

Maharashtra, these four have also been added and three more have been sanctioned, thus there will be in all 38 mills. As such decision with regard to remaining four mills will be taken by the Ministry after taking stock of the requirement of the entire nation.

SHRI VASANT SATHE: I want to ask whether you will clear those mills which are still to be cleared under N.C.D.C. The investment was made after getting sanction from the Government.

SHRI SHARAD YADAV: Mr. Speaker, Sir, three have already been cleared and message with regard to four has been received that they have been cleared.

SHRI VASANT SATHE: Please clear the remaining too, so that I can thank you in one lot. (*Interruptions*)

SHRI SHARAD YADAV: The issue of clearing remaining four mills is under the consideration of the Ministry.

12.00 hrs.

SHORT NOTICE QUESTION

[*English*]

Sale of Consumer Products

3. **PROF. K.V. THOMAS:** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) whether packed consumer products are made available to the consumer as per the printed price on the package;

(b) if not, the reasons thereof; and

(c) whether Government propose to issue directions to States to ensure that price and stock display orders are complied with meticulously by the wholesalers and retailers?

[*Translation*]

THE MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI NATHU RAM MIRDHA): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) and (b). According to the Standards of Weights and Measures (Packaged Commodities) Rules, 1977, every package containing pre-packed commodities is to have the sale price declared on the package. However, if the sale price declared on the package is exclusive of local taxes, the retail dealer is authorised to realise the incidence of local taxes from the consumer. A decision has been taken to amend the rules to provide only for marking of maximum retail price inclusive of all taxes.

(c) The Central Government has advised the State Governments and Union Territory Administrations for vigorous enforcement of the price and stocks display order under the Essential Commodities Act. The State Governments/Union Territory Administrations in exercise of the powers delegated to them under the Essential Commodities Act, 1955, are empowered to issue price and stock display orders.

[*English*]

PROF. K.V. THOMAS: Sir, there has been a lengthy discussion on price under Rule 193. Now, the prices of essential commodities are going up every day.

Sir, I am stressing on some concrete steps. A large number of items including medicines, beverages, soft drinks etc. and a large number of other consumer items are available in packets. Look at these packets. In the packets the retail price is printed. That is the price plus local taxes. The ordinary consumer does not know what is the local tax. So, what happens is, the retailer collects the price indicated in the packet as well as the local tax which is not known to the consumer. He collects the amount as he likes.

So, my suggestion is that instead of writing the price plus the local tax on the packet, you include everything so that the ordinary consumer can purchase the item on the basis of the price printed there, but not the price plus local tax. You put a single price on that packet so that the ordinary consumer knows what is the actual price.

[*Translation*]

SHRI NATHU RAM MIRDHA: Mr. Speaker, Sir, the Government have already taken action on the suggestion given by the hon. Member. Earlier there were two options one of which was to mark maximum retail price exclusive of taxes. But now there is only one option i.e. 'maximum retail price including all taxes'. Now the consumer will get packed items at the price written on the packets. He has nothing to do with taxes. Keeping in view the interest of the consumers, this option has been given and all taxes have been included in it. Maximum retail price packages, in packages, 'maximum retail price including all taxes' will be printed. That will be the only price which the shopkeeper can charge. So, the things have become very clear. (*Interruptions*)

[*Translation*]

It is kind of you. I would serve you to the best of my ability. (*Interruptions*)

[*English*]

PROF. K.V. THOMAS: Sir, the problem with the Government is, they cannot implement what they say. (*Interruptions*)

Sir, he says that he has given instructions to the manufacturers so that the packet contains only the maximum price printed on it. But he can go to the market now and take any items or all items. I have seen a number of items where the 'price plus local tax' is printed. I request the hon. Minister to verify and see that whatever decision is taken is implemented.

SHRI KAMAL NATH: He does not know what he is saying. (*Interruptions*)

MR. SPEAKER: Mr. Sathe no cross talk, please.

PROF. K.V. THOMAS: Sir, there may be difference of opinion on Emergency. But one factor which people still cherish with satisfaction is the decision to publish the price and stock of the commodities in front of the retail shops. But this time, even though the hon. Minister has said that the price and the stock will be published, no retailer or wholesale trader is doing so. The States including Kerala cannot implement the decision of the Government. So, I would like to know whether the Government of India will take a firm decision and implement it so that the decision of this Government is implemented.

[*Translation*]

MR. SPEAKER: The question is about implementation.

