

(c) if not, what other steps have been taken to streamline the public distribution system?

THE MINISTER OF CIVIL SUPPLIES (SHRI V. C. SHUKLA): (a) No, Sir.

(b) The cooperatives are extensively used for the public distribution system. The State Governments have been advised to set up Advisory Committees at various levels associating representatives of consumer and women's organisations to supervise the public distribution system.

(c) The public distribution system in the country is under constant review in consultation with the State Governments and the concerned Departments and agencies of the Central Government. As a result of these reviews, considerable improvement has been effected in the supply of essential commodities to the States. The State Governments have also taken necessary steps to strengthen the infrastructure to expand and revitalise the public distribution system.

Tightening of Credit Squeeze to Check Inflation

786. **SHRI S. M. KRISHNA:** Will the Minister of FINANCE be pleased to state :

(a) the various measures taken by his Ministry and the other monetary authorities like the Reserve Bank of India to tighten the credit squeeze to check the present inflationary trends;

(b) how far these measures have resulted in fighting the inflation; and

(c) what other measures Government have in view to arrest these inflationary trends?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) to (c) The Reserve Bank of India has been taking such credit control measures which aim at restraining inflationary

pressures in the economy, without in any way affecting the level of production. These measures include the use of Statutory Liquidity Ratio (SLR), Cash Reserve Ratio, incremental credit-deposit ratio, refinance accommodation, selective credit controls, interest rates and optimal management of funds. It has also curtailed the effective drawing powers of large borrowers under cash-credit and inland bills account, effective control on non-food credit expansion of scheduled commercial banks. The Participation Certificates have also been brought within the purview of the SLR and Cash Reserve Ratio requirements. As a result of all these measures, the increase in money supply was lower at Rs. 2265 crores (10.3 per cent) during 1979-80 (upto March 26, 1980) compared to an increase of Rs. 3437 crores (18.7 per cent) during 1978-79. Similarly, the rate of growth in scheduled bank credit (Gross) to commercial sector has been restrained in 1979-80 at 17.7 per cent compared with 19.7 per cent in the previous year. The detailed measures taken to contain the credit expansion in the face of inflationary potential have been outlined in the Economic Survey 1979-80, which is being presented to the Parliament today. The position is being kept under careful watch and further measures will be undertaken in the light of the emerging situation.

Commercial and Economic Cooperation between India and European Economic Community

787. **SHRI S. M. KRISHNA:** Will the Minister of COMMERCE be pleased to state:

(a) whether during his recent visit to the capital, Mr. Roy Jenkins, President of European Economic Community held talks on commercial and economic co-operation between India and the European Economic Community;

(b) has any agreement been reached; if so, the salient features

thereof and how it will benefit India; and

(c) if not, when it is likely to be finalised?

THE MINISTER OF COMMERCE & STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir. The talks with Mr. Roy Jenkins, President of the Commission of the European Communities, covered various multi-lateral and bilateral issues such as the new Commercial and Economic Cooperation Agreement between India and the European Economic Community.

(b) and (c). The talks were in the nature of mutual exchange of views and did not envisage conclusion of any agreement.

Price Rise

788. SHRI ARJUN SETHI:
SHRI N. E. HORO:

Will the Minister of FINANCE be pleased to state:

(a) whether Government realise that the prospects on the price front are bleak during coming harvest and it is unlikely to improve price situation;

(b) if so, whether Government has noted that the important role of non-agricultural items in the inflation of the past year makes it necessary to maintain continued vigilance against sources of inflation outside the non-agricultural sector; and

(c) if so, the steps Government propose to take in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (b). Prices have remained under pressure since the beginning of 1979-80 and that the situation was aggravated by widespread drought in the country and international factors. Between March 1979—March 1980, the prices of non-

agricultural products rose by 26.7 per cent as against 13.2 per cent in case of agricultural products. Although there has been some slow-down during the recent months, prices are likely to remain under pressure due to seasonal factors until the middle of September. However, there is no cause for undue pessimism. Early reports on the progress of monsoon are quite encouraging and normal rainfall during the year will no doubt improve the price-situation substantially.

(c) Government are aware of the factors responsible for upward pressure on prices and keeping a careful watch on the price front. Several steps have already been taken to bring the prices under reasonable control and further steps in this regard would be taken as and when necessary.

Appointment of Subordinate Staff Class—IV Employees in S.B.I., New Delhi

789. SHRI CHANDRA PAL SHAILANI: Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India, New Delhi Local Head Office had prepared a panel/waiting list in June, 1979 for the appointment of subordinate staff/Class—IV employees for its various branches in Delhi/New Delhi;

(b) if so, the number of persons appointed immediately after interview in June, 1979 and those who were placed on the panel/waiting list;

(c) whether it is a fact that a large number of out-side persons have been subsequently appointed on the pretext of 'on temporary basis' on the posts of subordinate staff—IV services just to ignore the panel formed in 1979;

(d) if so, the number of such persons appointed, and the reasons for the same, when the panel is still alive; and