

LOK SABHA

Thursday, September 10, 1964/  
Bhadra 19, 1886 (Saka).

The Lok Sabha met at Eleven of the  
Clock

[MR. SPEAKER IN THE CHAIR].

ORAL ANSWERS TO QUESTIONS

Prices of Essential Commodities  
other than Foodgrains

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Shri S. M. Banerjee:  
Dr. L. M. Singhvi:  
Shri Prakash Vir Shastri:  
Shri Jagdev Singh  
Siddhanti:  
Shri R. G. Dubey:  
Shri Yashpal Singh:  
Shri Rameshwar Tantia:  
Shri Bishanchander Seth:  
Shri Dhaon:  
Shri B. P. Yadava:  
Shri Vishram Prasad:  
Shri D. C. Sharma:  
Shri P. C. Borooah:  
Shri P. R. Chakraverti:  
Shri P. shwanath Roy:  
Shri Bal Krishna Singh:  
Shri Sideshwar Prasad:  
Shri A. S. Saigal:  
\*91. Shri Harish Chandra Mathur:  
Shri K. N. Tiwary:  
Shri Balmiki:  
Shri J. P. Jyotishi:  
Shri Onkar Lal Berwa:  
Shri P. K. Deo:  
Shri S. N. Chaturvedi:  
Shri Narasimha Reddy:  
Shrimati Savitri Nigam:  
Shri Vishwa Nath Pandey:  
Shri Bade:  
Shri Hem Raj:  
Shri Basappa:  
Shri Jashvant Mehta:

Shri E. Madhusudan Rao:  
Shri H. C. Soy:  
Shri K. C. Pant:  
Shrimati Ramdulari Sinha:

Will the Minister of Finance be  
pleased to state:

(a) the extent to which the prices  
of essential commodities other than  
foodgrains have shown an upward  
trend;

(b) the main causes of this upward  
trend;

(c) the steps taken during the last  
three months to stabilise prices; and

(d) whether any comprehensive  
policy regarding prices and an insti-  
tutional machinery to implement such  
policy is being devised and, if so,  
the broad outlines thereof?

The Minister of Planning (Shri  
B. R. Bhagat): (a) to (d). A state-  
ment giving this information is laid  
on the Table of the House.

STATEMENT

(a) There has been a rather sharp  
increase in the prices of edible oils,  
in particular groundnut, gingelly and  
mustard oil prices of which have gone  
up by between 30 to 52 per cent over  
the last year. Government made an  
upward revision on an average by  
about 5 per cent in sugar prices in  
May 1964. Prices of gur and tea have  
declined over the year. Among manu-  
factured articles, prices of woollen  
goods show an increase of 8 per cent.  
Mill cloth prices have been relatively  
stable, the increase over the year  
being less than 2 per cent. Prices of  
handloom cloth, silk and rayon tex-  
tiles have declined by more than 2  
per cent over the year; prices of alu-  
minium utensils have also declined

and those of drugs and medicines have been maintained at the April, 1963 level.

(b) The rise in prices of certain essential articles has been mainly due to inadequate output in relation to demand.

(c) As regards edible oils, Government banned forward trading in 14 items of oil seeds, oils and oil cakes on 2nd June, 1964; since July 11, export of edible oils has been stopped. Earlier Reserve Bank imposed controls over credit against the security of vegetable oils including vanaspati. The voluntary scheme of regulation of mill cloth prices has been continued. The prices of drugs and medicines have been fixed at levels prevailing in April 1963 under the Defence of India Rules. As a measure of restraint on demand, Government has decided to effect a cut of Rs. 75 crores in expenditure during the current year.

(d) Government's policy is to take suitable measures to curb the rise in prices of essential commodities. Some of the measures taken towards this end have been indicated in the answer to part (c) of this Question. In addition to the Ministries in charge of particular commodities, there are various inter-Ministerial bodies which keep a watch over the developments affecting prices and recommend necessary action.

**Shri S. M. Banerjee:** Is it a fact that the main causes for the rise in prices are deficit financing and circulation of 'black' money? If so, what steps Government contemplate to reduce deficit financing and recover the 'black' money which is in circulation to the tune of Rs. 500 crores?

**Shri B. R. Bhagat:** That is not the main cause. That may be one of the contributing causes. There is another question on unaccounted money, and matters of detail can be dealt with there.

**Mr. Speaker:** If it is one of the contributing causes, an answer may be given as to what steps Government are taking to remove its effect.

**Shri B. R. Bhagat:** So far as deficit financing is concerned, already efforts are being made to cut down expenditure to the maximum extent. The Finance Minister has announced a cut of Rs. 70—75 crores in this year's expenditure in the Central Government. Also State Governments are being requested to effect as much economies as possible.

