

12.06 hrs.

PUBLIC ACCOUNTS COMMITTEE

Eighteenth Report

[English]

SHRI E. AYYAPU REDDY (Kurnool) : I beg to present the Eighteenth Report (Hindi and English versions) of Public Account Committee on Action Taken on their 210th Report (7th Lok Sabha) regarding Performance of Container Service.

PUBLIC ACCOUNTS COMMITTEE

Statements

[English]

SHRI E. AYYAPU REDDY (Kurnool) : I beg to lay the following Statements (Hindi and English versions) of Public Accounts Committee :—

- (i) Statement showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of 121st Report (Sixth Lok Sabha) on Incorrect Valuation of Assets.
- (ii) Statement showing action taken by Government on the recommendations contained in Chapter I of 79th Report (Seventh Lok Sabha) On Assessment of Foreign Technicians.
- (iii) Statement showing action taken by Government in the recommendations contained in Chapter I and final replies in respect of Chapter V of 188th Report (Seventh Lok Sabha) on All India Handicrafts Board.
- (iv) Statement showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of 197th Report

(Seventh Lok Sabha) on Direct Taxes relating to Provisional Assessments and Refunds.

12.08 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Recent Increase in prices of sugar, vanaspati, edible oils and other essential commodities.

MR. SPEAKER : Now, we take up the Calling Attention. As per our agreement, all these things are coming in a chain.

SHRI VIRDHI CHANDER JAIN (Barmer) : I call the attention of the Minister of Food and Civil Supplies to the following matter of urgent public importance and request that he may make a statement thereon :

“Recent increase in prices of sugar, vanaspati, edible oils and other essential commodities and the action taken by the Government in regard thereto.”

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI K.P. SINGH DEV) : Hon'ble Members are aware that there was some improvement in the overall price situation in 1984-85. The annual rate of inflation declined from 9.2% in March, 1984 to 6% in March, 1985. The annual rate of inflation has declined further to 4.8% in the first week of November, 1985. During the first seven months of the current financial year the Wholesale Price Index has moved up by less than 4.0%. I may also inform the Hon'ble Members that during the past 13 weeks ending 2nd November, 1985, the Wholesale Price Index has moved down by 2.0%. However, the prices of some essential commodities have moved up.

2. The availability of essential commodities has been generally satisfactory. It is remarkable, Hon'ble Members

[Shri K.P. Singh Dev]

will agree, that during the lean period and the festival season the supply position of various essential commodities including edible oils and sugar has been, by and large, satisfactory.

3. We have not only attained self-sufficiency in foodgrains but are now having some surplus wheat. This has provided us the much needed food security. In fact, we are trying through various programmes announced by the Finance Minister on 19th November, 1985, to provide food to weaker and vulnerable sections of the society at cheaper prices.

4. Hon'ble Members may recall that sugar production has been sluggish during the past two years and we had to resort to substantial imports. In order to enable the sugar factories to pay remunerative prices for sugarcane, the statutory minimum price of sugarcane has been raised from Rs. 14 a quintal linked to recovery of 8.5% to Rs. 16.50 a quintal linked to recovery of 8.5% for the current year and to Rs. 17 a quintal linked to recovery of 8.5% for the next sugar year. As a consequence, the retail price of levy sugar has been raised by 40 Paise per Kg. to be effective from the beginning of December, 1985. It is hoped that this will provide the necessary encouragement for enhancing the production of sugarcane and sugar so as to attain self-sufficiency.

5. In order to encourage domestic production and reduce our dependence on imports, the issue prices of imported edible oils to the vanaspati industry and for the Public Distribution System have been raised by Rs. 2,000 per tonne and Rs. 1,000 a tonne, respectively, from 15th November, 1985. Simultaneously, the supply of imported edible oils to the vanaspati industry has been reduced from 60% of their requirement to 50%. They have, however, been allowed to use expeller mustard/rapeseed oil in lieu of this reduction. In view of this, the voluntarily agreed prices of vanaspati have been raised by the industry.

6. Government is exercising constant surveillance to keep the prices of essential

commodities in check. Every effort is being made to ensure their availability throughout the country. The main thrust of Government's policy is to increase the production of essential commodities, particularly those in short supply. The export of essential commodities is regulated keeping in view our domestic requirements. Some commodities are imported to augment domestic supply. The Public Distribution System is being expanded and improved. The State Governments are enforcing the Essential Commodities Act and similar legislations.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer): Mr. Speaker, Sir, it was clear from the discussions which took place yesterday in the House that the Central Government admit that the prices of cotton, paddy, sugarcane, jute and coconut are falling. But the farmer is not getting reasonable prices of his produce. On the other hand the prices of sugar, rice, pulses, foodgrains, vegetables, fruits, wood, fish, vanaspati ghee, cement, milk, meat, coal, kerosene oil and diesel are increasing. The situation is that on the one hand the farmer is not satisfied because he is not getting reasonable prices of his produce and on the other hand the consumer is also agitated due to continuous increase in the prices of essential commodities. From the statement it is clear that in 1983-84, the Wholesale Price Index declined to 6 per cent and between August to November it further moved down by two per cent. Prices of essential commodities are increasing in the market, which has been conceded by the hon. Minister. Unless the prices of these things are stabilised, there will be discontent among the people. There has been 13.30 per cent price rise in the fruits and vegetables, 16 per cent in foodgrains and fish, 19 per cent in sugar and khandasari and 10 per cent in fuels and cereals. The price of sugar has been increased to Rs. 4.80 from Rs. 4.40. In addition, some additional benefit has been given to the industrialists also. Previously, they were allowed to sell 35 per cent of their production in the open market, which has now been increased to 45 per cent. Now due to this they will be able to sell six lakh tonnes more sugar in the open market. Besides, they will also

