

LOK SABHA

Friday, November 4, 1966/Kartika  
13, 1888 (Saka)

The Lok Sabha met at Eleven of the  
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Prices of Essential Commodities

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\*94. Shri Subodh Hansda:  
Shri Firodia:  
Shri Bhagwat Jha Azad:  
Shri M. L. Dwivedi:  
Shri P. C. Borooah:  
Shri S. C. Samanta:  
Dr. M. M. Das:  
Shri R. S. Pandey:  
Dr. Ranen Sen:  
Shri Liladhar Kotokl:  
Shri Vasudevan Nair:  
Shri Warrior:  
Shri N. R. Laskar:  
Shri Bagri:  
Shri Yashpal Singh:  
Shri Ram Sewak Yadav:  
Dr. L. M. Singhvi:  
Shri R. Barua:  
Shri Maheswar Naik:  
Shri H. C. Linga Reddy:  
Shri P. R. Chakraverti:  
Shri Vishwa Nath Pandey:  
Shrimati Savitri Nigam:  
Shri Madhu Limaye:  
Shri Kishen Pattnayak:  
Shri Mohammed Koya:  
Shrimati Renuka Ray:  
Shri Hem Raj:  
Shrimati Ramdulari Sinha:  
Shri J. B. S. Bist:  
Dr. Mahadeva Prasad:  
Shri D. C. Sharma:

Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that there has been a steady increase in the prices of essential commodities in the country after devaluation;

(b) if so, Government's assessment in this regard; and

(c) the details of the measures taken to stabilise the prices of the essential commodities?

The Minister of Commerce (Shri Manubhai Shah): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) and (b). There has been no uniform trend in prices of various essential commodities since devaluation. Commodity markets have displayed a mixed trend. All prices have not risen, though prices of some commodities have continued to rise. The rise in most commodities has not been quicker as compared to rise prior to devaluation. The general price index at 189.0 on 8-10-66 shows an increase of 2.7 per cent in 18 weeks following devaluation as against 4.9 per cent. increase during the corresponding period last year and 8.8 per cent during 18 weeks prior to devaluation.

Weekly movements of retail prices at Delhi of 18 selected commodities of common consumption from 30-5-66 to 21-10-66 issued by the Delhi Administration, Bureau of Economics and Statistics are given in the Annexure [Placed in the Library. See No. LT-7208/66]. A Comparison of the prices on 30-5-66 (pre-devaluation) with those on 21-10-66 shows that prices advanced for five commodities

viz. Chillies, Gur (Pathwan), Pure Ghee, Toilet and Washing soaps, declined for three namely Vanaspati, Mustard Oil and Dal (Arhar) and were the same for the remaining commodities namely Milk, Matches, Kerosene Oil, Sunlight soap, Bidi, Dhoti, Sarees and bed sheets.

(c) The following are some of the prominent measures taken to stabilise the prices of essential commodities:—

- (i) Along with the decision to devalue the rupee, it was decided that prices of foodgrains, fertilizers, kerosene and diesel oil and other petroleum products should not be allowed to increase. Accordingly duties on petroleum products were suitably adjusted and a provision made for subsidy on foodgrains and fertilizers.
- (ii) To meet shortages of edible oils including Vanaspati, arrangements have been made for sizeable imports of copra, palm oil, sunflower and soya-bean oil.
- (iii) On the basis of the importance of the industry to national economy, the significance of the industry to the export efforts as also industries pertaining to essential items of mass consumption, 59 industries have been selected for being allowed import of their full requirements of raw materials, components and spares for maximum production. In respect of other essential commodities not covered in this list, arrangements have also been made to meet their import requirements.
- (iv) Commissioner, Civil Supplies, has been appointed to watch the price movement and assist in the smooth flow of essential commodities.
- (v) The scheme for consumer co-operative stores has been strengthened and an accelera-

ted programme organised to increase wider coverage.

- (vi) Selective credit controls over banks advance against foodgrains and edible oils etc. have been introduced.
- (vii) Powers under the Essential Commodities Act have been delegated to the State Governments to regulate by licences, permits or otherwise distribution of consumer goods.

**Shri Subodh Hansda:** From the statement it appears that some measures have been taken to bring down the prices of essential commodities and for that purpose some of the industries have been allowed free import of raw materials. If that is the case, may I know whether all these manufacturers, who are importing these raw materials and who have been allowed free imports, will be allowed to charge more prices because of higher prices due to devaluation?

**Shri Manubhai Shah:** The matter is studied on an item-to-item basis and no general enunciation can be made; but Government is very careful to see not to allow any increase in prices unless absolutely inescapable.

