

LOK SABHA DEBATES

LOK SABHA

Friday, March 6, 1992 Phalgun 16, 1913
(Saka)

The Lok Sabha met at

Eleven of the Clock

[MR. SPEAKER *in the Chair*]

OBITUARY REFERENCE

[English]

MR. SPEAKER: Honorable Members, I have to inform the House of the sad demise of one of our former colleague Shri Madappa Bandappa Kadadi.

Shri Kadadi was a Member of the Third Lok Sabha during 1962-67 representing Sholapur constituency of the State of Maharashtra. Earlier, he had been a Member of the erstwhile Bombay Legislative Assembly during 1952-57.

Shri Kadadi, an eminent social and political worker, was a central figure in all the social, political, educational, commercial and cultural activities of Sholapur. Apart from being the President of Sholapur Municipality, he was associated with numerous other organisations connected with the development of Sholapur. He was also a Member of Gurudev Rabindra Nath Tagore Birth Centenary Committee.

Shri Kadadi passed away on 27 February, 1992 at Sholapur at the age of 83.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may now stand in silence for a short while as a mark of respect to the deceased.

The Members then stood in silence for a short while

ORAL ANSWERS TO QUESTIONS

[Translation]

Wholesale and Consumer Prices Indices

* 142. SHRI SURYANARAYAN YADAV: Will the Minister of FINANCE be pleased to state:

(a) the particulars of wholesale and Consumer Price indices of essential commodities during the last four months termwise;

(b) the manner in which the prices of these commodities influence the preparation of price indices; and

(c) the steps taken by the Government to check price rise?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWARTHAKUR): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) The particulars of wholesale and consumer price indices of essential commodities during the last four months are given in tables 1 and 2 respectively.

(b) The wholesale and consumer price indices for different commodities are prepared by dividing the current price of those commodities by the base period price and multiplying the quotient by 100. The commodity index is arrived at as the simple arithmetic average of price relatives of all the varieties included under that commodity. The indices for the sub-groups/groups/major groups/all commodities are, in turn, worked out as the weighted arithmetic mean of the indices of the items/sub-groups/major groups falling under their respective heads.

The weights have been assigned on the case basis of value of wholesale transaction in the economy in the case of the wholesale price index (WPI) and on the basis of expenditure incurred on the consumption of those commodities in the case of the consumer price index (CPI).

(c) The Government has taken a number of measures to check price rise. These include: strict fiscal discipline through reduction in fiscal deficit, growth of money supply and ban credit against price-sensitive essential commodities, more effective management of supply and demand of essential sensitive commodities, and strict action against hoarders and profiteers. Incentives are being provided for raising production to ensure medium term stability in prices.

Table-1

Movement in Wholesale Price Index (WPI) of Essential Commodities during the last four months.
(Base: 1981-82=100)

Item	Weight	WPI as on (month-end)					
		1	2	3	4	5	6
			30.11.91	28.12.91	25.1.92	15.2.92 (latest)	
ALL COMMODITIES			212.9	212.0	214.5	214.8	
1. Food articles			252.3	249.2	253.3	254.2	
Rice	100.00		224.5	231.7	239.4	245.2	
Wheat	17.39		211.0	223.2	247.0	247.2	
Jowar	3.69		226.0	235.9	247.4	244.3	
Bajra	2.25		225.3	256.3	274.1	280.3	
Gram	0.42		196.2	194.6	197.1	194.2	
Arhar	0.41		328.0	304.4	321.8	315.2	
Moong	0.27		239.6	237.0	239.0	245.4	
Masur	0.20		263.2	257.1	244.6	227.3	
Urad	0.05		312.7	257.1	244.6	227.3	
	0.15						