get the benefit of increase in prices. By selling the sugar in the free sale market, they will earn a profit of about Rs. 225 crores. On the other hand, the minimum price of sugarcane has been raised from Rs. 14 per quintal to Rs. 16.50 per quintal for the current year and to Rs. 17 per quintal for the next year. The farmer is not going to be benefited by this significantly. The State Governments are already giving Rs. 20 or Rs. 22 per quintal as price of sugarcane to the farmers. The minimum price which has been fixed is not appropriate and will not serve as incentive to the farmers in any way. It will not help in strengthening the position of farmers; on the country it will help the sugar magnates. It is the sugar factories which will be benefited. It is not going to encourage or benefit the farmers in any way and neither will they be attracted towards producing more sugarcane. It is, therefore, essential to increase the price of sugarcane and it should be at least Rs. 22 per quintal so that the farmers may get remunerative prices for their produce.

12.15 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

On the other hand we find that the prices of oil are declining. But, recently the price of vanaspati ghee had been increased by Re. 1 per kilo. In the statement given by the hon. Minister in the House it has been said that effort will be made to reduce the quantum of imported edible oil to 50 per cent from 60 per cent so that the farmers are benefited and the indigenous production is encouraged. The result of this policy and how far it has benefited the farmers or encouraged indigenous production will be known in near future but one thing is clear that the dealers of vanaspati have been benefited by the increase in the prices. I would like to suggest that our policy should be such as to benefit the farmers as well as the growers, but we are trying to benefit sugar magnates, vanaspati producers or the owners of sugar factories.

Now the question arises what should be done to control the prices and to ensure reasonable prices to the farmers.

[*English*]

MR. DEPUTY SPEAKER : This discussion is mainly to call the attention of the Government. If it is under rule 193, you can discuss a lot. Now you put whatever questions you want to ask. In this discussion, you can only ask questions.

[*Translation*]

SHRI VIRDHI CHANDER JAIN : It is a very important matter. When I have tabled a Calling Attention Motion, I will have to say something about it. It has been my experience that there is need to take steps to check the prices of essential commodities of daily use. Government should appoint a high level committee under your chairmanship, which should give its suggestion to the Government in regard to exercising check on the prices. Sugar, jaggery, pulses, cereals, oil, vanaspati ghee, milk, fuel, onions, potatoes, kerosene oil, cloth, cement, fish, eggs, diesel, salt and chillies come under essential commodities.

As regards the public distribution system, essential commodities are distributed through public distribution system but I am sure that sugar does not reach the shops in the rural areas and it is sold in black market in towns or in cities. So far as the distribution of foodgrains in rural areas is concerned, the cooperative societies are facing the problem that the transport expenses have been fixed on the lower side whereas in reality the expenses work out to be much more. At some places the expenditure on transport is double or treble with the result that they are not in a position to transport the foodgrains. Secondly, the financial position of our cooperative societies is not sound. Every society gets a loan of Rs. 10,000.....

What is required is to provide them foodgrains. Secondly, they are unable to lift the entire stock of foodgrains made available to them. The statement of the Finance Minister give on 19th November has created a new situation. Why do you not make the same arrangement in the desert areas which you have made in the adivasi areas.

[English]

MR. DEPUTY SPEAKER : We are already discussing this matter under rule 193. In that, we are already discussing the same price rise in agricultural commodities and so on. Therefore, you should restrict to this subject only. We have allotted you 10 minutes but you have already taken 15 minutes. We have to accommodate other Members also.

[Translation]

SHRI VIRDHI CHANDER JAIN : The issue of agricultural commodities, the issue of prices and the issue of price rise are totally different. So I should be given time. Ten minutes are not sufficient. I am the first speaker, so I should be given more time.

I was speaking about the public distribution system that it should be strengthened. The Janata cloth, which is supposed to be provided, is not available anywhere. As such it should be made available.

Whenever there is price rise, dearness allowance is given. The worker of the organised sector gets its benefit, but the poor, the small farmers do not get its benefit. Arrangement should, therefore, be made to provide this benefit to these people also.

I would also like to say that the benefits provided to the adivasi areas should also be provided to the people of desert areas because of acute famine conditions there. The Government should pay special attention and take some action in this respect.

With these words I conclude and request that action should be taken on the points which I have brought to your notice.

