

their consideration and passage.

*The motion was adopted*

MR. CHAIRMAN: Motion moved

*Clause 1, the Enacting Formula and the Title were added to the Bill*

"That the Bill further to amend the All-India Institute of Medical Sciences Act, 1956 and the Post Graduate Institute of Medical Education and Research, Chandigarh, Act, 1966, as passed by Rajya Sabha be taken into consideration."

KUMARI SAROJ KHAPARDE: Sir, I move:

"That the Bill be passed."

Anybody wants to speak now.

MR. CHAIRMAN: The question is:

"That the Bill be passed."

SOME HON. MEMBERS: No, Sir.

*The motion was adopted*

MR. CHAIRMAN: I shall now put the motion for consideration of the Bill to the vote of the House.

16.25 hrs.

"That the Bill further to amend the All-India Institute of Medical Sciences Act, 1956 and the post-Graduate Institute of Medical Education and Research, Chandigarh Act, 1966, as passed by Rajya Sabha be taken into consideration."

DISCUSSION RE: CONTINUING PRICE RISE IN THE COUNTRY—*CONTD.*

[*English*]

MR. CHAIRMAN: We will go over to the next item now.

*The motion was adopted*

MR. CHAIRMAN: The House will now take up clause-by clause consideration of the Bill.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): May I suggest that we take up the unfinished item viz. discussion under rule 193 on rise in prices? (*Interruptions*) We could take up the other Bills in our next Session, because this is an unfinished discussion under rule 193, on which a few other Members, apart from the Minister, would like to participate.

The question is:

"That Clauses 2 and 3 stand part of the Bill."

MR. CHAIRMAN: May I take it that the House agrees with this proposal?

*The motion was adopted*

*Clauses 2 and 3 were added to the Bill*

SEVERAL HON. MEMBERS: Yes.

MR. CHAIRMAN: The question is:

MR. CHAIRMAN: Has only the Minister to reply? Or, is there anybody to speak?

"That Clause 1, the Enacting Formula and the Title stand part of the Bill."

SHRIMATI SHEILA DIKSHIT: There

[Shrimati Sheila Dikshit]

were 1 or 2 Members who wanted to speak.

SHRI D.B. PATIL (Kolaba): I want to speak, Sir.

MR. CHAIRMAN: Yes, Mr. Patil.

SHRI D. B. PATIL (Kolaba): The other day, the hon. Minister of Food and Civil Supplies had given a fine sermon to this House, advocating a cooperative consumers' movement to prevent the rise in prices, and other things like hoarding and block marketing. He also had said that it is not that Government could do anything in this matter; he also said that people should come forward and start cooperative consumer movement and resist the price rise.

As I said, it is a very good sermon. Had that sermon been made in some elocution competition, I am sure the hon. Minister would have got the first prize in that elocution competition. But it does not serve the purpose here, where we have to face the facts. Actions should be in accordance with slogans. (Interruptions)

The rise in prices speak for themselves. They are on record. Nobody denies that there is a steep rise in prices. Still, Government says that people should come forward. It is true that people should come forward. But in what way? A powerful consumer movement cannot be developed within a short period, to meet the situation that is arising now in the country. Prices are rising so steeply and so fast that if Government were to depend upon the consumers' cooperative movement, then the Government is trying to deceive the people and the country. That is my allegation, because the consumers' cooperative movement cannot be developed within 2, 3 or even 4 months. It will take its own time. But then, what is Government doing? The prices are rising so high and so steeply; but the Government has done nothing

in spite of various laws to arrest price rise. The prices of pulses, vegetables and essential commodities are rising and rising. As yet, Government has not done anything so far as arresting these prices are concerned. Simply to say that people should come forward and resist the rise in prices does not satisfy us.

But there are attempts on the part of the people to demonstrate and to say that the price rise should not be there. Day before yesterday, there were demonstrations by women's organizations in Delhi against the price rise. That was a part and parcel of the consumer movement, in the sense that people came forward and said that the Government should bring down the prices, and that industrialists, profiteers, black-marketeers and hoarders should be punished; and that was the demand of the demonstrators there. How were they dealt with by Government on that day? According to me, it was a consumers' movement against the price rise, against the shortages that are likely to arise in the country because of the drought and flood situation. And it has happened many times. They were lathi-charged; they were lathi-charged because they were demanding certain things. The hon. Minister of State for Home Affairs had made a statement in the House that there were demonstrations, but there was no lathi charge. Photographs have appeared in the Press. I will get him a photograph showing the police wielding lathis, i.e. police wielding lathis against the women. Still the Minister had said that there was no lathi charge.