SHRI NATHU RAM MIRDHA: I am explaining everything about it. There is no change in the rule which was made in 1977. Under the Rule, only one price would be printed on the packet. It will be published in the Gazette Notification in a day or two but it is not possible that today, I make announcement about it and it comes into effect from tomorrow. Therefore, we have given six months time for that. Besides, we have asked all the companies to collect information about state taxes of all the States so that it may be implemented accordingly. Every shopkeeper is required to display the stock and prices at his shop. Rules in this regard are already there and the State Governments implement them under Essential Commodities Act. We also issue directions to them from time to time. In this regard I have called a meeting of all the Chief Ministers on 28/02/79 of this month. We would think over it and the Chief Ministers would be asked to implement it strictly. The Government of India is greatly concerned that the rules should be strictly followed to provide benefits to the consumers.

[*English*]

SHRI P. CHIDAMBARAM: Sir, I do not

quite understand what the hon. Minister is trying to say. In his answer he says that a decision is being taken to amend the rules to provide only for marking of maximum retail price inclusive of taxes. When Mr. Dinesh Singh asked him a question, he said that this includes sales tax also. Now, sales tax varies from State to State. Suppose the sales tax element in one State is One rupee and in another State it is Rs. Two. If the dealer charges Rs. 20 as the maximum retail price on one commodity, in a State where the sales tax element is Rs. Two, perhaps it is fair. But in a State where the sales tax element is One rupee, there will be extra profit for the dealer because he can charge Rs. 20.

Sir, let the Minister understand our difficulty and answer the question. Is the Minister saying that the maximum retail price marked for each State will be different. Will there be a different packaging for each State taking into account different local taxes? Is that what the Minister is saying?

[*Translation*]

SHRI NATHU RAM MIRDHA: I had an inalienation of your question. It is right that the consumers are not aware of the rates of sales tax in each and every State. I have asked the companies to collect sales tax rates of all states and print the price on the packages after including sales tax in a State to which they are to be sent. As the rate of sales tax in Madhya Pradesh is different from that in Rajasthan, the sales tax of a particular state to which packets are to be supplied has to be included in the price. (*Interruptions*)

SHRI KAMAL NATH: How would they supply different packets to different states. (*Interruptions*)

[*English*]

MR. SPEAKER: You cannot interrupt the Member who is putting the question.

[*Translation*]

SHRI YADVENDRA DATT: Mr. Speaker, Sir, will the hon. Minister tell the date and month of issuing the new order. At present, I have a packet with me on which the maximum price excluding sales tax has been written, so what the hon. Minister has to say about it? I purchased this packet today itself.

SHRI NATHU RAM MIRDHA: Old packets have old rates and that cannot be changed. That is why we have given six months time.

SHRI SOMNATH CHATTERJEE: It is not proper to exhibit like this.

SHRI NATHU RAM MIRDHA: Gazette Notification will be issued in a day or two and it will come into force from the date of issue. That is why six months' time has been given.

SHRI DINESH SINGH: Mr. Speaker, Sir, through you, I would like to know from the hon. Minister whether henceforth every trader will not be required to maintain the account of sales tax or only the manufacturers will maintain it. How that would be maintained?

SHRI NATHU RAM MIRDHA: It has become the responsibility of the manufacturing companies to collect information about sales tax in different states and include that in the maximum price of the goods. The manufacturing companies are solely responsible for it.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE: For once, I entirely agree with Shri P. Chidambaram. This is a proposal which is meant for the satisfaction of the retailers. This is for the benefit of the retailers and not for the consumers. My question is very simple. Sales tax and others do vary and the maximum mentioned there that they will make packet for State is a suggestion coming from the Heavens. I do not understand that. My question, therefore, is after all this discussion, will

he reconsider what he has decided?

SHRI NATHU RAM MIRDHA: Your thinking is wrong. There is no question of reconsideration. It is consumer who is ignorant.

SHRI HARMOHAN DHAWAN: The hon. Minister has said that the prices now printed on the packages will be inclusive of all taxes. how is he going to calculate it, as has been said by Shri P. Chidambaram, because the rate of sales tax and octroi varies from State to State and it is impracticable to calculate it. Moreover, sales tax is a State subject. It will be very difficult and the whole scheme is impracticable. How is he going to get the sales tax collected by small companies back to the various States? Whatever the hon. Minister has said is impracticable and it cannot be done.

SHRI NATHU RAM MIRDHA: I think the Member cannot understand the delicacy of the the whole question. He has not understood it properly.

SHRIMATI UMA GAJAPATHI RAJU: Just like all of us, the hon. Minister is confused. He does not know that there is the question of octroi and sales tax which differ from State to State, city to city and village to village How is he going to prevent the stocks from moving from one State to another? This is thoroughly impracticable. What steps the hon. Minister is going to take to ensure that these difficulties are overcome?