[English]

SHRIMATI KISHORI SINHA (Vaishali) : Mr. Deputy Speaker, the statement given by the Minister shows that the position is satisfactory. We are calling the attention of the hon. Minister to increase in prices of sugar, vanaspati, edible oils and other essential commodities.

The hon. Minister has more or less accepted the fact of increase in prices of some commodities.

The House discussed fall in prices of agricultural products. Today, we are discussing the increase in prices. Wholesale prices of all commodities during last five years has gone up by 87 per cent whereas prices of paddy and wheat have gone up by only 30 per cent and 37 per cent respectively. I would like to know why the prices have gone up when inflation rate has not risen. May I know whether government propose to investigate the reasons for high costs of production of sugar as claimed by sugar mills. We have surplus foodgrains as claimed by the Minister. Then why is it that off-take of wheat from Food Corporation godowns is less? Is it because of the higher price than what is ruling in the market?

Despite constant vigilance, the prices of these commodities including vegetables have gone up. May I know the reasons for this situation?

[Translation]

SHRI ZAINUL BASHER (Ghazipur) : Mr. Deputy Speaker, Sir, today we are in a peculiar situation. On the one hand the Government are giving the statement that there has been improvement in the price situation and they have statistics to show it and on the other hand we have the open market before us. In the market the prices of commodities are increasing whether these are commodities of daily use or other commodities. It is better to agree with the Government, but we cannot close our eyes to the realities of the market. The prices of commodities are continuously increasing. After all what is the reason? On the one hand the Government itself is increasing the prices of commodities like sugar, vanaspati, edible oils, steel etc. The irony is that the prices of commodities in the market increase more than the increase in the prices made by the Government.

On the other hand, one does not get commodities in the market at the price fixed by the Government. What is the reason? I think the fault does not lie so

much with the Central Government as with the State Governments which are responsible to supply commodities at reasonable prices to the people through the Public Distribution System. Secondly, the wholesale price index shown in the statement is not correct in the sense that the wholesale price is taken on the invoice price. The wholesaler charges premium besides the price indicated by him in the invoice. When the retailer pays premium on the invoice price, naturally he will sell the commodities in the market at increased price to realise the price paid by him. I would like to know whether you have some machinery to check the wholesale price index which is based on the invoice price or whether you will evolve machinery in this respect. This is a fundamental thing. So long as the retailer does not get the commodities at invoice price, no check can be exercised on the fixed price.

Secondly, there are several shortcomings in the Public Distribution System. There is the Food Corporation of India which is proving to be a white elephant in our country. The corruption in the Food Corporation of India has exceeded to an extent that it demands bribe from the private parties as well as the State Governments. The Uttar Pradesh Government has drawn the attention of the Central Government to the fact that the employees of the Food Corporation of India demands bribe per bag of sugar and wheat from the agencies of the State Governments.

I would like to know from the hon. Minister whether the State Governments have made any complaint to you in this respect? If so, what action has been taken in this respect and whether you are getting the matter investigated?

SHRI RAJ MANGAL PANDEY (Deoria): The State Governments fight shy of making complaint.

SHRI ZAINUL BASHER: It is a fact that the Food Corporation of India has been demanding bribe from the agencies of the State Government as well as from the State Governments. They may be demanding bribe from other State Governments also. Has the hon. Minister received complaints to this effect and, if so, what

action is being taken on it? Thirdly, I would like to submit that previously, there was a proposal to adopt a uniform public distribution system set up in the whole country. According to our information, the Public Distribution System is running on a sound footing in Kerala but in other states particularly in Uttar Pradesh, Bihar and Rajasthan it is not at all working well. So, will the Government consider the proposal for setting up a new model of Public Distribution System, under which people would get all the commodities of daily use under one roof. It is not enough to take action. It is not sufficient to say that so many people have been chattered and action has been taken against so many people although in reality this is not being done either by you or by the State Governments. There is need to reform that system. Today the availability of many things has increased in the market. The supply position of a number of commodities like kerosene, diesel and many other items is satisfactory in the market. But due to the control and the introduction of the Essential Commodities Act and corruption in the Civil Supplies Department, these things are not available in the market at reasonable prices. In the villages, people get kerosene oil at a price higher than the fixed price. Government should consider removing control on the items which are easily available and they should be taken away from the purview of the Essential Commodities Act. Their availability in the market should be increased. They should be available everywhere at reasonable price. May I know whether it is under the consideration of the Government? With these words I conclude.

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar): An extra-ordinary situation has arisen in the country due to steep rise in prices of essential commodities like sugar, edible oil, cloth, wheat, rice, pulses, everything.

I have gone through the statement of Minister minutely. I am sorry to say that the hon. Minister did not express any anxiety on this situation. He only said in the first para of his statement: "However, the prices of some essential commodities

[Shri Amar Raypradhan]

have moved up." It is not some essential commodities but prices have gone up for all the essential commodities. Please go upstairs in the canteen and you will find what has been the price rise there. The vegetarian thali which was earlier available at Rs. 4/- is not available at Rs. 7.50. The rate of non-vegetarian thali has been increased from Rs. 5.50 to Rs. 9.60. The rate of European dishes has been increased from Rs. 10 to Rs. 18. How can it be so much? Are the Railways taking some profit from that? That is also a Government Department. It is nothing but a paradoxical situation in the country that amidst plenty there is scarcity and the price of all essential commodities have gone up. It is the rural people who suffer the most because the growers are not even getting the price which is fixed by the Government, through FCI, JCI or whatever agency they have, for wheat, rice, jute, cotton oilseeds, etc. This is your mixed economy and this is your economic policy.

