

respect for the lady member.

Shrimati Geeta Mukherjee, please put the question.

(Interruptions)

Spurt In Prices of Essential Commodities

*4. SHRIMATI GEETA MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the spurt in the prices of essential commodities during the last few months;

(b) if so, the month-wise, details of the fluctuation in the prices of essential commodities during the current year; and

(c) the steps proposed to be taken by Government to control the prices?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (c). A statement is given below.

STATEMENT

(a) and (b). The requisite information is given in the annexure below.

(c) The price situation is being given the highest priority by the government and the monitoring mechanism is being strengthened. The steps taken/proposed to be taken to control rise in prices include removing imbalances in the demand and supply of essential commodities, mopping up excess liquidity in the economy and vigorous enforcement of existing laws against hoarding and profiteering.

ANNEXURE

Month-wise percentage variation on Wholesale Price Indices of Selected Commodities

DECEMBER 22, 1989

Commodities	March 1989	April 1989	May 1989	June 1989	July 1989	Aug. 1989	Sep. 1989	Oct. 1989	Nov. 1989
	2	3	4	5	6	7	8	9	10
Rice	1.6	1.0	2.3	1.7	0.6	1.6	0.3	-1.0	-0.5
Wheat	-5.5	-8.6	-7.0	4.3	2.4	0.7	0.6	-1.6	1.1
Jowar	2.6	0.6	4.1	1.9	0.3	3.8	-6.3	-5.4	-3.6
Bajra	-3.4	3.3	2.9	1.3	Steady	1.4	-6.7	-0.5	3.8
Gram	-8.0	-14.0	1.4	7.9	Steady	9.3	7.8	-2.8	-3.8
Arhar	-2.3	3.3	9.7	10.1	0.2	0.9	3.5	-0.3	-6.0
Moong	-3.1	0.1	-0.3	-1.7	-1.5	-1.6	2.6	0.1	Steady
Masur	-6.6	-2.1	1.0	0.9	-1.0	5.4	5.8	-2.6	-0.2
Urad	-2.4	4.6	8.2	5.7	-0.2	2.9	5.1	-4.8	-3.1

Commodities	March 1989	April 1989	May 1989	June 1989	July 1989	Aug. 1989	Sep. 1989	Oct. 1989	Nov. 1989
	2	3	4	5	6	7	8	9	10
Potatoes	6.7	8.0	16.2	27.3	17.4	-0.7	-5.7	-3.7	-14.7
Onions	-10.9	-19.0	-12.0	4.9	11.4	12.1	18.9	21.7	16.5
Milk	-2.4	-0.4	9.2	-3.5	-1.5	-0.3	1.8	-0.9	-0.7
Fish	-2.6	-6.6	7.2	2.0	10.1	2.5	-1.0	-4.9	-2.3
Mutton	0.7	0.3	1.3	0.5	-0.1	0.7	0.9	-0.1	0.1
Chillies	2.7	-7.1	7.3	-6.5	-0.1	-2.1	-2.1	-5.9	-11.5
Tea	8.5	-4.2	12.7	3.9	4.4	7.7	23.5	3.7	-14.0
Coking Coal	No change								
Coke	No change								
Kerosene	No change								
Atta	2.7	-2.0	-8.1	4.3	3.4	5.1	2.6	-1.5	0.9

Commodities	March 1989	April 1989	May 1989	June 1989	July 1989	Aug. 1989	Sep. 1989	Oct. 1989	Nov. 1989
	2	3	4	5	6	7	8	9	10
Sugar	1.3	1.9	3.7	-0.2	3.8	5.1	3.7	-4.7	-0.3
Gur	11.8	11.9	10.3	3.2	6.3	9.8	4.1	-4.9	-11.6
Vanaspati	-0.5	4.5	3.3	-1.4	-0.8	3.3	4.0	0.3	-0.8
Gingelly Oil	4.7	8.6	4.3	-1.9	-0.1	4.1	3.6	-4.8	-1.0
Mustard Oil	-5.7	-1.7	1.6	-3.4	-0.7	12.1	7.0	-3.7	0.7
Groundnut Oil	-0.7	8.1	5.7	1.6	1.8	5.2	7.7	-1.6	-0.7
Coconut Oil	-10.6	-5.1	-1.5	-0.9	-4.4	-0.2	0.5	-0.5	0.4
Cotton Coloth (Mills)	0.1	4.9	0.2	1.5	-0.2	1.8	2.1	-1.4	1.6
Laundry Soap	Steady	Steady	Steady	Steady	Steady	Steady	1.6	-1.4	1.6