We must feel ashamed of these things. It reminds me of one incident. In 1972-73, 1973-74 there were some demonstrations all over the country against price rise and shortages of food grains in fair price shops and against shortage of essential commodities. During these 3-4 years, not a single day passed without any lathi-charge, without any firing; it was a common occasion to have a

lathi-charge on the demonstrators who are demonstrating against the price rise, against the shortage of essential commodities. At that time, food items were not supplied through a public distribution system but they were not supplied in sufficient quantity. If a person was entitled to get 7 kegs per month, only 1 1/2 kgs were given to him. The attitude of the Government is the same as it was then. I myself see that there is no change in the attitude of the government in the sense that the government is now saying that they are trying their level best to control the prices. What does the government has done in the last two months about profiteers, hoarders and blackmarketeers? Who is gaining in this price rise? It is the hoarders and middle men who are gaining in the price rise and people are being exploited like anything; and this is tolerated by the government without any action.

Until and unless government deals with price rise firmly, the price rise is not going to be checked. People will be coming forward to raise their voice against it. I warn the government about it. If the government does not control the price rise and supply the essential commodities through a public distribution system, people will come out in the streets and fight for their right for survival. It is a question of survival and in this question of survival, people are prepared to come out and fight for it even in the streets.

[*Translation*]

KUMARI MAMTA BANERJEE (Jadavpur): Mr. Chairman, Sir, first of all I would like to congratulate hon. Minister of Parliamentary Affairs for providing me an opportunity to express my views on price rise in the House. The most important issue in the country is to curb rise in prices. It is the biggest problem. It is a matter of regret that several hon. Members in the House have been laying emphasis over a discussion on Bofors. But it was not so urgent. The most

urgent thing is to check price rise in the country. A meeting to this effect was held between the Central Government and the Governments of the States and some steps were also taken to check price rise plan-wise. 1900 Fair Price Shops were opened with a view to deal with this problem. Mobile shops have also been pressed into service in Delhi. The Consumer Protection Act and Essential Commodities Act were also passed by the Parliament. But we have to see as to what is our position with regard to the implementation of these rules. It is unfortunate that the opposition parties in the country do not pay much attention towards the problems of the farmers and workers. They pay more attention to the issues which have importance at international level. They are more interested in speaking against the country. These businessmen, black marketeers and hoarders found that the parliament is busy in discussing the Bofors issue and Fairfax and they thought that it was good opportunity to raise the prices. They thought that nobody will pay attention towards them and by the time they will think about it, they would have accumulated huge wealth and with the help of this amount they would exploit the poor. Later he would see as to what the Parliament or the Minister would do against him. The Hon. Minister has reduced the price of vegetable oils by Rs. 2/- per k.g. in his speech. It is a good thing. But it is to be seen whether common man gets commodities from fair price shops or not. We have sufficient food stock with us. In spite of that artificial demands are being made and crisis is being created in the market. Mustard oil is being sold at Rs. 30/- per Kg. and the price of onion ranges from Rs. 6 to Rs. 8/- per k.g. in different states. The price of rice is rising too high. Kerosene oil is not at all available in West Bengal. The Chief Minister of West Bengal has advised the people of the State not to consume onion and Shri Saroj Mukherjee, Secretary of C.P.M. Party has advised not to consume mustard oil and to consume rapeseed oil ..... (*Interruptions*). I

[Kumari Mamta Banerjee]

would like to tell the hon. Member that his Party Secretary, Shri Mukherjee has given a statement in the press advising people not to consume mustard oil and to consume rapeseed oil. If he challenges, I am prepared to face it. It is not proper to advise anybody not to consume onion, potato or mustard oil. It is not proper for the Government to issue such a statement. The Government should take stringent action against black-market-eers, hoarders and strengthen the consumer movement. There is no use of levelling charges against the Central Government. There is no bar on criticism. It is the duty of the opposition to criticise. But it should be a constructive one. It is the duty of the Government to look to the needs of common man. I do not talk about the rich people. I am talking about the worker who works in the field and does hard labour. He needs bread clothes and shelter ..... (*Interruptions*) It is very essential for the ladies. They have cook food and do marketing also. Those people who have fixed income, face problems. Therefore, you should allow the ladies to speak.

I want to say that the Consumer Protection Act and Essential Commodities Act are there. How far have these Acts have been implemented?

[*English*]

What is the position of number of raids made during the year 1985? As many as 2,29,865 raids were conducted and the value of goods confiscated was hardly Rs. 14 crores. If you look at the number of persons arrested during 1983, it was 9,186 but the number of persons convicted was hardly 554. During 1984, 8860 persons were arrested, but hardly 194 people were convicted. In 1985, 7,809 raids were conducted but hardly 1188 persons were convicted.

[*Translation*]

I want to say that until and unless the Essential Commodities Act is implemented properly, situation will not improve. Our country is facing drought and flood and prices have arisen because of that also. All the States in Northern India are facing drought and there is flood in Eastern India. If the kharif crops is ruined, there will be further rise in the prices.

[*English*]

Drought is not just a problem of providing adequate food for human beings. It means scarcity of drinking water for people and animals. Shortage of fodder, drop in food production, power cuts, lay-offs, unemployment, hoarding, inflation, corruption, and endless days of sheer misery for millions of people.

[*Translation*]

Sir, we will have to ensure that no artificial scarcity is created owing to flood and drought. I would like to request the Government to monitor the situation carefully.