**Shri Subodh Hansda:** I find from the statement that prices of some of the commodities, like chillies, gur, pure ghee, toilet and washing soaps etc., have gone up and of some of the commodities, like vanaspati, mustard oil and dal etc., have gone down. How does it happen that prices of some commodities have gone up and of some have gone down?

**Shri Manubhai Shah:** Where the agricultural production, such as in oils and vanaspati, along with the import programme, is able to provide larger quantities of raw material and goods, the prices tend to go down, and where the agricultural production, like chillies and some of the other products, is less than the consumption, prices tend to go up.

श्री म० जा० द्विवेदी : डिबैल्युएशन के श्चात् और डिबैल्युएशन के होने के तत्काल पूर्व सरकार ने ऐसे कौन कौन से कदम उठाये हैं जिससे प्राइसिस को बढ़ने से रोका जा सके और जब प्राइसिस अनिवार्य रूप से बढ़ ही रही है तो उनको आगे न बढ़ने दिया जाए इस दिशा में जो सख्त कदम उठाये हैं वे बताये जायें ? उन कदमों के उठाने के बावजूद क्यों यह काम ढीला पड़ा हुआ है और प्राइसिस बढ़ती जा रही है ?

श्री मन्भाई शाह : जो स्टेटमेंट मैं ने टेबल पर रखा है उसको अगर वह देखें तो उनका पता चलेगा कि जितने मेशज़ लिये गये उनका जिक्र सब पैराज़ में है। पहले तो मैं ने कैंरोसीन आयल, डीजल आयल . . . .

अध्यक्ष महोदय : यह सब स्टेटमेंट में दिया गया है तो बतलाने की ज़रूरत नहीं है।

**Shri P. C. Borooh:** How far has the cost of production kept pace with the rise in prices and what steps has Government taken to keep down the cost of production?

**Shri Manubhai Shah:** The increase in the price of raw materials, like imported components and raw materials, inevitably has its impact on the cost of production. Regarding the other things we hope that import liberalisation may make more raw materials available; utilisation of fuller capacity may take place and more than one shift may be run by various factories. To that extent they should contribute to the reduction in the cost of production.

**Shri S. C. Samanta:** From the statement I find that sizeable imports of copra are being made. What attempts have been made in order to lessen these imports and have more production in the country?

**Shri Manubhai Shah:** These two are not totally related items. India has been net deficient in vegetable oils for the last several decades and, therefore, we have to supplement. But the course of imports will show that on the one hand the consumer demand which is increasing is being met by increasing production, on the other, the imports are also going down.

**Dr. Ranen Sen:** Is the Minister aware of the fact that prices of most of the essential commodities produced in the mills and factories have gone up sharply if so, what steps have the Government taken to control these prices?

**Shri Manubhai Shah:** If the hon. Member sees the chart, which I have enclosed along with the statement, he will find that there are about 29 commodities of which I have given weekly prices from 30th May, 1966 to the week ending last week and that will show that the observations made by the hon. Member are not wholly true. In some cases the prices have gone up; in other cases there is an absolutely modest rise.

**Dr. M. M. Das:** May I know from the hon. Minister whether any assessment has been made to find out to what extent this increase of price is due to the increase of price in the import content of the goods after devaluation and to what extent our import substitution has been successful in reducing the price.

**Shri Manubhai Shah:** Taking the latter part of the question first, the import substitution, generally, has not helped to reduce price because the local cost of all material, as the House is aware, is generally higher in our country than elsewhere because of the economies of scale—we are just a developing country. But the first part is true and we are continuously trying to bring down the cost of production by both productivity being increased and the economies of the scales being improved.

**Shri Indrajit Gupta:** I would like to draw the attention of the hon. Minister to the contradictory statements made here today and yesterday on the same subject by the Finance Minister. Here, in the statement, it is said that the price rise, the general price index, after devaluation, has shown an increase of 2.7 per cent whereas yesterday, on a question relating to devaluation, the hon. Finance Minister stated here that the average rise of the general price index was 3.5 per cent. since devaluation. Can the two Ministers give two different replies like this to the House?

**Shri Manubhai Shah:** As regards the statement made by the Finance Minister, I do not know the date to which it relates. This is from the general published statements of the Bureau of Statistics.

**Mr. Speaker:** That also might be looked into.

**Shri Manubhai Shah:** The variation is not that much as pointed out by the hon. Member.

**Shri Indrajit Gupta:** I am not pointing out. This is what the Finance Minister has said.

**Shri Manubhai Shah:** I will look into it. If you read the statement which I am making 2.7 per cent is in 18 weeks following devaluation as against 4.9 per cent. As regards 3.5 per cent, as mentioned by the Finance Minister, I do not know the date to which it relates. But I will check up.

