

## LOK SABHA DEBATES

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### LOK SABHA

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*Tuesday, February 22, 1994, -  
Phalguna 3, 1915 (Saka)*

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*The Lok Sabha met at Eleven of the  
Clock*

[MR. SPEAKER *in the Chair*]

WELCOME TO THAI  
PARLIAMENTARY DELEGATION

[*English*]

MR. SPEAKER: Hon. Members, at the outset, I have to make an announcement.

On my behalf and on behalf of the hon. Members of the House, I have great pleasure in welcoming His Excellency Prof. Marut Bunnag, Speaker of the House of Representatives, President of the National Assembly of Thailand and Members of the Thai Parliamentary Delegation who are on a visit to India as our honoured guests.

Other hon. Members of the Delegation are:

1. Pol. Lt. Chaowar in Latthasaksiri, Member of the House of Representatives

2. Mr. Pinich Chantharsomboon, Member of the House of Representatives
3. Pol. Lt. Col. Somchai Phesprasert, Member of the House of Representatives

The Delegation arrived Delhi on Sunday, 20 February, 1994 evening. They are now seated in the Special Box. We wish them a happy and fruitful stay in our country. Through them we convey our greetings and best wishes to His Majesty the King, National Assembly, Government and the friendly people of the Kingdom of Thailand.

11.03 hrs

ORAL ANSWERS TO QUESTIONS

[*Translation*]

### Price Hike

- \*1. DR. RAMESH CHAND TOMER:  
SHRIMATI DIPIKA H.  
TOPIWALA :

Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there has been a steep hike in the prices of food-items like wheat, pulses, rice, sugar, gram, edible oils and other essential commodities recently;

(b) if so, the details, thereof, item - wise;

(c) the reasons therefor;

(d) the number of times the Government have increased the prices of these items during the last two years;

(e) whether the Union Government have constituted a Committee to chalk out a scheme to stabilise the prices; and

(f) if so, the success achieved by the committee in its objective?

[English]

THE MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI A.K. ANTONY) (a) to (f). A statement is laid on the Table of the House.

#### STATEMENT

(a) and (b). The details of percentage variation in the wholesale prices of the food items like wheat, pulses, rice, sugar, gram, edible oils, etc. are given in the Annexure.

(c) There have been various reasons for variations in the prices of these commodities during last several months. The existing gap between demand and supply of pulses remains unchanged. Regarding edible oils the slight increase in price has been due to failure of monsoon in some of the producing

areas. The price rise in respect of sugar has been due to increase in the overall consumption of sugar in the country and the estimated decline in the production of sugar during the year 1993-94 and also because of the increased sugar cane price. The price variation in respect of vegetables particularly in respect of onions and potatoes was temporary due to damage to the crop in the producing areas. The price rise in respect of gram has been due to limited production of gram and also its reduced import. The PDS prices of wheat and rice have been increased recently, but the wholesale prices of these items remain more or less steady. At present the availability of all these commodities is satisfactory throughout the country.

(d) The central issue prices of wheat, rice and sugar have been raised twice during the last two years.

(e) and (f). An Inter - ministerial Coordination Committee for Monitoring Prices, Availability and Forecasting of shortage etc. essential commodities has been constituted in the Ministry of Civil Supplies, Consumer Affairs and Public Distribution on 18.1.1994. The Committee *inter alia* would review the prices of essential commodities, their availability and would suggest the schemes for stabilising their prices. The Committee has held two meetings so far and the State Governments have been requested to take necessary steps against hoarders, blackmarketeers and those indulging in unfair trade practices so as to keep the prices under control.

## ANNEXURE

Percentage Variation in the Wholesale Price Indices of Selected Essential Commodities During the Month of January, 1994 over Different Periods

Sub-Group/ Commodity	Percentage Variation			
	Over 1 month Jan. 94 Dec. 93	Over 3 months Jan. 94 Oct. 93	Over 6 months Jan. 94 Jul. 93	Over 1 year Jan. 94 Jan. 93
<b>All Commodities</b>	+ 0.2	- 0.6	+ 3.1	+ 8.2
Rice	- 2.2	- 4.8	+ 0.4	+ 7.3
Wheat	+ 1.1	+ 1.7	+ 7.5	+ 10.6
<b>Pulses</b>	+ 3.2	+ 9.4	+ 29.6	+ 36.2
Gram	+ 2.3	+ 13.2	+ 60.2	+ 65.9
Arhar	+ 3.4	+ 2.9	+ 20.0	+ 20.1
<b>Vegetables</b>	- 17.3	- 24.2	- 9.7	+ 39.3
Potatoes	- 28.3	- 33.8	- 22.3	+ 59.2
Onions	- 11.9	+ 29.8	+ 198.5	+ 124.2
<b>Tea</b>	+ 3.6	+ 8.9	+ 2.3	+ 5.9
<b>Sugar Khandsari and Gur</b>	+ 0.3	- 7.1	- 3.3	+ 28.3