Essential commodities are not available in West Bengal. If rice is available in one shop, then sugar is not available there and if sugar is available then kerosene is not available. Checking of these shops should be conducted from time to time. The Government should see whether the commodities are available in the fair price shops or not.

There is another thing. It is a question of credibility of the Government. The opposition will make criticism and that's all. To ensure that artificial demand is not created in the country, it is necessary that rice, cloth, soap, baby foods and such other items are made available in the fair price shops and in the market. These things should be made available in sufficient quantity. Otherwise

blackmarketeers and hoarders will create artificial scarcity. The Government should pay more attention towards this aspect of the problem.

We, the Members of Parliament discuss the Consumer Protection Act in the House as well as outside. But a common man in the village does not know anything about Consumer Protection Act. We should strengthen the consumer movement in order to implement this Act. It is not for any particular political party. All of us should strengthen this movement unitedly. If it is not done, the people in villages will not be able to know what Consumer Protection Act is. So we should put our heads together to solve this problem.

We will have to generate more power for our farmers. If adequate power is not available for them then water will not be available for irrigation purposes to our agricultural labour. If water is not available to them, they will not be able to cultivate land. This will raise the prices in artificial markets and which may rise further. In order to meet this situation more power should be supplied to the farmer. We will have to strengthen our vigilance also for this purpose.

We are undergoing losses of foodgrains in various food godowns in the country. No body pays any attention towards the losses being incurred in these godowns? We should have air-conditioned and scientific godowns. There will be no loss of foodgrains if we have these modern godowns. A number of people show the foodgrains as damaged and send them out. Hoarders take advantage of this situation. We will have to pay our attention towards these things also.

The Government should ensure that prices do not rise and artificial scarcity is not created. Poor people of the country suffer on account of wrong deeds of black-marketeters and hoarders. Our Government is making

efforts in this regard. All of us and you will have to co-operate in the efforts of the Government.

I am grateful to you for allocating me time.

[English]

SHRI B. B. RAMAIAH (Eluru): Mr. Chairman, I thank you for giving me this opportunity. Price rise is our main problem and we should go into the root cause of it. Production is more important either in agriculture or in industrial base. We have to plan for a higher production. In fact, we should plan for export orientation, so that we will have enough goods available in the country. For this, I have only a few suggestions.

Now, let us take agriculture. Why our productivity in agriculture is low? It requires education to our people. That is why, we must have proper agricultural engineers and training programmes so that they should be properly trained to utilise the land available, the resources available, and the type of seeds they require. It would also help them to know how to produce foodgrains, how to utilise the water resources available, how to utilise the fertiliser properly, when to apply the insecticides and the implements required for proper utilisation to increase the productivity. So is the case with water resources. For example, yesterday, we were talking about floods and drought. Whatever water is available, we should be able to utilise it properly. We should construct dams like Pollavaram and other things and utilise the natural resources properly so that we may have more productivity, instead of allowing the water to go into the sea. It also gives us lot of energy.

Coming to the industrial side, again the basic thing is power. Today the existing industries are not able to produce enough because of shortage of power. If you in-

[Sh. B.B. Ramaiah]

crease production of power, production of industrial and other goods will be more. We should plan for surplus goods.

Countries like Korea are exporting so much quantity because they can plan and produce it. We should also plan for higher production. If there is higher productivity, the prices will come down and availability will be more. Always prices will start rising when there is scarcity. If scarcity is to be avoided, we should be able to maintain a better production level so that the consumer can dictate the prices, quantity and what he needs. You can bring the things to that level, because our country has so much resources—land resources, water resources and mineral resources. That is why, if you are able to plan properly and utilise the available resources in a proper way, the price rise and scarcity will not be there.

Whatever we have produced, that should be properly stored. You should have proper warehouses. People should know how to preserve foodstuffs and other goods so that distribution system becomes the last part of it. Once the availability of goods are there, then you have to see the channels of distribution-transportation. We have tremendous amount of losses of agricultural production either in storage or distribution side or not having proper facilities. We should plan for all these things—increasing the capacity, and its utilisation and increasing the facilities. We have tremendous amount of manpower. The only thing is that we have utilise these things in the right direction. With the help of proper planning and utilisation of available resources there will not be any difficulty in controlling the prices. In fact, for the last three months we find that the price rise is quite sharp. Because of this, probably, the inflation will also go up. This will hit the poor people most. So in the category of essential items, what we should plan first is food. Without food, no-

body can think of poor people. Next is clothing. Third is medical and fourth is shelter and other things. On the basis of priority, if the Planning Commission, Finance Ministry, Food Ministry and all the other combined make efforts, there will be no problem of price rise and we should be able to maintain the prices properly. Then people will have enough supplies available at reasonable prices and distribution system will be there all over .

I thank you very much for giving me the time.

SHRIMATI VYJAYANTHIMALA BALI (Madras South): Firstly, I would like to say that when the Monsoon Session started, there was not a drop of rain, but at least on the last day or the closing day of the Session, we have had heavy rains though too late. It is a good sign.