**श्री यशपाल सिंह :** क्या सरकार के ध्यान में यह बात आई है कि मुबह आल इंडिया रेडियो से जो रेड्स ब्राडकास्ट किये जाते हैं उसी में डिफेंड रेड्स होते हैं अलग अलग रेड्स होते हैं ? खारी बावली का अलग होता है, बाड़ हिन्दू राव का अलग होता है, सब्जी मंडी का अलग होता है, पहाड़गंज का अलग होता है, सुपर बाजार का अलग होता है । सरकार खुद ही इतनी

तफरीक करती है तो व्यापारी तफरीक नहीं करेंगे । भाव एक होने चाहिये । क्या सरकार ने इस पर गौर किया है ?

**श्री मनुभाई शाह :** ऐसा नहीं हो सकता है । यह नहीं हो सकता है कि पांच मील दूर किसी माल को ले जाया जाता है ढों कर तो वहां भी वही भाव हों जो वहां होते हैं जहां वह माल पैदा होता है । अमूमन यह होता है कि प्राइसिस एक सरटन पॅरिटी के ऊपर स्थिर होती है । जो डिस्टेंस होता है और जो हैडलिंग का खर्चा होता है उसको भी जोड़ना पड़ता है और उतना दामों में फर्क रह जाता है ।

**श्री विश्वनाथ गण्डेय :** जो विवरण सभा पटल पर रखा गया है इसके पेज 2 पर लिखा हुआ है :

"...it was decided that prices of foodgrains, fertilisers, kerosene and diesel oil and other petroleum products should not be allowed to increase."

मैं जानना चाहता हूँ कि कैंरोसीन आयल और डीजल आयल के दाम क्यों बढ़े हैं, इनके दाम बढ़ने के क्या कारण हैं ?

**श्री मनुभाई शाह :** इम्पोर्ट की वजह से बढ़े हैं ।

**Shri Hem Barua:** Do Government think that a single Super Bazar for a population of 3 million is sufficient to bring down prices in the capital and, if they do not think like that, may I know what steps Government have taken to multiply the number of Super Bazars?

**Shri Manubhai Shah:** As I have already mentioned in the statement laid on the Table of the House, we are having a multi-pronged attack on the price structure. Super Bazar is only one of the ingredients of that. We propose to have 45 such bazars and co-operative stores of a wholesale character in the country. Over and above

that, there will be consumer cooperative societies; there will be fair price shops and there will be essential commodity ordinances having control even as regards the private trade. All these cumulative steps are supposed to hold the price line.

श्री शिव नारायण : जीवन को सुरक्षित रखने के लिये जो आवश्यक वस्तुएँ हैं उन पर कंट्रोल करके सरकार क्यों दुकानें नहीं खोल देती है और उचित दामों पर उनको लोगों के लिए मुलभ करती है ? सुपर बाजार खोल देने से क्या काम चल जाएगा ? आपके पास डी० आई० आर० है और आप कीमती को काबू में रखने के लिए इसका उपयोग क्यों नहीं करते हैं ।

श्री मनुभाई शाह : माननीय सदस्य का कहना ठीक है । खाली सुपर बाजार पर ही हम को डिपेंड नहीं करना चाहिये । दुकानें हजारों की तादाद में खुला हुई है और खुल रही है । दोनों चीजें साथ साथ चलेंगी ।

श्री बड़े : आपने अपनी स्टेटमेंट में कहा है कि चिल्लियों का प्रोडक्शन कम हुआ है इसलिए उसके भाव बढ़े हैं । लेकिन शक्कर और गुड़ का प्रोडक्शन बढ़ा है और आपकी स्टेटमेंट में यह है कि गुड़ के भाव भी बढ़ते बढ़ते एक रुपया किलो तक चले गये हैं । शक्कर और गुड़ एनर्जी फूड आफ प्रादिवासीज है । व इसको ज्यादा यूज करते हैं । मैं जानना चाहता हूँ कि गुड़ के भाव क्यों बढ़ते गए हैं जबकि शक्कर का प्रोडक्शन बढ़ा है ?

श्री मनुभाई शाह : बढ़ा तो है लेकिन जैसा कि माननीय सदस्य जानते हैं काश्तकारों को ज्यादा पैसा देना है उत्तर प्रदेश और बिहार में शूगरकेन के दाम बढ़ाने पड़े । माननीय सदस्य को पता है कि अग्रर केन का दाम बढ़ेगा तो शूगर पर उसका आटोमेटिक रिफ्लेक्शन हो जाता है ।

श्री मधु लिमये : क्या मंत्री महोदय जानते हैं कि इस वक्त देश में जो नारियल का तेल बनता है उसका दाम क्या है और अगर उसको आयात किया जाये तो उसका दाम क्या पड़ेगा ?