SHRIMATI GEETA MUKHERJEE: As luck would have it, my first question in this Session is addressed to revered Finance Minister Shri Madhu Dandavate whose esteemed wife Mrs. Dandavate and I and many others here, have participated in the movement for bringing down the prices of essential commodities. Therefore, naturally the reply will have to be such that we can tell those people to be happy and I believe his wife and people like me and many others' wives here feel happy. I could understand that enough time has not yet passed for answering this question in detail. Even then, I would like to remind this to the hon. Minister. The measures that have been cited here are removing imbalances in the demand and supply of essential commodities, mopping up excess liquidity in the economy and vigorous enforcement of existing laws against hoarding and profiteering. What concrete steps are being taken in this regard? There is the annexure to the main reply and I am not going to deal with it. Had I dealt with this Annexure, he would have understood that this is nothing. The whole-sale price indices of certain commodities are very high. To curb this, what concrete steps are being contemplated? I want to know within what period of time it will be done so that we can tell something to the people that the Government is taking some measures in this regard.

PROF. MADHU DANAVATE: Mr. Speaker, Sir, I am very glad that the very first question that is addressed to me is a question which is the highest priority of the new Government i.e. rise in prices. She has asked me to place before the House the correct position. But I can swear by the Gita that I will tell the truth to the House... (*Interruptions*)

Sir, I have already presented a chart which gives the regular position of the increase in prices of the commodities. In addition to that, I have with me fortunately the latest position as on 20th December 1989. I am happy to say that the trend of lowering of prices, which has started, will continue and all the figures regarding important commodities like Sugar, Gur, Rice, Tea

etc. indicate that there is a downward trend... (*Interruptions*)

SOME HON. MEMBERS: Oil also...

PROF. MADHU DANAVATE: Sir, I am only illustrating. The list is not exhaustive. Everything they say, I am not referring to. I am just trying to tell the House that already there is a down-ward-trend and if these prices are to be controlled, within a few months we will be able to control them. We are taking concrete steps. It is very necessary that the supply and demand management is to be streamlined. We are taking necessary steps. It is necessary that the Public Distribution System has to be streamlined and that is to be rationalised. We have already started the process. It is very necessary that the wholesale dealers, who are trying to resort to hoarding, must be forced to release the stocks so that the consumers will be able to have the proper access to all those commodities. The moment we gave the threat on the very first day of our Government assuming office that we shall not tolerate hoarding and the stocks will have to be released, you will appreciate that as far as commodities like sugar are concerned, lot of stocks were released and actually the prices have started coming down. There is also one more long-term measure which is very important.

Sir, all the economists have clearly accepted the fact that the parallel black money economy is largely responsible for the inflationary pressure of the economy. Inflation creates shortages, shortages generate black money, black money in turn also increases inflation. Therefore, it will be the endeavour of my Government to try various methods by which we will be able to control the black money. I will not spell out the details because the very person who are to be dealt with will know of the steps that we are like to take and within that period, they will try to circumvent it. More than that, certain long-term measures will become the part and parcel of our packages on Vote-on-Account and the Budget and I do not want to indulge in leakage of the Budget and become another Dalton who had to resign for leaking

the Budget. These are the concrete steps... (*Interruptions*) I referred to all of them. I wish to make it very clear that as far as certain agricultural commodities are concerned, when we find that due to extraneous factors the prices have gone up, there are only two measures: one is to have the proper demand and supply machinery and secondly whenever it is necessary in respect of certain sensitive commodities, when import becomes a must, although we will not resort to indiscriminate imports, we will try to have import in selective commodities so that we will be able to control the prices of the commodities. We are confident that we will be able to fulfil that exercise. Only one more thing, I would like to mention. When we try to have the selective imports of certain commodities, they will be selective in terms of the commodities and they will be selective at the point of time we import. We will try to import, if necessary, at the time when the international prices of commodities are the lowest and not when they are maximum as it was done by the previous Government.