Sub-Group/ Commodity	Percentage Variation			
	Over 1 month Jan. 94 Dec. 93	Over 3 months Jan. 94 Oct. 93	Over 6 months Jan. 94 Jul. 93	Over 1 year Jan. 94 Jan. 93
Sugar	+2.4	+5.6	+7.9	+22.1
Salt	-1.5	-1.9	+1.0	+9.8
<b>Edible Oil</b>	-2.2	-5.0	+1.7	+0.3
Vanaspati	-1.4	-4.6	+2.6	-6.4
Mustard Oil	+0.3	+0.9	+5.3	+7.5
Groundnut Oil	-5.2	-13.7	+8.7	+10.5

[*Translation*]

**DR. RAMESH CHAND TOMER:** Mr. Speaker, Sir, the reply of the hon. Minister and the reasons given by him for rise in the prices of food items are not correct. The hon. Minister has mentioned lower production and excess demand to be the causes of increase in prices. From this, it appears that truth has been concealed and the hon. Minister has no guts to admit facts. The weaker sections of the society were being supplied wheat, rice, sugar and LPG at stabilised rates through PDS. However, both the IMF and the World Bank are against giving subsidies. I would like to know whether it is not a fact that the hon. Minister raised the prices of the food items under pressure from the World Bank and the IMF before the presentation of the Budget.

[*English*]

**SHRI A.K. ANTONY :** Mr. Speaker, Sir, the hon. Member's statement regarding my answer is not correct. In my answer, I have said that production has come down only of two commodities, that is, gram and sugar. About other commodities I did not say that the production has come down.

[*Translation*]

**DR. RAMESH CHAND TOMER :** Mr. Minister, you have explained everything in your reply only after going through the reply I have made the above said submissions.

**SHRI A.K. ANTONY:** Please go through the answer. Only gram and sugar is written here, not other commodities. Actually, regarding almost all other commodities, now

the production has gone up. That is the fact. (*Interruption*)

Regarding onion and potato, last year there was fall in the production centres of Poona, Nasik, Haryana and Punjab. But now the things have improved. This season again the production of onion has improved. Even in Delhi markets, three months back the onion price was Rs. 12 per kg. Now it is ranging between Rs. 4 and 6. Potato price has also come down. From Rs. 8 to Rs. 10 per kg., it has come down to Rs. 3 to Rs. 3.50 per kg. I am sure, within a few weeks, the prices of onion and potato will fall down further. Only with regard to gram and sugar, there is fall in production.

[*Translation*]

**DR. RAMESH CHAND TOMER:** Mr. Speaker, Sir, is the hon. Minister not aware of the fact that former Chairman of Rajya Sabha and former Speaker of Lok Sabha held the view that pre-Budget revision of prices is improper? Is the Government bent upon following improper path?

**MR. SPEAKER :** Shrimati Dipika H. Topiwala.

**DR. RAMESH CHAND TOMER :** Mr. Speaker, Sir, please ask the hon. Minister to answer my question.

**MR. SPEAKER :** Shri Sharad Dighe.

[*English*]

**SHRI SHARAD DIGHE:** Mr. Speaker, Sir, in answer to part (a) and (f) of the question, it has been stated that an Inter-Ministerial Committee for monitoring prices etc. has been constituted in the Ministry of Civil Supplies. In the last sentence, it has been said that the Committee has held two

meetings so far and they have requested the State Governments to take necessary steps against hoarders and blackmarketeers. I would like to know that apart from taking these steps against hoarders and blackmarketeers indulging in unfair trade practices, has the committee suggested any other way to monitor the prices?

**SHRI A.K.ANTONY:** Sir, this Inter-Ministerial Committee has been set up only last month. This Committee, after a careful review, has come to the conclusion that even though the wholesale prices of most of the commodities are, more or less, steady, except those of gram and sugar, the retail prices are not reflecting the same steadiness. That is why the Committee feels that there is a possibility of the retailers indulging in hoarding and that is why they have decided to convey this assessment to the Chief Secretaries of the State Governments requesting them to take stringent action against those sections of the traders who are indulging in hoarding and black-marketing of these commodities.