Item	Weight	WPI as on (month-end)					
		30.11.91	26.12.91	25.1.92	15.2.92 (latest)		
1	2	3	4	5	6		
Potatoes	0.47	450.2	313.6	218.1	166.5		
Onions	0.16	215.7	147.5	122.5	113.5		
Milk	1.96	243.3	245.7	241.1	242.5		
Fish	0.51	221.6	210.2	232.6	239.0		
Meat (mutton)	0.52	242.2	242.3	242.0	250.9		
Chillies	0.32	436.5	364.6	377.8	370.5		
Tea	0.56	262.6	265.1	254.7	249.1		
Atta	0.76	222.1	226.1	227.0	237.4		
Sugar	2.01	156.7	155.9	169.9	170.6		
Gur	1.75	263.6	150.3	150.1	148.3		
Mustard oil	0.28	261.6	261.6	261.5	250.9		
Coconut oil	0.17	346.0	368.5	369.2	354.8		
Groundnut oil	0.53	277.6	275.5	272.4	255.0		
Salt	0.04	207.4	203.8	207.7	207.5		
Hydrogenated vanaspathi	0.52	297.8	203.4	204.5	285.6		

Item	Weight	WPI as on (month-end)					
		1	2	3	4	5	6
				30.11.91	28.12.91	25.1.92	15.2.92 (latest)
II. Others							
Soft coke (coking coal)	0.35			253.8	320.0	320.0	320.0
Kerosene	0.87			145.5	145.5	145.8	145.8
Long cloth/sheeting	0.36			155.0	155.0	155.0	155.0
Dhoties, Saris & Voils	1.19			176.2	176.2	176.2	176.2
Washing soap (household laundry)	0.59			187.8	187.8	187.8	187.8
Safety matches	0.23			138.4	138.4	138.4	138.4

Table-2
Consumer Price Index for Industrial Workers (Base: 1982=100) for the last four months)

Group	Weight	Sept., 1991	Oct., 1991	Nov., 1991	Dec., 1991
General Index	100.00	221	223	225	225
Food	57.00	234	236	240	239
2. Fuel & light	6.28	202	202	203	N.A.
3. Clothing, bedding & footwear.	8.54	169	170	172	N.A.
4. Miscellaneous group (Medical care, education, transport, personal care and effects, etc).	16.36	210	212	214	N.A.

N.A.: Note available.

[Translation]

SHRI SURYA NARAYAN YADAV: Mr. Speaker, Sir, the hon. Minister has himself admitted in the statement laid on the Table that the wholesale prices have increased. He has given detailed figures. There is no co-relation between the wholesale price and the prices charged by shops in rural areas. There has been enormous rise in the wholesale prices and no rate list is displayed in the shops in rural areas. Is the Government going to take some firm steps in this regard so that the village people are supplied food grains and other essential commodities at reasonable rate?

SHRI RAMESHWAR THAKUR: This is an important question that foodgrains should be made available to villagers in abundant quantities at reasonable rates. It is done in two ways. The first is the Public Distribution System through which we supply essential commodities and commodities of daily use upto a limited quantity to the villagers. In this connection, at the initiative of the Hon. Prime Minister, steps have been taken to supply essential commodities in 1700 remote blocks from 7th January, 1952. Apart from it, these items are bought by the people from the open market. All our effort is made to ensure that essential commodities are available in required quantities in the open market.

SHRI SURYA NARAYAN YADAV: Mr. Speaker, sir, it appears from the hon. Minister's reply that the Government does not have a concrete scheme. I have pointed out clear that no commodity is available at administered wholesale prices in the rural areas. There is no proper co-relation between the prices. Has the Government formulated any concrete scheme in this regard? What is their scheme for future? This is what I have asked and not about 1700 blocks.