**Shri S. M. Banerjee:** He has not replied to my question about the steps taken to recover 'black' money to the tune of Rs. 500 crores.

**Mr. Speaker:** Why say Rs. 500 crores? How is he sure?

**Shri S. M. Banerjee:** It came out in certain newspapers.

**Shri Hanumanthaya:** Rs. 3,000 crores.

**Mr. Speaker:** He may put another question.

**Shri S. M. Banerjee:** Is circulation of 'black' money one of the causes of high prices and what steps Government contemplate to have this 'black' money recovered and put those who are holding the country to ransom in this way in prison.

**Mr. Speaker:** He presumes, suggests, comes to conclusions and draws inferences.

**Shri S. M. Banerjee:** He might say about steps to recover that money.

**Shri B. R. Bhagat:** The question of 'black' money is a very difficult one. Firstly, the amount available is not definitely known. Secondly, the extent to which it is playing a role in the distributive trade like foodgrains and other things is also not very much known. More than that is the question of the form in which it may be available. If it is in currency, by taking some action you can seal it. But if it is in bullion or in urban properties or many other things, it does not fit into a single solution. Government's mind is exercised over this question. We are examining the manner in which this evil can be dealt with.

श्री यशपाल सिंह : क्या कैपिटल इंटेंसिव इनवेस्टमेंट के कारण यह दिक्कत खड़ी हुई है ? यदि हां, तो क्या सरकार ने गांधी जी द्वारा बताए गए कुटीर उद्योगों की ओर ध्यान दिया है जिन से यह दिक्कत दूर हो सके ?

श्री ब० रा० भगत : यह दिक्कत तो मेह छ्याल में इस कारण है कि जल्दी चीजों के उत्पादन में जितनी वृद्धि होनी चाहिये उतनी नहीं हुई है । अगर इन के उत्पादन में वृद्धि होगी तो जो कैपिटल इंटेंसिव प्रोजेक्ट्स हैं उन की वजह से भी दिक्कत नहीं हो सकती ।

**Dr. Ranen Sen:** The Planning Commission proposed some time back that an organisation be set up to keep control of prices. What has happened to that proposal?

**Shri B. E. Bhagat:** There are various organisations, inter-departmental committees and others, that are working and trying to suggest steps to tackle the various facets of the problem. So, there is not only one organisation, but there are several organisations of the Government functioning to deal with it.

**Shri Bishwanath Roy:** In view of the fact that at the time of purchase of the raw materials, the rate of the commodity was quite reasonable or low, may I know why Government has been showing indifference in curbing the price of manufactured goods and the commodities sold by the traders?

**Shri B. E. Bhagat:** Wherever the prices of manufactured goods have gone up, efforts are being made to bring them down. So, it is not true that the Government is only tackling the prices of raw materials and not that of manufactured goods. By tactics to discourage speculators from going up very high, also the cost of manufacture is brought down.

श्री सिद्धेश्वर प्रसाद : क्या यह बात सही है कि पिछले अनेक वर्षों में अनुत्पादक कार्यों पर अधिक खर्च किया गया और उत्पादक

कार्यों पर कम, इस वजह से कीमतें बढ़ गयी हैं ? यदि हां, तो क्या इस बात पर विचार किया जा रहा है कि प्रागे उत्पादक कार्यों पर अधिक खर्च किया जाए और अनुत्पादक कार्यों पर कम ?

श्री ब० रा० भगत : ऐसी बात नहीं है, हर कोशिश की जाती है कि अनुत्पादक कार्यों पर कम खर्च किया जाए, मगर जैसे जैसे उत्पादक कार्य, जैसे प्रोजेक्ट्स प्रादि, बढ़ते हैं वैसे वैसे अनुत्पादक कार्यों पर भी कुछ वृद्धि होती रहती है ।

**Shri P. E. Chakraverti:** May I know whether the Reserve Bank has taken steps to discourage speculators from diverting financial accommodation from the normal channels of business to hoarding stocks of grain for profit?

**Shri B. E. Bhagat:** The Reserve Bank is trying to do all that is possible within its power to control credit trying to prevent diversion of credit from productive channels to speculative and other channels by establishing suitable higher margins in respect of trade in which the prices are going up. All these selective measures are being taken constantly by the Reserve Bank.

डा० राम मनोहर लोहिया : क्या माननीय मंत्री महोदय मोटे रूप से बतलायेंगे कि आवश्यक वस्तुओं के दाम में (1) लागत होने समेत, (2) कर और (3) मुनाफा (4) फिजूल, इन विभिन्न हिस्सों का कितना प्रीसत है ?