Regarding so many statistics and figures given by the hon. Minister I would only like to say that these are the jugglery of figures. I hope the hon. Minister will agree with me that there had been a fall in intake of foodgrains through the public distribution system to the extent of 3 million tonnes in 1984 as compared to 1983. Do you know what is the reason behind it? Is it not a fact that the poor people in the rural areas do not have the capacity to purchase these foodgrains which are sold through ration shops? Do you know that there is no such arrangement to maintain a separate cost of living index for these people? Is there any separate arrangement to maintain the cost of living of these people? Then how can you say that such and such figures are found to be correct? You cannot say that. When these people cannot take their wheat, rice, edible oils and other things from the public distribution system, how can you calculate these figures? The hon. Minister knows that there are some items like kerosene, sugar, medicines which are more costly in rural areas than in urban areas. In Delhi you may get them at a lower price or at fixed price, but in the rural areas you have to purchase them at a higher price.

As soon as the Government will declare a new policy, the prices will go up. A few days back the Government has announced the new textile policy and as a result of that, the prices of cloth have gone up by 25% to 50%. It is also a tragedy that the handloom weavers are not getting the yarn at a reasonable price. Recently, certain concessions have been given to sugar and edible oil manufacturers and know the reaction in the market. In the Delhi markets, already there are four-fold prices of surgar prevailing. Through public distribution system it is being sold at Rs. 4.40 which is going to be raised to Rs. 4.80; the imported sugar is being sold at Rs. 5.65; the real open market price in the urban areas—that is, in Delhi proper itself—is Rs. 8.50 to Rs. 10; and the real open market price in rural areas is Rs. 10 to Rs. 12. There are four types of prices prevailing and you are giving publicity about the availability of sugar at reasonable prices. In reply to Question No. 12, the hon. Minister said that in order to remove misapprehensions from the minds of the general public about the quality of imported sugar and to make them aware of its availability at reasonable prices from various distribution channels, both the Delhi Administration and the Food Corporation of India have been giving publicity through T.V. and other media. Why are you giving publicity? If the people need sugar, they will buy it. What is the reason for giving publicity and misusing the money? It is creating so many confusions in the minds of the consumers. To justify the price hike in sugar, you are saying that previously the price of sugarcane of 8.5 per cent was Rs. 14 per quintal whereas now it is Rs. 16.50 per quintal. If I take your argument to be correct—though I do not agree with you—even then it should not be more than thirty paise per kg. You have given so many statistics, but even then if you calculate it, it should not be more than thirty paise. That means Rs. 10 per quintal is being charged more? For whom are you charging these Rs. 10 per quintal more? Is it just to satisfy the millowners? I know you have got bindings and you must satisfy them by raising the price in this manner.

It is a long standing demand of the people in general and the Opposition

Members in particular, not only in this House but outside also, that fourteen items like rice, wheat, oil, coal, pulses, etc. should come under the direct control of the Government and must be distributed through the public distribution system. But you have not made arrangements for that. You are only saying that Government is keeping constant surveillance on their prices. We do not agree to that. The only solution of this is to make available, through public distribution system, all the essential items.

Secondly there should not be any dual or triple or quadruple price. There should be only one price in the market. The Government itself should ensure this to the consumers. I would like to know whether the Government agrees to this or not.

[Translation]

SHRI SUBHASH YADAV (Khargone) : Mr. Deputy Speaker, Sir, from the statement made by the hon. Minister it looks as if the Ministry of Civil Supplies wants to take the entire responsibility regarding the price control. I want to make it clear that it is beyond the capacity of the Ministry of Civil Supplies to handle the price control all alone. Unless several Ministries take some decision collectively, after consultations with each other, it will be difficult to control the price rise.

I feel that there has been a fall in the prices of the essential items and also in their production. The Ministry of Agriculture will have to consider whether decline in the production of sugarcane is due to shortage of better quality seeds; or whether there has been any shortcoming in our policy? Have special efforts for more sugarcane production not been made? We will have to think as to what are the reasons for the shortfall in sugarcane production?

Sometime the rise prices is due to the policies of the Commerce Ministry also. Sometime the prices rise due to some decision of the Finance Ministry also. If the hon. Minister is of the view that he will be able to control the prices through his Ministry or the Department

alone then he is grossly mistaken. To control the prices, collective efforts will have to be made by different Ministries. Only then the prices will be controlled.