SHRIMATI GEETA MUKHERJEE: While wishing success to the future measures, may I ask whether the question of extending the public distribution system in rural areas at length is being contemplated?

PROF. MADHU DANAVATE: One of the biggest complaints of the rural population has been that there has been a discrimination between the rural population and the urban population. The constant endeavour of my Government will be to see that the disparities between the rural and urban population is removed and the rural population is given the necessary advantage.

SHRI JANARDHANA POOJARY: I am really glad that the bitter critic of the Finance Ministry particularly has become the Finance Minister of the Government of India today. Now here, may I ask the hon. Finance Minister, in view of the spurt in prices whether he is going to bring an amendment to the Essential Commodities Act to curb the hoarding and also to have deterrent punishment?

Secondly, I would like to know whether

he is going to demonetise Rs. 500 to Rs. 100 and whether he is going to curtail the money supply through the hoarders and also the blackmarketers.

PROF. MADHU DANAVATE: I would like to assure the former Finance Minister that apart from considering and re-examining whether the Essential Commodities Act has to be re-examined or amended, whatever powers are available under the existing laws and which had remained unused, we will first try to utilise and harness the powers which are there.

As regards the second point that has been raised, I am rather shocked and surprised that the former Finance Minister is asking me to declare on the Floor of the House months before the presentation of the Budget whether I will be resorting to demonetisation. If you announce that in advance, that will destroy the very psychological use of that. Therefore, I am not going to get into the trap. I do not know whether that is a clever move on the part of the previous Finance Minister to make me leak out the details and extract my resignation from the Finance Ministry.

[*Translation*]

SHRIMATI JAYAWANTINAVINCHANDRA MEHTA: Mr. Speaker, Sir, Ever since the hon. Minister of Finance assumed office, the prices of some essential commodities have started showing a downward trend. I would like to congratulate him for this. Shrimati Geeta Mukherjee has sought to know specifically as to whether the prices of pulses will come down or not? What will be the approach of the Government towards the price of pulses and what effort it would make to bring down their prices? I would also like the hon. Minister of Finance to state the reasons as to why the prices of tea and sugar had shot up at the end of September 1989. Besides, I would like to point out that medicine is also one of the essential items of life. I would like to know the steps proposed to be taken by the Government to contain the prices of medicines which registered an upward trend in the recent past. I would like

to remind the hon. Minister that at the time when the Janata Party was in power at the centre. Palmolin oil was imported at the rate of Rs. 6.50 per kg. and sold at Rs. 8.25 to the people. Now the palmolin oil is selling at Rs. 16 per kilogram. Will the hon. Minister please let me know if there are any possibilities of reducing the price of this oil? The objective behind my putting this question is to know the reasons for increase in prices of medicines, edible oils, sugar and tea at the end of September.

PROF. MADHU DANDAVATE: To some extent, I have given the reply to the question. But I would like to give a detailed reply. While dealing with the first question, I would like to submit that the production of sugar is reported to have fallen short of the target which prompted the Government at that time to resort to import. After taking a decision in this regard, import of sugar was made at a time when the price of sugar had risen in the international market.

As regards the Kuo Oil Deal. I would like to point out that when the former Government felt the need for importing this oil, it was imported from Singapore. Instead of striking a deal when the prices were low, they executed the deal at the highest rate. We will not commit such a mistake.