We are all aware that a large part of the country has been facing an unprecedented drought consecutively for the third successive year. At the same time, in the eastern and north-eastern regions, there is unprecedented flood causing great havoc to the people in the region. Not only that. With the influx of refugees from Bangladesh and Sri Lanka, communal and other disturbances in some States, and the disturbing situation in the immediate neighbouring countries, our country, at the moment, has to shoulder heavy responsibility in facing the upward price trend.

Looking deeper into the price situation, one finds a very disturbing picture of the current as well as prospective trend in prices of essential commodities of both agricultural and industrial goods. What is more disturbing is the fact that the inflationary trend has continued uninterrupted during the last several years. Where does the price escalation concentrate and what are the factors responsible for the continuing price rise?

Firstly, the inflationary trend is usually associated with the price rise. The inflation rate has been around six per cent in the past three years and at one stage it was only 3.8 per cent on a point-to-point basis. The inflationary pressures can be explained by referring to changes in money supply in relation to changes in production. The volume of production in general and the availability of commodities in particular plays a very crucial role in influencing prices. On the demand side, changes in money flows into the economy lead to inflationary pressure. If we see the price trend for the last two or three years, we will find that the wholesale price index has been higher at six per cent in the financial year 1986-87 on a point-to-point basis, where it was 3.4 per cent in 1985-86 and 5.7 per cent in 1984-85. There was a slight drop in the figure in 1986. But since January 1987, the price rise has been showing a steady rising trend. So also in the case of consumer price index, there is an increase of 7.5 per cent during the first nine months of 1986-87. The inflationary pressure during the current year is more pronounced at the retail level and it has registered an increase of 9.2 per cent up to the end of December 1986. Therefore, Sir, if you look at the figures the inflation measured by wholesale price and consumer price of commodities, you would find that it has been rising unabatedly.

It is interesting to note that in spite of the worldwide inflationary trend, the Asian country, Singapore, has been successfully beating the inflation by holding its general consumer price rise to less than one per cent in 1985. Among the Asian countries, Bangladesh tops the list of rate of inflation of 10.8 per cent, coming next is India with 7.1 per cent in 1985. The uninterrupted upward movement in the consumer price index has engendered a steady erosion in the real income.

One of the factors responsible for surge of inflation has been high rate of monetary

expansion. Expansion of money supply in the last six years has gone to 148 per cent or an average of 25 per cent per annum. If we analyse the price rise in the last six months or so, it would reveal that the price rise has been alarmingly at a fast rate, particularly the prices of the essential basic consumer items of daily life.

I would like to place before the Government the following suggestions in order to curb the price rise of essential commodities.

In a developing country like ours where population pressure is not likely to ease substantially, it is necessary that the framework of national policy should be followed by a strict demand management, backed by monetary restrictions on the Government sector. Otherwise, it is most unlikely to have stability in the price level.

The Government policy should be towards effective demand and supply management including strengthening of public distribution system. The main thrust of the Government policy is to increase the production of various essential commodities, particularly those which are in short supply. In fact, the essential commodities like edible oils, pulses, kerosene, and so on may have to be imported for meeting the domestic demand. Export of essential commodities should be banned immediately.

Because of the continuing drought situation in the country, the Government should take measures urgently to import these essential items and keep them in stock to meet the aggravating situation that may arise in the months ahead.

The public distribution system of essential commodities like foodgrains, sugar, edible oils, pulses, cloth, fuel, etc. at reasonable prices to the common man should be strengthened and expanded. Along with this, there should be proper monitoring sys-

[Shrimati Vyjayanthimala Bai]

tem and the Government should keep a strict vigil over the distribution and see that there is no malpractice adopted in the distribution system. Laws, such as, Essential Commodities Act, Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, the Consumer Protection Act of 1986, etc. should be strictly applied so that there is no room for any malpractice by unscrupulous traders and middlemen.

Lastly, Sir, Indian economy is primarily depending on agriculture and in India, agriculture is successful when there is sufficient rainfall. In the light of the drought situation obtaining in most part of the country, there is going to be a steep fall in agricultural output. Since rise in import prices and cost-push and demand-pull factors would further aggravate the inflationary situation, Government must keep in mind the following points, besides the avoidance of excess money creation:

- (a) build buffer stock of foodgrains in order to meet the impact of weather-induced fall in agricultural production;
- (b) maintenance of public distribution system particularly in the rural and village areas of the basic essential commodities in the best manner possible;
- (c) maintain exchange reserves at a level that provides adequate margin for precautionary imports of other essential items like edible oil and fertilisers to counteract the effects of domestic shortages.

Sir, I hope the Government would take into consideration the above suggestions and come forward with concrete proposals to curb the intolerable price-rise on basic

essential commodities consumed by large sections of people, particularly belonging to poor and weaker sections in the rural areas. I thank you, Sir, for having given me this opportunity of speaking on this subject.

