry of Petroleum and Chemicals, I am told, had taken a decision that kerosene will be coloured. It will

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have a pink colour; and if it is then adulterated with any other petroleum product, it will be detected easily.

So, these are the various measures which are under review by the Government, which are going to be enforced soon; and a strategy is being worked out for the public distribution systems, so that whatever is supplied is equitably distributed, and it reaches the people for whom it is intended.

There has also been a suggestion that the richer sections of the society should be taken out of the public distribution system, so that whatever is saved that way, is again diverted to the poorer sections of the society; and that might also reduce the burden of some subsidy on the Central Government. But before taking a decision like this, we shall have to look into all the implications. We shall see whether it is really practicable, whether it will bring in benefits commensurate with the exercise that we may have to take, and the work that the State Governments and their agencies may have to do.

I have briefly touched all the points that the hon. Members have mentioned. All I can do at the end is to assure the House through you that the Government is conscious that, apart from the disturbances in the country, secessionist activities, terrorism and communal riots, high prices are one thing which bring a very bad name to the Government; and it is known to everybody that after independence, whether it be in 1977 or it was again in 1980 or again in 1984, maybe also in future, high prices are more painful to the people than anything else, particularly for the poor masses; and they affect the fortunes of the Government and parties. And therefore we are very keen that we show some results and try to control prices.

As the Prime Minister had said in this House earlier that his party and this Government, though a minority Government, supported by another large party...

DR. THAMBI DURAI: Largest party.

RAO BIRENDER SINGH: It is no doubt. Our work will be judged by the results that we can show and we are determined to put in our best efforts to control prices as also the attention that this Government intends to pay to other burning problems in the country.

PROF. RAMGANESH KAPSE (Thane): Would you consider in consultation with FCI, construction of the godowns at every district level, because I find that at every district place, there are no storage facilities; and consequently all the food items and foodgrains do not reach in time. There is no way to take them to the main outlets. Many a time it takes a long time. When the people need it, they do not get it. Would you consider construction of the godowns or some other temporary arrangement for storing them?

RAO BIRENDER SINGH: A very large programme of construction is there even in the Eighth Plan. The Central Warehousing Corporation is the main agency of the Government now for construction of godowns; and 1.5 million tonnes more storage capacity is to be added during the Eighth Plan. Apart from that, the State Corporations, the State Warehousing Corporations are also putting up cold storage facilities. There also the Central Government has got 50 per cent share.

SHRI BASUDEB ACHARIA (Bankura): The Minister has not touched a very important point that is to distribute 14 essential items through the public distribution system at a cheap rate. Is the Government going to introduce this system so that common people, poor people may get these 14 essential items?

RAO BIRENDER SINGH: I entirely agree that more commodities should be added for the public distribution system. But that depends more on the initiative and efforts of the State Government, because public distribution system in the State is run by the State Government; we only supply certain essential commodities which we stock; we have in our buffer stock foodgrains, sugar etc. We are also trying to produce certain consumer items through our central agency

like the Hindustan Vegetable Oil Corporation. We are trying to produce some packs of oil so that they can be distributed also through the public distribution system.

The other day, I had directed the National Consumers Cooperative Federation to try and purchase more of these *masalas*, *condiments*, *ginger*, chillies and various other things, green elachi, large cardamom etc. from Sikkim and other parts of the country. All these things can be procured. And also for pulses we have *dal* mills. But we do not have enough stock for the entire country to be supplied with all these 14 commodities. But we try to help the State Civil Supplies Corporations to obtain the commodities that they want to add and we also arrange finances.

[*Translation*]

SHRI SURYA NARAYAN YADAV (Saharsa): Mr. Deputy Speaker, Sir, the then minister Shri Mirdha had announced in this House that the packets containing the mill produced item, will indicate its retail price inclusive of all taxes. It the Hon'ble minister going to implement it?

[*English*]

RAO BIRENDER SINGH: Yes. According to the decision taken by my predecessor, the notification was issued and that order is now in force. Now, the package commodities can only display the maximum retail price and not the previous way of printing, "Local taxes, etc. extra". That is not done now. That order was notified.

SHRI BHOGENDRA JHA: I want to know whether the Government is considering any proposal to fix maximum limit of difference between the price of paddy paid to the producers and the price charged from the actual consumers, and a parity between the prices of agricultural commodities also should be there.

MR. DEPUTY-SPEAKER: You are entering into a different area. That question will take a long time.

SHRI A.K. ROY: It is a policy question.

MR. DEPUTY-SPEAKER: Big policy questions cannot be replied in a few minutes time. Are you interested in replying, Mr. Minister?

RAO BIRENDER SINGH: If you order, yes.

As you rightly observed, it is a very big question of policy and it will have to be considered by the Government and very deep thought will have to be given to it. It is not entirely up to the Government to fix the margin between the retail price and what the farmer gets and what is ultimately the price in the retail market. But efforts are already being made. Even with equity, in respect of the prices of industrial goods and agricultural produce there, may not be parity between the prices of these two groups of commodities. That is included in the terms of reference to the Commission on Agricultural Costs and Prices. That is taken into consideration and we try to maintain parity.

MR. DEPUTY SPEAKER: It is a big question. It will require a lot of time. It is a good question, but a big question.

[*Translation*]

SHRI A.K. ROY: Mr. Deputy Speaker, Sir, during the course of discussion, I had given a suggestion to the government to pay special attention to the plains of district Chhota Nagpur which is known for its high yield of groundnut. Is the government going to do anything in the this regard?

[*English*]

MR. DEPUTY SPEAKER: It is for the State Government to do it.

[*Translation*]

SHRI A.K. ROY: The second thing I would like to ask here is whether this valuable discussion will be followed by eradication in prices?

[English]

MR. DEPUTY SPEAKER: This need not be answered.

SHRI GOPI NATH GAJAPATHI (Berhampur): I fully support the views expressed by the two hon. Members and would like to add mine with regard to the provision of FCI or other suitable agency godowns. What is now happening in my Parlakimidi constituency of Orissa State is that the poor farmers are entirely left at the mercy of the mill owners as well as the others.

MR. DEPUTY SPEAKER: He has already said that he is going to construct godowns.

SHRI GOPI NATH GAJAPATHI: With respect to the availability of cement, sugar, palmolin oil, these essential commodities are always in short supply and I urge upon the hon. Union Minister to ensure proper distribution system for the proper supply of these essential commodities.

[Translation]

SHRI DAU DAYAL JOSHI: Hon'ble Rao Shibhimself is a farmer. Has he ever analysed in that capacity as to what is the actual production cost of Til oil mustard oil and the groundnut as compared to the actual cost of their raw material. Moreover the imposition

of various taxes on oil seeds has today raised the price of oil very high to touch the mark of Rs. 35-40 per kg. With this price level, it has gone beyond the purchasing capacity of an ordinary man.

MR. DEPUTY SPEAKER: Joshi ji, please come to your question and do not make a speech.

SHRI DAU DAYAL JOSHI: The Ex-minister for food has said that as the prices of oil are very high an ordinary man cannot afford to purchase this item for that price. So, has the government done a comparative study to find out the extent of difference between the cost price and mill price of Till oil?

MR. DEPUTY SPEAKER: All right, we will look into it.

(Interruptions)

[English]

MR. DEPUTY SPEAKER: The House stands adjourned to reassemble tomorrow at 11 A.M.

19.15 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, January 9, 1991/ Pausa 19, 1912 (Saka)