SHRI RAMESHWAR THAKUR: Mr. Speaker, Sir, there are fair price shops in rural areas for distribution of essential commodities to village people at reasonable rates. People bring various commodities at

wholesale prices from Bazaars and Mandis also. We make all out efforts to see that small markets functioning in rural areas or small shopkeepers there get adequate quantities of commodities they need. But the Government has no control over the commodities sold in the open market. As such, the Government makes every efforts to ensure that the wholesalers charge reasonable prices. It keeps strict vigil on such wholesalers and comes down heavily on these who hoard commodities in large quantities and sell them at exorbitant prices. If the hon. Member wishes, I can give him the figures. Severe action has been taken against people in different States of the country and the big wholesalers found indulging in hoarding have been dealt with firmly. People have been arrested and put behind bars. This measure is most appropriate now. Apart from it, the Government is making all out efforts to see that wholesale goods are made available to village people in required quantities at reasonable rates. If the hon. member has any suggestion, we will consider it also.

[English]

SHRI K.P. SINGH DEO: The hon. Minister in his very detailed reply has given us two tables. The first table indicates that most of the increase is in the food articles. In the latter part of his answer he said, apart from the fiscal measures, strict action is being taken against hoarders and profiteers.

I would like to know whether action taken against hoarders and profiteers are by the Central Government or in conjunction with the State Government. What is the machinery and what is the effectiveness?

SHRI RAMESHWAR THAKUR: As it is well known, the machinery is that of the State Government and guidelines have been issued by the Central Government, Civil Supplies Ministry, that all the State Governments should cooperate in this operation; should help to ensure that the goods available in the market are well distributed; they are not hoarded; and those who are hoarding the goods should be punished; neces-

sary action should be taken to ensure that the flow of supply of the goods which are available in the market are made; and profiteers and hoarders should not keep those goods. There we need the cooperation of all the State Governments. Basically this operation has to be carried by the State Government.

SHRI K.P. SINGH DEO: What is the effectiveness of this machinery? He has not told any thing about this.

SHRI SUDHIR GIRI: The hon. Minister has said that they have no control over the food articles sold in the market. In view of this, may I know from the hon. Minister as to whether they will resort to State trading in foodgrains so that the prices of foodgrains which are being consumed by the people below the poverty line are not increased?

SHRI RAMESHWAR THAKUR: As we have said, foodgrain is the most essential commodity. Even when we make the weightage, we have given 57 per cent to foodgrains for fuel, etc, we have given six per cent; housing eight per cent; clothing - eight per cent and other- 16 per cent. I am just giving these, to show the importance we give.

So, food is the most essential thing and it is of two parts. One is the food supply we make of wheat and rice through the Public Distribution System, where the Government ensures the price. There is no intention that the entire food trade should be taken over by the Government. There is no such intention. It is not practicable and it is not desirable also.

Performance of Mutual Funds

*143. **SHRI RAM KAPSE:** Will the Minister of FINANCE be pleased to state:

(a) the amount collected by Mutual Funds during 1990-91, bank-wise;

(b) the names of industries/undertakings in which the funds have been invested;

(c) the percentage of amount of profits/dividends earned on these investments;

(d) the percentage of loss incurred, if any, by such Mutual Funds during the above period; and

(e) the measures taken by the Government to avoid such losses in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (e). A statement is laid on the Table of the House.

STATEMENT

(a) to (e). The amount collected by Mutual Funds sponsored by banks for the Year 1990-91 is given below:-

Name	Amount (Rs. in Crores)
SBI Mutual Fund	1071.0
Canbank Mutual Fund	2117.2
Indian bank Mutual Fund	266.0
BOI Mutual Fund	593.0
PNB Mutual Fund	81.2
Total:	4128.4

The names of the industries/undertakings in which funds have been invested are not published in the accounts of Mutual Funds. The Mutual Funds have declared dividends in the range of 10% to 18% during 1990-91 under their schemes. All the schemes of Mutual Funds have earned profits.

SHRI RAM KAPSE: Will the Government lay on the Table of the House, the list of industries and undertakings in which funds have been invested? If yes, when?

In the reply, the hon. Minister has mentioned that they are not published in the accounts of the mutual funds. If it is not published, may I know whether the Govern-