SHRIMATI D.K. BHANDARI (Sikkim):  
Mr. Chairman, Sir, all the previous Members cutting across the party lines have expressed their concern for the continuing price-rise in the country. Sir, I think that most of the hon. Members representing here are from the States which are self-sufficient, if not quite self-sufficient. Some of them are from the Punjab State which we call the granary of our country. Sir, the first person who was to start this topic was Shri Balwant Singh Ramoowalia who comes from Punjab. But, Sir, you can well imagine the fate of Sikkim because Sikkim is a State which is depending on other States for almost all essential items of daily life. Those items are not produced in Sikkim because most part of Sikkim is hilly terrain area. Therefore, even if people work very hard, they can produce only 1/4th of what their fellow-brothers can produce in the plains. We have to depend on other States for most of the essential commodities. Even for some materials which we require for the development of the State, we have to depend on other States. Not only that. We have to bring these equipments and essential commodities by spending heavy transportation charges, thus hitting the people of Sikkim below the belt.

Sir, I would like to thank the Food and Civil Supplies Minister for allocating us adequate quantity of essential commodities. But it would have been better if there had been some sort of coordination between Food and Civil Supplies Ministry and the Railways. Now, for the movement of the essential commodities and other small equipments, there is difficulty in transportation because our State is not connected with railways. Sir, for timely distribution of these essential commodities, the State Govern-



ment has to rely on private transport corporation for which they have to pay a heavy charges from the public fund. The State Government wants to keep sufficient stock before the on-set of monsoon. During the monsoon season, road communication is disrupted and if the Government is not able to supply the essential commodities to the poor innocent people, they will become the victim or fall a prey to the blackmarketeers and hoarders.

Sir, I am very much thankful to the hon. Minister for giving warning to the traders who indulge in blackmarketing and hoarding activities. If the persons who actually work on the spot for checking these unfair activities are not sincere, we will not be able to achieve what the Minister intends to do.

17.00 hrs.

So, we have to be careful and we should motivate our people even at the lower level who are working for this purpose. They should be sincere in their efforts.

With these words, I thank you for giving me time.

PROF. SAIFUDDIN SOZ (Baramulla): Mr. Chairman, the house-wives have been on the road side against the price rise. Sisters have raised their great voice and louder voice in this august House. I thought, I must show some sympathy to them. Now, my sister, Shrimati Vyjayanthimala Bali has done a lot of research and has talked about the price index. The correct figures must be available with the hon. Finance Minister. But I wanted to know whether two three figures, which I have got, are correct and if so, what is the remedy? For Instance, the consumer price index rose by 3.8% from April to June and food prices by 5.8% during the same period. Two other articles of mass consumption, namely tomato and potato have also become dearer. Tomato rose by 233% and

potato by 100%. Now, if we compare the price index for the food item with that of the last year, then the food prices have increased by 10.08%. This is a very great price spiral and this may assume higher proportion, god forbids, because the drought has added another dimension to this problem. We have a competent Minister to deal with the situation. I have a point to make. I am particular about the hilly State like Jammu and Kashmir. There, the transportation charges are very high as the goods have to cover long distances and difficult terrain. So, the hoarders fleece the customers in States like Jammu & Kashmir. So, our Finance Minister should pay pointed attention to hilly States like Jammu & Kashmir.

Would the hon. Minister promise us that he will stabilise price level? That is my question to him. Of course, it is a very big problem. I wish that the Government of India would institute a task force on this or a cabinet sub-committee on this problem. But can he tell us whether he will do it single-handedly? This is my question.

17.04 hrs.

THE MINISTER OF FINANCE AND COMMERCE (SHRI NARAYAN DATT TIWARI): Sir, I am very very grateful to all the hon. Members for the very valuable suggestions which they have made to meet the very difficult situation caused by unprecedented drought in most parts of our country.

17.04 hrs.

[MR. DEPUTY-SPEAKER *in the chair*]

I am specially thankful to Mr. Balwant Singh Ramoowalia and Dr. Chinta Mohan who are the sponsors of this discussion. I am also thankful to Mr. H.M. Patel and Mr. B.R. Bhagat and Mr. Shyam Lal Yadav, the veterans of this House who have given very

[Sh. Narayan Datt Tiwari]

valid suggestions, during the course of their speeches. Mr Basudeb Acharia could not complete his speech. I am thankful to Mr. Patel, and Mamataji, Shri Ramaiah, Shrimati Vyjayanthimala Bali, Shrimati Bhandari and Prof. Soz for their participation in the debate. I share the concern of the hon. Members about the complexity of the situation. We all have noticed one phenomenon and Shrimati Vyjayanthimala Bali has referred to it, in her speech that while we were discussing this price rise we have had very good rains today.

[*Translation*]

SHRIMATI PRABHAWATI GUPTA (Motihari): Mr. Chairman, Sir, when such an important discussion is taking place in the House, I want that the time should be extended to enable me to participate in it and to give me an opportunity to express my views. In view of the seriousness of the present situation, I want to place some suggestions before the Government and the House.