अध्यक्ष महोदय : यह सप्लीमेंटरी में नहीं धा सकता ।

डा० राम मनोहर लोहिया : यह मैं ने इसलिये कहा . . . .

अध्यक्ष महोदय : यह तो प्राप ठीक कहने हैं ।

डा० राम मनोहर लोहिया : गम्बर 2, 3 और 4 का जबाब देना प्रत्यक्ष

जब तक कि मेरे सवाल का जवाब मंत्री जी के पास न हो ।

**अध्यक्ष महोदय :** लेकिन मैं कहता हूँ कि आप के सवाल का जवाब एक सप्लीमेंटरी में नहीं आ सकता । यह बहुत लम्बा है, मैं कहूँगा कि वह इस पर एक स्टेटमेंट दे दें ।

**श्री श्रींकार लाल बेरबा :** क्या यह सही है कि सरकार जो कंट्रोल लागू करती जा रही है उन के कारण और संकटकालीन स्थिति के कारण खाद्यान्न और उस के प्रलावा अन्य प्रावश्यक चीजों के दाम बढ़ते जा रहे हैं ?

**श्री ब० रा० भगत :** कंट्रोल लगाने से नहीं मगर कंट्रोल को ठीक से चालू करने में जो दिक्कत होती है उस से कभी कभी भाव बढ़ते हैं ।

**श्री हुकम चन्द कछवाय :** क्या यह बात सही है कि केन्द्रीय सरकार ने जो 519 करोड़ के टैक्स लगाए हैं उन के कारण ये भाव बढ़े हैं ।

**श्री ब० रा० भगत :** यह तो पिछले बजट में फाइनेन्स मिनिस्टर साहब ने और सरकारी प्रवक्ता ने बताया है कि टैक्सों को लगाने में इस बात का ध्यान रखा गया है कि दामों में बढ़ोतरी न हो और सेन्दुल एक्साईज के जो टैक्स लगाए गए थे उन में बताया भी गया था कि हर चीजों पर देखा जाय कि दाम कितने बढ़ने चाहियें, और उन से ज्यादा न बढ़ें ।

**श्री विश्वाम प्रसाद :** स्टेटमेंट में बताया गया है कि ग्राउन्ड नट घाइल और मस्टर्ड घाइल पर 30 से 52 पर सेंट तक दाम बढ़ें लेकिन बाजार में इन का भाव 70 से 100 पर सेंट तक बढ़ा है । चीनी के लिए 5 पर सेंट बतलाया गया है, सो चीनी बाजार में मिल नहीं रही है । आप ने लिखा है कि गुड़ सस्ता हुआ तथा चाय सस्ती हुई, वह नहीं हुआ । मैं जानना चाहता हूँ कि आप ने कहाँ से यह फीगर इकट्ठे किए हैं ।

**श्री ब० रा० भगत :** जाँ तक चीनी के दाम में बढ़ती का सवाल है यह सही है कि गवर्नमेंट ने शुगर प्राइसेज में 5 परसेंट की इन्क्रीज कर दी है और सरकार ने ऐसा गन्ने की पैदावार की कमी वगैरह और दूसरे कारणों को देख कर उस के दामों में यह 5 परसेंट की वृद्धि की है मगर यह बात सही है कि चूक चीनी की कमी है और चीनी बाजार में मिलती नहीं तो ग्राम बाजार में लोगों को ज्यादा दाम देना पड़ता है इस बारे में दो रायें नहीं हैं । दूसरी चीजों के दामों के जो आंकड़े हैं वे होलसेल प्राइसेज के हैं ।

**श्री क० ना० तिवारी :** फूडग्रेन्स की प्राइस यदि दूसरी इंसेशियल कमोडिटीज के दामों को मद्देनजर रखते हुए उन की एक इंटेगरेटेड प्राइस फिक्स की जाय तो और इंसेशियल कमोडिटीज के भाव गिर जायेंगे और यदि यह बात सही है तो गवर्नमेंट इस और क्या कदम उठा रही है ?

**श्री ब० रा० भगत :** यह एक बहुत ग्रहम और टेढ़ा सवाल है मगर इस बात पर अभी छानबीन की जा रही है ।

**Shri Basappa:** May I know whether the price of cloth is going to be fixed and if so, when?

**Shri B. R. Bhagat:** That whole question is under examination.

**Shrimati Savitri Nigam:** May I know whether alongwith the price of all the food items the prices of all the consumer goods are also going to be fixed and if the answer is in the affirmative what is the percentage of increase in prices of wholesale and retail sales?

**Shri B. R. Bhagat:** I have in the statement given the rise in price of some of the items. As far as retail prices are concerned we do not have comparable data. We have only upto June 1964, that is the working class consumer price index. But from June till now there has been further rise in prices.