During the last one year or so the role of the Ministry of Agriculture in the matter of agricultural production and sugarcane production has not been very envious. We can also say that the Ministry of Agriculture has not made any serious efforts. That is why the production of sugarcane has been falling constantly. As several other hon. Members have pointed out, the decisions taken by the Government also play a vital role in agricultural production, specially in the matter of controlling their prices. If the hon. Minister wants to handle this issue, Ministries of Finance, Agriculture, Food and Civil Supplies should discuss the matter together and take a collective decision. The most important role in the price rise is played by the intermediaries,

The Ministry of Food should enforce the distribution system in an efficient manner. The people who can help us and are not involved in it at present, should also be asked to cooperate. The cooperatives, chairmen and the managers of the cooperative banks, small cooperative societies, who can play very important role in controlling the prices, should also contribute their mite. There is need to discuss the matter with them.

I may tell you that they too have certain practical difficulties. The Agriculture Bank, NABARD is going to earn a profit of about Rs. 150 crores. Many cooperative banks have constantly been praying that they should be provided credit on concessional rates of interest for running this scheme. But the requests of the cooperative banks have never been taken seriously. The result is, they are forced to do this work at 18 per cent rate of interest. Ultimately, it affects the prices.

I would like to request the hon. Minister that there is need to review, at the national level, his scheme regarding measures to enforce the system of distribution as well as our conception of the scheme regarding enforcing this system

[Shri Subhash Yadav]

through cooperative banks. We should sit together with them and discuss these schemes, and mutually remove each other's difficulties. Only then we will succeed.

I would like to make it clear again that the Ministry of Agriculture or Ministry of Civil Supplies alone will not be able to control the price rise. With these words I draw the attention of the hon. Minister towards this problem.

[English]

SHRI K.P. SINGH DEO : First and foremost, I would like to thank the hon. Members for their useful suggestions which will be examined and given the highest considerations and they will be looked at objectively. I had, at the outset, given a resume of the price situation. I was not trying to justify anything; but I gave a factual information. I told the House what the prices were in 1983-84 and how they have been fluctuating. And it is in the backdrop of these things that various measures have been taken and this I wanted to share with the House. Therefore to charge it as jugglery of figures, as has been said by my friend from Cooch Behar is not proper. There was no jugglery whatsoever. These figures are available in every Government document. I am happy to say that the latest reports which have come regarding the wholesale price index for the week ending 9th November has shown a downward trend of 0.3 per cent after the 2 per cent which had been there. This phenomenon of price rise is in the backdrop of plenty of foodgrains and plenty of availability as mentioned by some hon. Members. It seems paradoxical that this happens at a time when we have plenty of food and plenty of availability in all parts and there is no dearth of essential commodities in the various States. Yet, the fact remains that the prices have risen. Nobody is denying it. But the figures only go to indicate that the level of price rise this year (for the various periods which I have read out) has been comparatively low, as compared to last year and the year before last. That is what I was seeking to do. I was pointing out that it is only because of the steps taken by the Government for supply

management of various essential commodities and supply management generally as such, that it has been kept reasonably under control. The twin objectives of our policy is to attain self sufficiency and self reliance in foodgrains also. Keeping this in view, Government has taken certain steps which have been mentioned previously in the form of answers to questions by my distinguished predecessor. The Finance Minister himself in his statement on 19 November in announcing certain schemes for the weaker sections of society, has also stated that we must encourage our producers and our farmers. All Members of this House and the other House are concerned about it. Both in Parliament and outside we take the stance that we are for the farmers; we are for a better deal to the farmers; we are for better, remunerative price to the farmers; and they must be encouraged to produce more and better incentives must be given to them to increase production, so that dependence on imports will be stopped, we may be able to conserve scarce foreign exchange resources and the reduction in the outgo of foreign exchange will be maintained, and there will be easier availability and more supply in the market and the question of demand and supply (which is the cause of price rise) is maintained and stability in price is achieved. This is also the apprehension of the hon. Members. Mr. Amar Roypradhan said that I did not show anxiety in my speech. It is not a Bharat Natyam dance or Odissi dance that through abhinaya I will show various moods and expressions. It is a question of taking certain positive steps; Government taking a system, approach and taking an integrated approach and integrated view of the entire thing and a balanced approach between the requirements of the consumer and the requirements and the role of the producers. It is a vicious circle. Again, it is a question of supply and demand. If the farmer does not get remunerative prices, he gets discouraged from going in for that particular type of crop. If prices fall, then the next year we feel the pinch of shortages and then we have to go in for heavy imports which mean again the prices get hiked up, as it happened over the last two years in case of sugar, and imports had to be made. Therefore, it is a question of taking a balanced view, keeping the consumer and the

producer in the picture so that we do not fall into the shortage trap or the import trap, as has been happening before.

I would like to answer the individual points made by the hon. Members. Shri Viridhi Chander Jain mentioned about prices and farmers not getting remunerative prices. That is exactly because of the reason that we have raised minimum support price. Because the farmer was not getting remunerative prices, we have sought to raise the support price both of paddy, wheat, sugar and also edible oils.

MR. DEPUTY SPEAKER : The main agitation is that the middlemen are playing the role. The farmers are not able to get competitive price. How to rectify it ?