[*English*]

MR. DEPUTY SPEAKER: Already the hon. Minister is replying. Why are you interfering, Madam? No, Madam, please. When the price is rising, you are also rising, I think.

SHRI NARAYAN DATT TIWARI: I assure the hon. Members of this House that we will consider all the valuable suggestions that have been made here and implement most of them because most of them are very constructive suggestions. I am very thankful to my colleague Shri H.K.L. Bhagat for his eloquent intervention. He painstakingly explained the strategy of the Department of Food and Civil Supplies to meet the difficult situation and I am sure that all the State Governments will certainly respond to the challenge of the moment and we will, whether at the Centre or in the States, fully

cooperate so that we can meet squarely the requirements of the situation. What has been the basic reason of this price rise phenomenon, especially in the field of pulses and edible oils and a few other essential commodities? It has been just because of the unprecedented drought. This situation has been brought about by natural calamities. I agree fully with Mr. H.M. Patel and Mr. Balwant Singh Ramoowalia that it is a national issue. It is not a party issue. It is appropriately pointed out by my colleague Mr. Bhagat that now we have a broad spectrum of sharing of power by different political parties in the country. Practically all the political parties present in the House except perhaps one or two, all share power. They face the same kind to criticism when they go back home because, as you know, it is mainly the State Governments, that bear the brunt of the price situation in the States, according to our constitutional set up and governmental set up, administrative set up, it is mainly the States and, therefore, whether we agree or not, this is a national issue. My colleague Mr. Bhagat told this august House about his writing to the Chief Minister, his meetings with the Chief Ministers and the decisions that were taken with the Vanaspathi manufacturer that they will bring down the prices of Vanaspathi by Rs. 2/- per tin or Rs. 322/- per tonne. I think this is a significant decision. Because of today's rains, I am told we have rains now, yesterday and day before yesterday rains have been widespread throughout those areas and those parts of the country where there was drought, there was a psychology of rising prices and scarcity. These rains will break this psychology. I am sure, the psychology of hoarding and again it will at least raise the production of vegetables because just now Prof. Saifuddin Soz mentioned onions and potatoes. It depends on the location or the market or situation where the potatoes and the onions have been kept. The price might be higher in Jaipur or Chandigarh but it might be lower in Kanpur because of Farukhabad

being near the potato-growing centres. These rains will be helpful in the vegetable supply to the urban areas. I would call upon the State Governments now to implement their contingency plan for growing alternative short duration crops in those drought-affected areas, which have now got some rains, what we call the Zaid crops. In all the States we have a contingency plan for growing Zaid crops, for growing vegetables, for growing fodder and for growing the special types of pulses which can be had within 5-6 weeks. I am very sure of it and I call upon the State Government to have a contingency plan launched fully into operation. The Prime Minister has announced today that there will be a Chief Ministers' meeting here on the 3rd of September. I am very sure that this meeting will be very important from the point of view the States will tell us what they have been doing to meet this price situation. They will also tell us about their needs. We will also tell them as to what we are doing and what we will be doing.

What is the situation regarding the public distribution system? About that, my hon. colleagues Mr. Bhagat has mentioned. Already there are more than three lakh and forty thousand shops, which numbers are going to be increased, as Mr. Bhagat has said. 23.4 million tonnes of foodgrains stocks are available. We can comprehend and imagine what would have been the situation if we did not have this vast buffer food stock available. This has been the guarantee of the policies we pursued, this has been the result of the policies pursued by this august House, supported by this august House and that is why we have this vast massive food-stock with us which is a guarantee that there will be no scarcity of foodgrains in our country. Regarding supply of foodgrains, the off-take has now increased and off-take of rice during April-June 1987 was 2.08 million tonnes against 1.9 million tonnes and off-take of wheat was

1.7 million tonnes against 1.4 million tonnes in the previous year. This shows the pressure, the rising pressure on the public distribution system. Therefore, we are gearing up all our infrastructural machinery in support of sustaining this public distribution system.

Regarding edible-oils, as mentioned by my colleague Shri Bhagat, we have increased the import of edible-oils for the public distribution system. I may also assure this House, that as a Commerce Minister, I myself visited the State Trading Corporation and discussed three hours the modalities of transport. We had another meeting regarding the arrangements of shipping and rail movement, so that the shipping service and railways work together and the edible-oils imported goes exactly to the supply points. Of course, the Railways and everything is geared up so that the imported edible oils reach the allocated supply centres, pre-determined supply centres at the exact time so determined. In the month of August, the allocation of edible-oils was 1.20 lakh tonnes. For the coming month of September, the allocation of edible-oils will be 1.5 lakh tonnes, the highest ever. It is 1.5 lakh tonnes for one month of September. This shows our Planning, as many of our hon. Members have already mentioned. The supply of edible-oils is the key factor in the rising of the prices and it is contained. You must have seen in the recent two days, the price of edible-oils and vanaspathi has gone down because of supply of edible-oils to crucial centres of supply.

[*Translation*]

SHRI BASUDEB ACHARIA (Bankura):  
It has not gone down. It is only on papers.