I would like to tell my hon. colleague that there could be two ways to bring down the prices of the commodities she has pointed out in her question. Firstly every effort needs to be made to give more incentives to producers and discourage import. Secondly, if the prices of these commodities do not come down because of fall in production, the Government will have to resort to import. You may recall that when Janta Party was in power in 1977, a number of States availed of the facility of rapeseed oil which was imported and distributed at a time when the prices of edible oils were not coming down. It was the Government of West Bengal which availed maximum benefits. They pasted posters in the country side telling the people not to purchase oil from the hoarders when the Government had large stocks of edible

oil available at cheaper rate. We are also thinking on these lines. I may also tell that it may not be proper to give complete details. We have mooted plans to check the rising trend in prices of tea consequent to fall in production. At a point of time the price of tea had gone up to Rs. 70 per kilogram, but now it has come down to Rs. 42 per kilogram. Similarly, I would like to assure this august House that the Government will strive for regulating the prices of commodities mentioned by the hon. Member.

AN HON. MEMBER: What are the reasons for price rise? This needs to be explained so that the people who speak on this issue may not rouse it time and again.

MR. SPEAKER: Shri Kundu.

SHRI JAI PRAKASH AGARWAL: Mr. Speaker, Sir, most of the time, the hon. Members sitting on that side get your attention. I urge you to pay attention to this side also especially to Delhiites.

[English]

SHRI SAMARENDRA KUNDU: Mr. Speaker Sir, I would like to compliment you, the new Government and particularly Prof. Madhu Dandavate for trying hard within one week to show a positive result. Millions of people were affected and tortured during the black days of the Congress(I) regime.

The point is, as Prof. Madhu Dandavate said, regarding sugar, certain reasons abetted the shooting up of its price. I feel everybody should know them so that this sort of ugly phenomenon is not repeated. There should be an enquiry as to why the price of sugar shot up from Rs. 8/- to Rs. 15/- a kilo and whether there was a *hera-pheri* of Rs. 300 crores, that is money passed through some of the dealers, some agents and the people who were also ruling at that time. It would be in the interest of the nation and also the people to, at least know this. (*Interruptions*)

SEVERAL HON. MEMBERS: What is

the question?

SHRI SAMARENDRA KUNDU: The question is whether Prof. Madhu Dandavate, hon. Finance Minister will constitute an inquiry to find out why the prices of sugar shot up from Rs. 8/- per kg. to Rs. 15/- per kg. and whether there was *hera pheri* of Rs. 300 crores in it and whether the palms of the people in the then ruling party, that agents and other people were greased? (*Interruptions*)*

MR. SPEAKER: I have not permitted anyone except Prof. Madhu Dandavate.

(*Interruptions*)*

PROF. MADHU DANDAVATE: Sir, I would like to assure the House that in giving reply, I would not like to induct politics into this question. But, at the same time, considering the economic aspect of the problem, I would like to assure my friend, Shri Kundu; he has asked whether I would examine the proposition of setting up a Committee to inquire into the factor that was responsible for the rise in prices. I would like to tell him that the Finance Ministry feels that there is no need for the Committee; we are already in the know of the things about the mal-practices that have taken place. We are already conscious of the aberrations in the policies and what corrections have to be done. (*Interruptions*)

SHRI Y.S. RAJASEKHAR REDDY: Have you taken action? (*Interruptions*)

PROF. MADHU DANDAVATE: Yes. I welcome the suggestion that has come from the opposition that we should take action. We will take firm action against those who

are responsible for the mal-practices and will solve the problem.

MR. SPEAKER: Next Question.

Vacancies of Judges In Supreme Court and High Courts

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*5. SHRI V. SREENIVASA PRASAD:
SHRI M.V. CHANDRASEKHARA MURTHY:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the number of vacancies of judges in various High Courts and Supreme Court;

(b) the details thereof for each High Court and Supreme Court as on 30 November, 1989; and

(c) the steps contemplated by Government to fill these posts?

THE MINISTER OF STEEL AND MINES AND MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) and (b). A statement showing the vacancies of Judges in various High Courts and the Supreme Court as on 30th November, 1989 is given below.

(c) Selection of Judges involves deliberations in consultation with the concerned constitutional authorities and is a continuous process. Government are making all possible efforts to ensure the delay that occurs in filling up the vacancies of judges at various levels is reduced to the minimum.

STATEMENT

Vacancies in Various High Courts as on 30-11-1989

I	S.No.	High Court	Number of Vacancies
	1.	Allahabad	11
	2.	Andhra Pradesh	8

*Not recorded.