[*Translation*]

SHRI NATHU RAM MIRDHA: Mr. Speaker, Sir, I had talks with packaging companies and they told me that they would mark prices after calculating average sales tax. (*Interruptions*)

[*English*]

SHRI P. CHIDAMBARAM: Now he says about the average tax. How can there be average tax? Why should I pay the average of Maharashtra and average of Karnataka? (*Interruptions*)

[*Translation*]

SHRI NATHU RAM MIRDHA: Mr. Speaker, Sir, I would like to say to the hon. Member that the present system of maximum retail price exclusive of taxes please the consumers. (*Interruptions*) Now regarding sales tax and maximum prices, the packaging companies have. (*Interruptions*)

[*English*]

All taxes are included in the price. There is no leakage of revenue. Otherwise, the dealer will go on charging the sales tax. They sell the things at whatever price they want. And they charge a little more than what has been written to avoid the evasion of taxes. States will get much better return of taxes by writing these types of prices. I do not know why are not following this. (*Interruptions*)

[*Translation*]

SHRI MADAN LAL KHURANA: Mr. Speaker, Sir, just now the hon. Minister has said something to check price rise but his statement seems to be self-contradictory. I would like to ask a very simple and straight question that the multinational companies and big industrialist who are producing consumer items, do not write the cost of price of the item. For example take the case of Campa Cola or Hamam Soap, nowhere their cost of price is mentioned and only selling price is written on them. Will the hon. Minister ask them..(*Interruptions*) Yes, Sir, I mean cost of production. (*Interruptions*)

MR. SPEAKER: Mr. Khurana, you may speak in Hindi or in Hindustani, as you like.

SHRI MADAN LAL KHURANA: I mean to say the cost of production. Mr. Speaker, Sir, multinational companies and big industrialists in our country who produce consumer items like Campa Cola and Hamam soap do not write cost of production. Will the hon. Minister issue orders to make it compulsory for them to write cost of production on every consumer item. But today, if cost of production of an item is rupees one, the selling price is written as Rs. 51. It is decided

by the companies that this will be sold at a price of Rs. 5; Legally, this price is correct but we cannot know its cost of production. Therefore, I want that it should be made compulsory for them to write cost of production on the item.

MR. SPEAKER: It is all right. Now, please sit down.

SHRI NATHU RAM MIRDHA: Sir, the question asked by the hon. Member has no relevance to the original question...*(Interruptions)* We are not going to discuss here the entire economy or the price control of all goods. Why you want to link an entirely different question with it....*(Interruptions)*

SHRI MADAN LAL KHURANA: Mr. Speaker, Sir, I have put this question to control the price rise. Therefore, the hon. Minister should reply....*(Interruptions)*

MR. SPEAKER: He said that it did not relate to the original question.

SHRI MADAN LAL KHURANA: Mr. Speaker, Sir, I want your protection. The hon. Minister may tell me only this whether my question would be useful for controlling the price rise or not.

MR. SPEAKER: But it does not relate to the original question.

PROF. SAIF-UD-DIN SOZ: Why the hon. Minister does not want to reply the question of Shri Khurana?

MR. SPEAKER: Mr. Soz, please sit down.

SHRI VASANT SATHE: Mr. Speaker, Sir, the hon. Minister is son of a farmer. His intention is good. He wants to implement this scheme of marking prices on packages to benefit the consumers and provide goods to

them at reasonable rates including all the taxes so that consumers may not face any difficulty or they may not be exploited. I agree that his intention is good but if he acts on the advice of his two crutches, he will land himself in trouble. It would be better if he does not listen to their advice. Sir, as has been just stated that sales tax, local tax and octroi duty differ from State to State and that is why companies can mislead you to earn more profit. You have given six months to these companies to implement these rules, but my submission is that the Government should also reconsider it in these six months so that it may not be deceived by these companies.

SHRI NATHURAM MIRDHA: Mr. Sathe, how would they deceive me? We have made this law to save the consumers from difficulties. If there is any practical difficulty for the companies or the consumers, they can tell us in six months and we would look into it. A law is already there so let it be implemented.

SHRI RAJMANGAL PANDE: Sir, there has been a long standing proposal to abolish sales tax which vary from State to State and convert it into excise duty to bring about uniformity all over the country. When only one price will be indicated on the packet including excise duty, sales tax, octroi duty etc., I would like to know from the hon. Minister whether the Government have accepted the proposal, in principle, to abolish sales tax and convert it into excise duty? What are the views of the Government regarding to it?

SHRI NATHU RAM MIRDHA: Mr. Speaker, Sir, all the matters regarding sales tax and octroi duty have been linked with this question. What reply can I give .