SHRI NARAYAN DATT TIWARI:  
Basudebji, how can it be that price will not fall after your mentioning about it.

[Sh. Narayan Datt Tiwari]

[English]

Releases of levy sugar have also been increased. The offtake of levy sugar during the first five months of 1987 was higher by 36 per cent compared to the corresponding period of 1986. So, we have this increase in prices which is every year seasonal in nature, and coupled with this seasonal rise in prices, we had this drought phenomenon. And both these factors combined to bring about the present situation.

There was a mention about the monetary factor and the inflationary factor in the debate. I may assure the hon. House that we are using credit instruments to check the flare-up in the prices of sensitive commodities. The Reserve Bank of India, two or three days back, announced certain measures to control credit availability for business groups so that they cannot store edible oils, cotton, *kapas*, paddy and rice. On the other hand, more liberal credit policies are being actively used to fight the effects of drought. A series of measures have been announced by the Reserve Bank of India to provide liberal credit for fodder and short crops. Facilities for consumption loan to drought-affected persons have already been provided. The performance of the public sector and the contribution of administered prices to the price situation are being very carefully watched. Yesterday, Prime Minister took a marathan meeting of the Drought Committee and we analysed all the points, all the elements which could contribute to ameliorate the present situation. Therefore, we are calling upon the the public sector units on the one hand to augment productivity and on the other hand to maintain the level of administered prices so that the prices do not go up. Where increase in cost cannot be absorbed through increase in productivity, even if price adjustments are necessary, we will not immediately consider any such measure which leads to any enhancement of prices.

Many hon. Members mentioned about the necessity of controlling government expenditure. Let me say straightway that we are fully seized of the need to cut low-priority expenditure to cope with the present situation. I may also assure the House that we will release as much funds as are required for genuine drought relief works. There is no question of any economy as far as drought relief measures are concerned. This is absolutely essential to relieve the enormous hardship imposed by the nation-wide drought. I may mention here that the Central Teams have been to practically all the States. Their reports have come. The different States have given their assessment of the situation, and these demands have already been assessed by the Agriculture Ministry regarding most of the States. We are continuously processing all the recommendations made, and announcements have been made, funds have been made available to the different State Governments, so that they can meet the situation. I would now call upon the State Governments to take emergency measures to monitor implementation. Even from the Centre it has been decided that Ministers will visit different States to help the State Governments monitor implementation of these programmes, and that has been accepted in accordance with the recommendations of the Central Team. I may also assure the House that we have initiated a thorough review of government expenditure to achieve necessary economy. I will myself monitor this department-wise. I will also call upon the State Governments to similarly review Government expenditure at their level. Cut non-Plan expenditure as far as possible, concentrate on relief works, on employment giving measures and avoid unnecessary expenditure.

Hon. Members were concerned about the possibility of our going beyond the budgeted deficit of Rs. 5688 crores. Mr. H.M. Patel had mentioned about it. Some other

hon. Members had also thought that perhaps we will overshoot this deficit. I can assure the House that despite this unprecedented situation we will make every effort to stay within the budgeted level of the deficit. We cannot afford an inflationary situation. I may mention here that the inflation rate also while it has gone up it is not so alarming as we might think. You take the month of July. Over the last five years the rate of inflation and whole-sale price index in July 1983 was 7.3%; July 1984-9.6%; July 1985-5.7%; July 1986-4.4% and July 1987-5.2%. So it is not alarming. Of course, it has increased but it is not so alarming. As Finance Minister I may assure the House that I am determined to contain the rate of inflation. I have had three discussions with the Governor, Reserve Bank of India. While we will tighten the monetary system we will also monitor that M3 does not expand unduly. We will control the monetary limits. We will also take stringent measures to control inflation and I am very sure I will have the blessings of all the Members cutting across party lines so that our steps to control inflation are fully supported by the general public at large with the blessings of the hon. Members of this House.

Now I would also like to inform the House that we will try to mobilise more savings and increase the receipt coming to the budget. I know that in a drought situation and in a flood situation in some parts of the country especially in the eastern region there is a difficulty in mobilising household savings but it is also a tool to control inflationary trends in the economy. Therefore, we will like to have a nation-wide savings campaign and the State Governments will also gain to benefit. For example, if each State can get more through national small savings it will also contribute to the State exchequer. Therefore, I will be writing to all the State Governments to have a massive movement for national small savings in their State which will also on the one hand contribute to fight

against inflation and also contribute to fighting the psychology of a crisis. It will also lead to more savings and augmentation of resource position and I am sure I will have the support of the State Governments.

Many members referred to the role of the public sector. I may inform the House that the public sector especially in the key infra-structure sectors as power, railway freight and coal it has behaved very well. There were so many complaints from the hon. Members but there were few complaints about power supply. This has been a remarkable phenomenon that the power supply during the drought period for the agriculturists has been satisfactory. By and large, it has been satisfactory. Power output increased by 10.3 per cent in 1986-87 with the plant load factor for thermal power plants attaining a level of over 53 per cent - highest level in the last decade. This 53 per cent achievement in the plant load factor has led to this situation.