SHRI K.P. SINGH DEO : You are right. I will come to it. As regards sugar, he mentioned we have raised from Rs. 4.40 to 4.80. This is a deliberate and considered decision which has been taken. This is not taken just by a few people sitting together and doing it. This decision has been taken on the advice and the recommendations of the Committee on Agricultural Costs and Prices who have also recommended that the statutory minimum price for sugar should be Rs. 16.50. We have requested the States that they should maintain the prices within Rs. 24/-. There is also the Bureau of Industrial Costs and Prices who do the costing of crushing on the entire operation of sugar recovery from sugar cane. That comes to about 30 paise which Shri Amar Roypradhan was saying that how is it that 30 paise is going there and 10 paise to the millers. It is not going to the millers. That 10 paise is the various DA and taxes and what not. That comes to 10 paise. Otherwise, the Bureau of Industrial Costs and Prices have calculated that it is 30 paise per quintal which is the cost of operation. That is how this 40 paise difference which he has mentioned is also taken into consideration.

By raising the price of sugarcane from Rs. 14 at the moment, to Rs. 16.50, although there will be Rs. 2.50 paise rise for levy sugar, this has been offset by reducing the levy quota from 65% to 55%. In the peak year 1982-83, the sugar production has gone up to about 85 lakh

tonnes. But again, during the year before last, it came down to 59 lakh tonnes. Our requirement is around 80 lakh tonnes and levy requirement is 40 lakh tonnes. On the calculation of 425 grammes per capita per month, it comes to 3,13,000 tonnes per month and in a year it comes to 37 lakh tonnes. Besides defence and festival requirements and other occasions, it comes to about 40 lakh tonnes. In a production of about 60 lakh tonnes, 40 lakh tonnes comes to two-thirds. Therefore, the levy has been kept at 65% to 35%. This year due to certain steps having been taken by Government to improve and encourage the farmers to go in for sugarcane production, there was reduction by 13% in the availability of sugarcane production. There was diversion from sugar to khandsari, gur and other areas. It is expected that the sugarcane as well as sugar production will go up. Therefore, the availability in the free market has been sought to be done at 55 and 45—because 55 per cent levy would meet the levy requirement. And this will give better liquidity to the millers so that they will be able to make prompt and better payment to the farmers. Therefore, a package has been done. Not only for this year, but we have already announced Rs. 17 per quintal for the next year also. Therefore, there is no uncertainty as far as the producer is concerned; he knows what he is going to get next year. As we did in the case of wheat—Today Punjab is having a bumper crop, Haryana is having a bumper crop, Uttar Pradesh is having a bumper crop—we would like to do the same thing for pulses, edible oil and sugar, so that there is easier availability, we do not have to resort to imports, the farmer is encouraged, the producer is encouraged, there is more production, there is more availability in the market. Then the prices will be stabilised. This is also the desire of the hon. Members on both sides of the House.

Shri Viridhi Chander Jain mentioned about vanaspati price having been raised. This has also been a deliberate and determined effort by Government to cut down on imports, to save foreign exchange, to conserve foreign exchange and at the same time to give price support to the farmers. Because yesterday as well as, I am told, this afternoon also there is a discussion;

[Shri K.P. Singh Deo]

in the other House also we had discussed the question of fall in prices of the indigenous edible oil. It is a damper to the farmer for growing crops. This is a vicious circle, and unless we arrest it, we will again fall in the import trap of edible oil. So, this is a deliberate attempt by the Government to see that production goes up, our dependence on foreign countries goes down and the farmer gets remunerative prices. A balance is being kept between the consumer and the producer by supplying commodities through the public distribution system at cheaper rates and by expanding the public distribution system from 2,60,000 units to 3,20,000 units in this Plan. The Finance Minister, on the 19th, has given the entire thing. I would not like to read out the entire statement. There are three or four steps which have been taken to look after the weaker sections of the society, the vulnerable sections of the society, by giving them a concessional price and at the same time expanding and strengthening the public distribution system and even helping the State Governments by subsidising to a tune of about Rs. 45 crores—only in this one year. Therefore, Government is determined to help the farmers and also keep in mind the interests of the consumers and make things available at the prices fixed by the Government by expanding the public distribution system.

One hon. Member has said that most of the fair price shops are in the urban areas. It is not a fact. I will give you the details. At the moment there are 3,20,551 fair price shops throughout the country, out of which 2,50,000 are in the rural areas and only 70,488 are in the urban areas. If my mathematics are correct, I think, the ratio is 4 : 1, four in the rural areas and one in the urban areas. So, it is not a fact that most of the fair price shops are the urban areas. More are in the rural areas, and we are going to increase them further, according to the Finance Minister's statement of 19th; we are going to the remotest part, even where the public distribution system does not exist; there also we help the State Governments to set up a distribution

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system for the weaker sections of the society, tribals, for children, for nursing mothers,

for pregnant mothers and other vulnerable sections of the society.

Sir, now I come to Smt. Kishori Sinha's queries. She wanted to know why wholesale prices have gone up, about high cost of production, about surplus production and high prices. Sir, I have mentioned that it has been a deliberate attempt to help the farmers by raising the support price. Naturally when you raise the support price, it is bound to have an effect on the consumer price and the retail price also.