श्री मनुभाई शाह : हम ने जानकारी की है कि डीवैल्युएशन के बाद 57.5 इम्पोर्ट के लिए प्राइस बढ़ गई । हमने उसको इफेक्टिव ड्यूटी बढ़ाई है । हमारे कोपरा और फ़ारेन कोपरा के बीच 750 रुपये टन का डिफ़रेंस रह जाता है ।

**Shri S. Kandappan:** In view of the sharp rise in prices, particularly of chillies, I would like to know whether Government consider banning totally the export of chillies or at least reduce the quantum.

**Shri Manubhai Shah:** We are constantly attempting that. Any suggestion in that direction will be most welcome.

**Shrimaati Renuka Ray:** I would like to know how is it that, in spite of the multipronged approach about which the hon. Minister spoke a little while ago and the measures that have been detailed in the statement, even the price of soap which he has mentioned as one of the items among the essential commodities is going up steadily.

**Shri Manubhai Shah:** Really this is a very correct point. Because we took a little time in allowing the import of copra which is the basic raw material of the soap industry, the price was raised by the manufacturers; they raised it without consulting us. We called them and requested them that in future this should not happen. They have promised that in future not only they but all the other industrialists also will consult us. Now since the copra import has been allowed, the prices have been declining.

श्री मधु लिमये : अध्यक्ष महोदय मैं ने नारियल के तेल के बारे में सवाल पूछा था लेकिन मंत्री महोदय ने कोपरा के बारे में जवाब दिया है ।

श्री मनुभाई शाह : कोकोनट आयल उससे डाइरेक्टली लिक्ड है । वह तो इम्पोर्ट नहीं होता है ।

श्री मधु लिमये : मैं यह बताना चाहता हूँ कि अगर उस को इम्पोर्ट किया जाये तो कितना फर्क होगा ?

श्री मनुभाई शाह : वह कभी इम्पोर्ट नहीं किया जायेगा ।

श्री मधु लिमये : मैं यह जानना चाहता हूँ कि कितनी मुनाफाखोरी होती है ।

श्री मनुभाई शाह : तो माननीय सदस्य सीधे सवाल पूछें न ।

श्री मधु लिमये : अध्यक्ष महोदय मेरे सवाल का जवाब नहीं आया है । मैं ने नारियल तेल के बारे में पूछा था लेकिन जवाब कोकोनट के बारे में दिया गया है । यही तो मुश्किल है ।

अध्यक्ष महोदय : उस के बाद दो सप्लीमेंटरी हो चुके हैं और माननीय सदस्य अब उसको उठा रहे हैं ।

श्री मधु लिमये : तो क्या हुआ ?

**Shri D. C. Sharma:** In this country we are always talking in terms of social control—social control of this thing and that thing. May I ask the hon. Minister this question: when all these administrative measures like Super Bazaar and others and all preventive measures like the D.I.R. and others have failed to bring down the prices of essential commodities, have we thought in terms of applying any social control measures so far as the whole-sale dealers, producers and retail dealers of these commodities

are concerned and if so, what are those social control measures which you want to apply because they were applied in Great Britain during the Second World War and with great success.

**Shri Manubhai Shah:** The various steps are part of social control which can be further enlarged. For instance, in cloth, we have 50 per cent of the cloth under statutory price and production control; similarly in food-grains, there is a control both on the imported variety and on the local indigenous variety; there are fair price shops; similarly, in respect of drugs we have issued drug control orders which prescribe the wholesale price, retail price and packing price of drugs. Various commodities require various treatments of social control and to the extent it is possible we exercise it, but the general policy of the Government is not to intervene too much in the trade.

**Mr. Speaker:** Next Question.

**Shri U. M. Trivedi:** May I seek one clarification, Sir? How is it that today all the questions of the Commerce Ministry are put down first, then of the Ministry of Industry, then of Mines and Metals and then Railways. I want to know why the Railways have been relegated to the background. We may not reach that at all.

**Mr. speaker:** I cannot say off-hand, but I will try to find out.

**Wool from Australia under Colombo Plan**

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- \*95. **Dr. P. N. Khan:**  
**Dr. M. M. Das:**  
**Shri Bhagwat Jha Azad:**  
**Shri M. L. Dwivedi:**  
**Shri S. C. Samanta:**  
**Shri Subodh Hansda:**  
**Shri P. C. Borooah:**  
**Shri D. C. Sharma:**  
**Shrimati Jyotsna Chanda:**

Will the Minister of Commerce be pleased to state:

- (a) whether an agreement has been