

**Detailed Demands for Grants of the Departments of Ocean Development, Electronics and Atomic Energy for 1985-86**

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, SPACE AND ELECTRONICS (SHRI SHIVRAJ V. PATIL) : I beg to lay on the Table.

- (1) A copy of the Detailed Demands for Grants (Hindi and English versions) of the Department of Ocean Development for 1985-86.

[Placed in Library. See No. LT-804/85]

- (2) A copy of the Detailed Demands for Grants (Hindi and English versions) of the Department of Electronics for 1985-86.

[Placed in Library. See No. LT-805/85].

- (3) A copy of the Detailed Demands for Grants (Hindi and English versions) of the Department of Atomic Energy for 1985-86.

[Placed in Library. See No. LT-806/85].

MEMBER SWORN

Shri Kakade Sambhaji Rao Sahebrao  
(Baramati)

12.15 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

**Situation arising out of the recent rise in price of essential and other commodities**

SHRI ZAINUL BASHER (Ghazipur) : Sir, I call the attention of the Minister of Food and Civil Supplies to the following matter of urgent public importance and I request that he may make a statement thereon :

"The situation arising out of the recent rise in prices of essential and other commodities and the steps taken by the Government in that regard."

SHRI S. JAIPAL REDDY : Sir, this is a very important matter. You allow a discussion under rule 193 on this...

(Interruptions)

MR. DEPUTY SPEAKER : I cannot allow it now. The Calling Attention is already admitted, Let the Minister reply.

THE MINISTER OF FOOD AND CIVIL SUPPLIES (RAO BIRENDRA SINGH) : There was some improvement in the overall price situation in 1984-85. The annual rate of inflation declined to 5.8% in March, 1985 from 9.2% in the same month a year earlier. A notable feature of the price situation during 1984-85 has been subdued prices and easy availability of several essential commodities including cereals, edible oils and vegetables. It is indeed remarkable, Hon'ble Members will agree, that the wholesale price index of cereals moved down by 6.6% in the past two years ending March, 1985, There were, however, a few commodities the prices of which moved up during 1984-85.

2. After the presentation of the General Budget 1985-86, the wholesale price index is available for four weeks ending 13th April, 1985. During these four weeks the wholesale price index has moved up by 2.3%. A large portion of this increase has been due to Budget levies on or increase in administered price of some commodities. In the case of remaining commodities, there has been a mixed trend. The prices of some commodities have gone up while the prices of some other commodities have moved down.

3. Government attaches utmost importance to ensuring availability of essential commodities at reasonable prices. Both the Central and State Governments are monitoring the prices of essential commodities. The main thrust of the Government policy is to increase the production of essential commodities, particularly those in short supply. The export of essential commodities is regulated keeping in view our domestic requirements. Some commodities are imported to augment domestic supply. The Public Distribution System is being expanded and its management is being improved to make essential commodities available at reasonable prices to the people, especially the weaker and vulnerable sections of the society. The

State Governments are enforcing the Essential Commodities Act and similar legislations. After the presentation of the General Budget, the Central Government advised the State Governments to take strict action against erring traders indulging in profiteering, hoarding and blackmarketing.

4. Government is exercising constant surveillance to keep prices of essential commodities in check and every effort is being made to ensure their availability in every corner of the country. Hon'ble Members would agree that public awareness and cooperation are essential for Government's effort to succeed in this direction,

[Translation]