Shri Zainul Basher mentioned regarding public distribution system, the FCI and the complaint by the UP Government. He is right: In the meeting of the food and Civil Supplies Ministers, which was convened before the session of the Parliament, the representatives from UP did bring to our notice that some money was being asked for by certain people in the FCI godowns. This particularly in Lucknow and Kanpur areas. Whether it is the FCI people asking for it or whether it is the labour which is asking for it—the contract labour or the departmental labour—the CBI and the FCI have been commissioned to enquire into it to take necessary action.

I would also like to tell you that wherever corruption has been found of this nature or of other nature, actions have been taken immediately. More than 76 cases have come to our notice. Steps have been taken against 76 officers to curb malpractice and corruption in the recent past. I can assure the House that no step will be held back or no effort will be spared to sort out and weed out corrupt elements in the FCI or in any other department in the Government.

Shri Zainul Basher also mentioned regarding FCI being a white elephant and the corruption being rampant there. I would just like to mention that FCI seems to be the whipping boy of everyone, for all ills in the country FCI seems to be the culprit or the root cause. It is like giving a dog a bad name and killing it too. If you see the main growing areas, they are Punjab, Haryana and U.P. There the procurement of wheat by the FCI is only 13.3%. In Punjab it is 27.4%. In Haryana it is only 30.2%. In a total production of 148 million tonnes in the country, the FCI

operations are only limited to 29 million tonnes. It comes to about 12 to 13%. It looks as if all the ills in the country, all the corruptions in the country and all the white elephants in the country are attributable to FCI. FCI is giving price support, so that during surplus time farmers get the remunerative prices, during scarcity time because of the buffer operations, people don't suffer from the lack of availability of adequate essential commodities and therefore, both during deficient period and surplus period; FCI has its operation as a market support or availability and reaching specially the weaker sections of the society.

Now, FCI, for the last two years have cut down on the storage and transit losses by Rs. 15 crores last year and a year before last and Rs. 25 crores this year by taking various concerted steps. In a turn over of Rs. 17,200 crores the losses due to transit, storage as well as pilferage or damage has been only Rs. 140 crores. I would like to know which organisation in this country with such a huge turn-over does not have any aberration in its operations or any losses or any corruption. Because this organisation is not present here and we are free to say anything we like, must we condemn an organisation?(Interruptions) I never disturbed you or in interrupted you. I am not yielding. Please sit down....

SHRI ZAINUL BASHER : I may say that it is my right. And I would like to clarify....

MR DEPUTY SPEAKER : Let him finish.

SHRI ZAINUL BASHER : He is looking after FCI. Why should he say like this?

SHRI K.P. SINGH DEO : As an hon. Member I expect my colleague to be objective....

SHRI ZAINUL BASHER : We are very much objective.

SHRI K.P. SINGH DEO : 72000 people will be demoralised if the highest legislature in the country chooses to condemn

them day in and day out without substantiating any of the charges....(Interruptions) This loud noise cannot cow down anybody.

SHRI ZAINUL BASHER : No question of cowing down anybody.

SHRI K.P. SINGH DEO : If you just keep on making wild charges, I am not going to accept them. I deny them.

SHRI S. JAIPAL REDDY : I wish it was discussed under 193.

MR. DEPUTY SPEAKER : That is over.

SHRI ZAINUL BASHER : He is taking up the cause of FCI. He is doing that.

SHRI K.P. SINGH DEO : Shri Amar Roypradhan mentioned about the extraordinary situation arising out of the steep price rise and he also mentioned about some jugglery of figures which I have already answered to him. He also mentioned that sugar is selling between Rs. 8.50 and Rs. 10 and 12. Nowhere is sugar selling at that price. In the other House also....

SHRI AMAR ROYPRADHAN : You please come along with me to the Gole Market.

SHRI K.P. SINGH DEO : I will be too happy.

Sugar in Delhi is selling at around Rs. 7.30 on an average but if it is selling at any place at a higher price, you please let us know. We will make inquiries. It is not selling at Rs. 8.50. It is selling at between Rs. 7.30 and Rs. 7.50. It is because the supply to Delhi comes from UP and there is the octroi duty and all that. So it is a little expensive than at other places.

I think I have answered most of the points. I would like to sum up by saying that the Government is equally concerned, if not more concerned than the hon. Members as far as price rise is concerned. But, at the same time, the Government is also conscious that it must take a balanced view to see that the producer does not

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suffer and if the producer suffers, then production suffers and if production suffers, then we come into the scarcity syndrome and again we will have to import and our vital foreign exchange will have to be spent. So we will have to conserve our foreign exchange and we have to attain self-sufficiency and self-reliance. Therefore, we have to suffer a little while and tighten our belt if we have to attain self-sufficiency. Therefore, in this paradoxical situation we have not lost sight of the weaker sections of the society, the more vulnerable sections of the society. Therefore, the Prime Minister, when he was addressing the National Development Council, made a policy statement that the Government would come out with a scheme for the amelioration of the weaker sections of the society and also for creating the purchasing power which is not available which many hon. Members have referred to, and, therefore, there is no off-take. It is because of that NREP, RLEGP programmes are being augmented to increase the coverage of the vulnerable sections---an additional 100 million or the 50 million people will be covered in 1985 and it will go on till 1987 and these vulnerable sections of society will be given at a cheaper price--wheat at Rs. 1.50 and rice at Rs. 1.85. All these will continue upto 31st March 1986 and by expanding the public distribution system and going into the interior places, we will be focussing our attention to more vulnerable sections of the society.