Railways have also been performing well. In 1986-87, the revenue earning railway freight traffic increased by 7.3 per cent. This compares with an average increase of only about 4 per cent a year during the Sixth Plan period.

Coal production also went up by 7.5 per cent last year and production has further accelerated in the first quarter of 1987-88 showing an increase of about 13 per cent over the corresponding period of 1986-87. So, this shows that with the better performance of the key infrastructural support to the economy, we can meet the challenge of the price situation. If the railways can support the transport infrastructure, if we can get more power for our agriculture, for our industry, that means that we can do better in the future. That would give us an assurance that with more productivity assured in the future, we will be able to fight the spiral of rising prices.

[Sh. Narayan Datt Tiwari]

My esteemed colleague, Shri B.R. Bhagat, argued about the necessity of acceleration in the rate of industrial growth. Now if we take the latest statistics regarding industrial growth, it has accelerated to 8.5 per cent in 1984-85 from an average of little over 6 per cent in the preceding three years. Last year (1986-87), the index of industrial production increased by 8.3 per cent in the first 11 months for which data is available.

SHRI BASUDEB ACHARIA: What is the target?

SHRI NARAYAN DATT TIWARI: The target was 8 to 9 per cent. This means that, for the first time in two decades the industrial growth has averaged around 8 per cent per year for three consecutive years. Far-reaching fiscal reforms have been undertaken to promote industrial growth and to strengthen the nation's capital market. I may mention as a result of these measures, new capital issue approvals rose to nearly Rs. 6,000 crores in 1986-87 as compared to Rs. 2,000 crores as recently as 1984-85.

Now, regarding pulses, we have approved large imports of pulses as measure to control inflation. It is another crucial area. I am sure with this much import of pulses, the prices of pulses would also go down. A central monitoring committee of economic Ministers has been set up to keep a close vigilance on production and availability of essential commodities.

Regarding balance of payments also, the trade deficit has gone down a little in the last month. I have taken about eight meetings in the Commerce Ministry so that we can augment exports in certain areas. In Calcutta, we had a recent meeting with the cooperation of the West Bengal Government wherein we have long-term and short-term pre-productivity programme in the eastern region - in West Bengal, Assam, Tripura. I am sure that we can augment the

exports of tea and coffee in a large measure.

Similarly, in the field of garment industry, jewellery, engineering industries, we can augment our exports so that our balance of payments position is controlled.

I would not like to take the time of the House because it is already 5.30 p.m. I would sum up that the situation is very serious and we have to be very very careful in the coming months. We are all aware of the hardships it has imposed and the danger of inflation that it has posed. While we cannot minimize these facts, but I am very sure that with the will and determination of this House, we can face this national issue squarely and firmly. It is not a partisan or political matter. Let all of us, whatever might be our party level, join together. If there is an unprecedented drought, let there be an unprecedented unity in the country, in the people to fight this drought. It is not only the Government that has to fight; people have to fight and they are fighting in the fields and factories and everywhere. I am thankful to the housewives that they are also fighting in their own way. I am sure that with the establishment of vigilance committees all over the country, the hoarders and blackmarketers will be punished.

I would give you the figures of raids that have been conducted. A total of 97521 raids have been conducted upto June 1987 in this year, which is 13000 more compared to last year. I am sure that the State Governments will make a more determined effort to arrest blackmarketeers. Mamata Ji mentioned about the rate of convictions and said that there were less number of convictions. I am sure that all the State Governments would see to it that whosoever is arrested is prosecuted and convicted.

I am very sure that we will be able to meet the situation. I call upon all the Members of this House. Today is the last day of

this sitting. As we go back to our constituencies throughout the country, let us fight hard and straight against this unprecedented situation and see to it that the effects of drought are mitigated and the hardship of the people is reduced and we all meet the requirements of the situation from the national perspective.

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17.33 hrs.

PRIVATE MEMBERS' BILLS &  
RESOLUTIONS

[Translation]

Forty First Report

SHRIMATI USHA RANI TOMAR (Aligarh): I beg to move:

"That this House do agree with the Forty-First Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 26th August, 1987"

[English]

MR. DEPUTY-SPEAKER: The question is:

"That this House do agree with the Forty-first Report of the Committee on Private Member's Bills and Resolutions presented to the House on the 26th August, 1987"

*The motion was adopted.*

17.34 hrs.

CONSTITUTION (AMENDMENT)  
BILL\*

(Amendment of Article 19)

[English]

SHRI MULLAPPALLY RAMACHANDRAN (Cannanore): I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER: The question is

"That leave be granted to introduce a Bill further to amend the Constitution of India".

*The motion was adopted.*

SHRI MULLAPALLY RAMACHANDRAN: I introduce the Bill.

CONSTITUTION (AMENDMENT) BILL\*

(Amendment of Article 78)

[English]

SHRI MULLAPALLY RAMACHANDRAN (Cannanore): I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India".

*The motion was adopted.*