SHRI ZAINUL BASHER : Mr Deputy Speaker, Sir. I addressed my calling attention motion to the Finance Minister because the phenomenon of the increasing prices is related more to the Finance Ministry than to the Ministry of Food and Civil Supplies. In his statement, the Minister has admitted that the prices have increased after the presentation of the General Budget for the year 1985-86. During the discussion on the Budget some of my friends and I had expressed the apprehension that these Budget proposals would definitely lead to rise in prices. Though a number of counter-arguments were advanced to allay that apprehension yet in fact the prices have been increasing continuously. The Minister has quoted the figures of wholesale price index for the four weeks ending the 13th April 1985 and he has admitted that there has been an increase of 2.3% in the prices. I do not know the percentage of increase in wholesale prices, but I would like to invite the attention of the hon. Minister through you to the prices which are prevailing in the open retail market. Generally, there has been 15% increase in the prices in the open market in the cities and 30% increase in rural areas following the presentation of the Budget. The prices of cereals have risen but not to the extent to which the prices of sugar, edible oil, pulses, vegetables and spices have gone up. People are feeling the pinch of this increase. The increase in the prices has adversely affected the general masses. The prices of kerosene oil are sky rocketing. In my constituency in

Uttar Pradesh, from where I returned yesterday, kerosene oil is selling at the rate of Rs. 5.75 to Rs. 6.50 per litre while its controlled price is Rs. 2.45 per litre. I came to know from the newspaper reports that kerosene oil is being sold at the rate of Rs. 7 per litre in West Bengal and Bihar. The increase in the price of diesel has resulted in the increased transportation cost. The charges for transportation by trucks are going up. The bus fares have also been increased. The increase in the prices of diesel and petrol has further accentuated the taxi and scooter fares. Thus the people are facing a lot of hardships due to the rising freights and fares. There has been a 10% increase in the prices of tyres and tubes also.

Mr. Deputy Speaker Sir, I have collected certain information in this regard which I want to convey through you to the hon. Minister. As regards eastern UP. and particularly Ghazipur district, fire-wood was being sold there at Rs. 16 per maund during the pre-budget period but now its rate has gone up to Rs. 30 per maund. The kerosene oil which was being sold earlier at Rs. 2.45 per litre is now being sold at Rs. 3.50 or Rs. 4.00 per litre. The prices of dalda tin has gone up to Rs. 315 from Rs. 265. Sugar which was being sold in the open market at Rs. 5.50 per kg in now available at Rs. 7.00 per kg. The price of chillies has increased from Rs. 13 to Rs. 24 per kg. The price of salt which is an essential commodity of daily consumption has gone up from 50 paise to 75 paise per kg. The price of betel, which is relished not only in Varanasi but in various other parts of our country, has increased from 25 paise to 40 or 50 paise per piece. The price of gram has increased from Rs. 3.00 to Rs. 4.00 per kg, of Arhar from Rs. 5.50 to Rs. 6.50, of coarse rice from Rs. 2.50 to Rs. 3.00 per kg of meat from Rs. 18 to Rs. 24 per kg. Now I would like to invite the attention of hon. Minister to the price situation prevailing in Delhi. I am giving certain figures in this respect. The price of potato has increased from Re. 1 to Rs. 1.25, of onion from Rs. 1.50 to Rs. 2.00, of pumpkin from Rs. 1.50 to Rs. 2.00, of brinjals from Rs. 1.50 to Rs. 2.00, of cauli flower from Rs. 2 to Rs. 5, of jack fruit from Rs. 4 to Rs. 6, and of green chillies from Rs. 4 to

[Shri Zainul Basher]

Rs. 8, of "arbi" from Rs. 4 to Rs. 5 per kg. It is a fact that there has been no increase in the prices of wheat and rice but the prices of pulses have definitely gone up. The prices of kabli gram has increased from Rs. 6 to Rs. 6.50, of moong from Rs. 7 to Rs. 8, of urad from Rs. 8 to Rs. 9, of gram from Rs. 6.00 to 6.50, of sugar from Rs. 5.00 to Rs. 5.50 and from Rs. 6.00 to Rs. 6.50 per kg. The rate of mustard oil has increased from Rs. 14 to Rs. 15 per kg. The price of ghee has come down from Rs. 50 to 45 per kg. The price of dalda per kg. has increased from Rs. 16.15 to 17.10, and of red chillies from Rs. 20 to Rs. 25, of turmeric from Rs. 20 to Rs. 22 of cummin-seed from Rs. 15.00 to 20.00 per kg. Similarly the price of washing soap Sunlight and the toilet soap Lifebuoy has increased from Rs. 2.25 to Rs. 2.50 and from Rs. 2.50 to Rs. 2.65 per cake respectively.