Apart from that, regarding gram, even though the international availability of gram also is very difficult, we can now import gram from wherever it is possible. Of late NAFED have been able to import dumeas from Australia. Last year we were trying to get gram and other pulses from outside also. Regarding almost all the other commodities, the wholesale prices are steady; the supply position also is steady. Still there is some distortion in the retail prices. That is why we are asking the State Governments to be alert on the price front.

*[Translation]*

**SHRI SHARAD YADAV:** Mr. Speaker, Sir, subsidy on food items is being given on

sales through PDS. At the same time, the World wide comprehensive debate on Dunkel proposals is also going on. The Government has decided to sign GATT Agreement and bring changes in its policies. Therefore, I would like to know from the hon. Minister whether the Government has decided to identify a creamy layer and slowly deprive it of benefits of the PDS and thereby collapse the system. Further, I would also like to know whether the revision of prices has been undertaken under these very policies so that even before the formal sign of the GATT Agreement, the Government could show that it has already acted upon the agreement in advance. I believe this revision has been done in anticipation of the intended changes and programmes, so that nothing is left for action subsequently. I urge the hon. Minister to clarify these points.

*[English]*

**SHRI A.K.ANTONY:** There is no question of weakening the PDS. I think the hon. Member might have read the President's speech yesterday. In his speech the President has categorically stated that the policy of the Government is to try to expand the PDS especially in the RPDS areas to help the rural poor. That is the policy. There is no question of wakening the PDS. There is no question of dismantling the PDS. Actually the subsidy part is increasing every year. In 1983-84 the subsidy was only Rs.835 crore. When this Government took over, the subsidy was Rs.2,450 crore. This year we have already spent Rs.3,650 crore by way of subsidy and still we feel that the subsidy may shoot up. So the issue price was raised not to reduce the subsidy. The subsidy is shooting up. We are compelled to raise the issue price because in the last two years we have increased support price to the help the farmers. All of us in this House were unanimous in all the sessions in saying

that we must help our farmers. When you are all demanding for steep increase of support price, what the Government can do? We cannot have double talk.

This year we have increased the support price of wheat by Rs.55 and we have increased the support price of paddy by Rs.40 to 60. We have also increased the support price of sugarcane, which was the highest. Still, Members of almost all the parties are demanding further increase of sugarcane prices. So, what can we do? On the one hand all of us are demanding for increase of support price. On the other hand you are telling not to increase the issue price. It will not be possible.

Government has increased the issue price to meet the amount which the Government has given to the farmers only. All the other incidental costs interest cost, storage facilities, storage cost, transportation cost are still met by the Government by way of food subsidy. Hon.Member may please understand this fact.

SHRI P.C.CHACKO : Sir, unlike in the past, even after marginal revision of the administered prices, the open market prices have not gone up considerably. Is it due to the fact that the free movement of wheat and rice is permitted? What are the steps taken by the Government in lifting the restrictions on the free movement of wheat and rice and what is the impact of this on the price front?

SHRI A.K.ANTONY : Mr.Speaker, Sir, the hon.Member has pointed out a very important thing. In the past when we used to give very marginal and insignificant rise of support price, our peasants were not in a good position. So, we were compelled to import wheat and rice under PL 480 and various other heads. Let us look at the scenario now. When we have encouraged

our farmers, now our granaries are full. For the first time in the history of India 22 million tonnes of foodgrains are in the FCI godowns. That is why, apart from the PDS, now we are able to sell wheat and rice in the open market and by the policy of open market sale, the Government is able to contain the price in the open market also. So, even after the increase of CIP, the open market price of wheat and rice is almost steady because the granaries are full and nobody can, now do black marketing. That is the plus point of the present policy of the Government. Apart from that, the Government has taken another policy decision to allow free movement of foodgrains all over India. In the President's Address also, it has been stated that we are going to request to all the State Governments to remove all the Restrictions on free movement of foodgrains. It will also stabilise and contain the price rise. That is the hope of the Government.

### **Indian Institute of Technology**

\*2. SHRI RAJNATH SONKAR SHASTRI: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether attention of the Government has been drawn to the newsitem captioned "It's need an overhaul" appearing in the 'Hindustan Times' dated February 4, 1994;

(b) if so, whether all the five Indian Institute of Technology are providing technological infrastructure to the Indian Industries by optimum utilisation of the funds provided to it by the Government for carrying out Research and Development facilities;

(c) if not, the reasons therefor; and

(d) the steps taken or proposed to be taken by the Government to create more