SHRI ZAINUL BASHER : How will he strengthen the public distribution system ? He is a very efficient Minister.

MR. DEPUTY SPEAKER : He will do it.

SHRI K. P. SINGH DEO : Hon. Mr. Zainul Basher is a very experienced and senior Member of this House. He himself mentioned that it is the State Governments who are in charge of the public distribution system. ...

SHRI ZAINUL BASHER : I have asked that there was a talk of a model PDS....

SHRI K.P. SINGH DEO : Let me finish. Why should you interrupt me in between ?

Therefore, the State Governments have been requested to strengthen the PDS and we are prepared to help them out. They are also enforcing the Essential Commodities Act. Wherever there is unfair trade practice punitive action is taken. All the Chief Ministers have also been addressed to. The Food Ministers have been addressed to. They had also come down to Delhi. Our officers will be going from Monday onwards to various States and especially to States which have a large number of people living below the poverty line and cover the whole of India in phases within next fortnight so that wherever there are any problems or grey areas or weaknesses in the public distribution system and where the State Government needs our help we are prepared to extend a helping hand.

There are some States like Kerala, Tamil Nadu and Andhra Pradesh who have done very well under the public distribution system. We are also helping them with additional stocks of rice and wheat. We are out to help anyone who is improving its public distribution system both in kind, funds and expertise.

MR. DEPUTY SPEAKER : According to the present norm one fair price shop is provided for 1000 people. There are many villages with less than 1000 population. So, three to four villages are clustered together and attached to one fair price shop with the result many people have to walk three to four kilometers to reach the fair price shop. Secondly, many people in the rural areas are not able to have their ration cards even though their names figure in the voters' list. I would like to suggest that instead of 1000 norm you may reduce it to 500 and secondly these who are not able to get the card they should get it. In the voters' list their names are there but they are not able to get the card. You may please plug these loopholes.

SHRI K.P. SINGH DEO : Sir, I am very grateful to you for mentioning this. Today's debate has given us a lot of points. Your State has an efficient public

distribution system. It is the only State where the entire thing is departmentalised. We will look into the drawbacks which you have mentioned and advise the Tamil Nadu Government accordingly. The public distribution system is entirely handled by the State Government and we are willing to help them financially and technically. This is one of the drawback that remote areas are being left out and this is where we are exercising.

13.12 hrs.

Lok Sabha than adjourned for lunch till fifteen minutes past fourteen of the clock.

The Lok Sabha re-assembled after Lunch at Nineteen minutes past Fourteen of the Clock.

[Mr. Deputy-Speaker in the Chair]

[English]

MR. DEPUTY SPEAKER : Now statement to be made by the Minister of Parliamentary Affairs and Tourism. Shri H.K.L. Bhagat is not here. Mr. Ghulam Nabi Azad may please make the Statement.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : Sir, with your permission, I rise to announce that Government Business in this House during the week commencing 25th November, 1985, will consist of :

- (1) Consideration of any item of Government Business carried over from today's Order Paper.
- (2) Discussion on the Third and Fourth Reports of the Commission for Scheduled Castes and Scheduled Tribes.

(3) Consideration and passing of :

- (a) The Delegated Legislation Provisions (Amendment) Bill, 1985 as passed by Rajya Sabha.
 - (b) The Dock Workers (Safety, Health and Welfare) Bill, 1985.
 - (c) The Sales Promotion Employees (Conditions of Service) Amendment Bill, 1985.
- (4) Discussion on the Resolutions seeking disapproval of the Payment of Bonus (Amendment) Ordinance, 1985 and the Payment of Bonus (Second Amendment) Ordinance, 1985 and consideration and passing of the Payment of Bonus (Second Amendment) Bill, 1985.
 - (5) Discussion on the Resolution seeking disapproval of the Aircraft (Amendment) Ordinance, 1985 and consideration and passing of the Aircraft (Amendment) Bill, 1985.
 - (6) Discussion and voting on the Supplementary Demands for Grants (General) for 1985-86.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : I beg to submit that the following matter be included in the next week's Government business.

For quite some time past, people of Orissa have been demanding the creation of a separate coal company comprising of Talcher Coal Mines in the district of Dhenkanal and Ib Valley Coal Mines in the district of Sambalpur which are at present being administered from Ranchi, the headquarters of the Central Coal Fields Ltd. and from Nagpur, the headquarters of the Western Coal Field Ltd. respectively. The coal discovered in Orissa is ideal for generation of power. In fact, the largest quantum of thermal grade coal in the country is available in Talcher and Ib valley coal fields in Orissa. At least 10,000 MW of power can be generated every year by utilising the available coal and that too for long 100 years.