

No cases could be registered against any of the defaulting units for violation of the aforesaid Act so far due mainly to fact that matter was *subjudice* in the Supreme Court.

(c) to (d) Instructions have been sent to all urea manufacturing units informing them about the decision of the Central Government about the extension of the Validity period of the Reservation Order beyond 30.6.96 from time to time with advice to comply with the said Orders on pain of penal action. In response to these letters most of them have assured to use jute bags upto specified percentage during the October 1996 quarter and thereafter as required under Law. Monthly returns being received from them during the recent months reveal an encouraging improvement in the utilisation of jute bags.

All cement and urea manufacturing units in the country have been advised to submit monthly returns in prescribed format within the prescribed time schedule without fail on a regular basis with a view to monitoring closely the progress of utilisation of jute bags *vis-a-vis* the statutory reservation Order.

Show-cause notices have been issued to several cement and urea companies who have been found to be continuously violating the Reservation Order. While the urea units have assured full compliance cement units have pointed out certain legal and practical problems preventing them from complying with this Order. The considered opinion of the Ministry of Law has been sought by us in regard to the future course of action to be taken on the basis of the

replies to the show-cause notices received from defaulting the cement units. Government will be taking a view on these very soon.

Wholesale and Consumer Price Index

*10. SHRI MANIKRAO HODLYA GAVIT :
SHRI PARASRAM BHARDWAJ :

Will the Minister or FINANCE be pleased to state:

(a) the weekly rate of Wholesale Price Index and Consumer Price Index of essential commodities during the last six months;

(b) the weekly rate of inflation on point-to-point basis during the above period;

(c) the reasons for the continuous increase in the WPI, CPI and the rate of inflation; and

(d) the steps taken by the Government to check the prices of essential commodities and to contain the inflation rate?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The Wholesale Price Index Numbers (WPI) are constructed on weekly basis while Consumer Price Index Numbers for industrial workers (CPI-IW) are constructed on monthly basis. The two indices in respect of essential commodities together with their corresponding annual rates of inflation for the last six months are listed below :

| Week end /Month | Price Index Number for Essential Commodities | | Annual Rate of Inflation (%) (All commodities) | |
|-----------------|--|------------------------|--|----------|
| | WPI (Base 1981-82=100) | CPI - IW (1982=100) | WPI | CPI - IW |
| 1 | 2 | 3 | 4 | 5 |
| 03.08.1996 | 318.9 | | 6.0 | |
| 10.08.1996 | 320.5 | | 6.1 | |
| 17.08.1996 | 320.8 | | 6.2 | |
| 24.08.1996 | 322.8 | | 6.2 | |
| 31.08.1996 | 323.8 | 339 | 6.3 | 8.9 |
| 07.09.1996 | 325.6 | | 6.4 | |
| 14.09.1996 | 327.2 | | 6.4 | |
| 21.09.1996 | 329.1 | | 6.6 | |
| 28.09.1996 | 328.2 | 342 | 6.4 | 8.5 |
| 05.10.1996 | 329.3 | | 6.5 | |
| 12.10.1996 | 330.0 | | 6.5 | |
| 19.10.1996 | 330.7 | | 6.4 | |
| 26.10.1996 | 331.0 | 343 | 6.8 | 8.5 |

| 1 | 2 | 3 | 4 | 5 |
|------------|-------|-----|-----|-----|
| 02.11.1996 | 331.8 | | 6.7 | |
| 09.11.1996 | 333.2 | | 6.5 | |
| 16.11.1996 | 334.7 | | 6.4 | |
| 23.11.1996 | 332.8 | | 6.8 | |
| 30.11.1996 | 333.6 | 348 | 6.7 | 8.7 |
| 07.12.1996 | 333.7 | | 7.2 | |
| 14.12.1996 | 333.3 | | 7.1 | |
| 21.12.1996 | 334.5 | | 7.6 | |
| 28.12.1996 | 333.1 | na | 7.7 | 8.7 |
| 04.01.1997 | 333.2 | | 7.8 | |
| 11.01.1997 | 332.6 | | 7.6 | |
| 18.01.1997 | 335.4 | | 7.5 | |
| 25.01.1997 | 335.0 | na | 7.7 | na |
| 01.02.1997 | 335.2 | | 7.7 | na |

(c) The long overdue adjustment by about 18 per cent in the administered price of petroleum products in July 1996 and sharp escalation in prices of cereals and food articles due to decline in foodgrains production in 1996-97 contributed to inflationary pressures.

(d) The important steps which Government has taken to check the prices of essential commodities and to contain the inflation are:

- (i) Continuation of FCI's open market sale of rice and wheat;
- (ii) Import of wheat to augment public stocks of foodgrains;
- (iii) Import of edible oils and pulses at reduced duty.
- (iv) Strengthening of Public Distribution System;
- (v) Maintaining a liberal import policy for essential commodities such as sugar, edible oils, skimmed milk powder and pulses;
- (vi) Reduction of fiscal deficit in the budget proposals for current financial year to 5 per cent of GDP;
- (vii) Containing monetary growth to around 16.0 per cent in 1996-97 through prudent monetary policies.

[Translation]

National Handloom Credit Fund

*11. SHRI SOHAN BEER : Will the Minister of TEXTILES be pleased to state :

(a) whether the Meera Seth Committee, constituted for the development of Handloom Sector has recommended to create National Handloom Credit Fund for the promotion of handloom industry; and

(b) if so, the action taken by the Government thereon?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) Yes, Sir.

(b) The recommendations of the Committee have been received very shortly and are under study.

[English]

Import of Coffee

*12. SHRI KODIKUNNIL SURESH : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have allowed import of coffee;

(b) if so, the reasons therefor and the total quantity of coffee imported with its value during the current financial year;

(c) whether the small and marginal coffee farmers are likely to be affected due to import of coffee; and

(d) if so, the steps taken by the Government to safeguard their interest?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (d) As a part of the gradual removal of restrictions on the import of consumer goods, the import of coffee roasted and decaffeinated or not decaffeinated in bulk packaging; and instant coffee including decaffeinated instant coffee in consumer packs or other than consumer packs is freely importable under the current Exim Policy. Import of green coffee is however restricted.

Details of import data related to coffee is published in the "Foreign Trade Statistics of India", a publication brought out by the Directorate General of Commercial Intelligence and Statistics, Calcutta, copies of which are available in the Parliament Library. Since import of green coffee continues to be restricted, import of roasted and decaffeinated coffee in small quantities is not likely to affect the small and marginal farmers.