Thus we see that the prices of essential commodities are continuously increasing. The prices of building material have tremendously increased. There has been increase of 40 per cent in the prices of iron bars and iron sheets. The increase in the price of cement is 10 per cent. The price per cement bag has increased from Rs. 62-64 to Rs. 70/-. The prices of toilet soap, tooth-paste, washing soap powder have increased. The prices of cosmetics based on petroleum products have also increased by 20 to 30 per cent. The increase in the prices is 15 per cent in the urban areas, 30 per cent in the rural areas and 50 per cent in the areas where there are no means of transport. The increase in the prices have affected the poor very badly. The rich people will not mind this increase because they can easily bear with it. The prices of luxury goods like refrigerators and air-conditioners have also increased. The rise in the prices of essential commodities has increased the burden on the poor people. The majority of the poor people, who were lifted from below poverty line during the last two years, have again come down below poverty line as a result of this price rise. The price base for determining the poverty line has become out-dated now. The level of income of Rs. 62 adopted as the criterion for deciding the poverty line has now been eroded due to current price-

rise following the presentation of the Budget and thus the number of people living below the poverty line has further swelled. The Minister has rightly admitted that the prices have increased after the presentation of the Budget. The prices had stabilised prior to the Budget. In some cases the prices were even falling down. I have got certain newspaper cuttings. The *Financial Times* of 16th October, 1984 says, "Essential commodities prices fall further". The issue of 27th October, 1984 says: "Seasonal decline in prices continues". The issue of 27th October, 1984 states: "Subdued trend in prices". The newspaper of 2nd December, 1984 says: "Downward trend in prices persists." In 1984-85 the prices were somewhat stabilised and in certain cases they were falling. But after the presentation of this budget the prices went up.

[English]

This is an unprecedented price rise in the history of any post-budget period.

[Translation]

Mr. Deputy Speaker, Sir, the price-rise after the presentation of the Budget has been much more than anticipated. At this point the responsibility of the Food and Civil Supplies Minister begins. Whereas the price of any particular commodity was anticipated to rise by 5 per cent or 7 per cent or 10 per cent or it has actually increased by 10 or 15 or 20 per cent, Here I would like to say that the hon. Minister has failed to check this rising trend in the prices. It is the responsibility of the Food and Civil Supplies Minister to check the price-rise.

Mr. Deputy Speaker, Sir, as far as the public distribution system is concerned, the Minister will be commending the functioning of the public distribution system in his reply because his reply will be based on the figures supplied to him by the State Governments or by the officers of his own Ministry. Like me, the hon. Minister is also elected from a rural constituency and he might be certainly knowing how the public distribution system is working in the villages. The public distribution system in the villages has become a matter of laughing stock. In Uttar Pradesh, fair price shops are being run through cooperatives. It is often seen that regular supply of

wheat, rice and kerosene oil is not made to the fair price shops.

They get supplies after four to five months. The festival of Holi has taken place, the festival of Id has passed, but nothing has been supplied to the people for these festivals through the Fair Price Shops. The public distribution system is working a bit properly in the urban areas, whereas in the far-flung rural areas of the country the public distribution system is not working properly. What measures are you contemplating to adopt to bring about improvement in the public distribution system? You simply say that it is the responsibility of the State Government to make the public distribution system function properly. But the State Governments have failed to manage the things rightly. The State Governments are not working satisfactorily in this respect. Some days ago I had occasion to talk to the Petroleum Minister about the supply of kerosene oil. He told me that the Central Government had supplied as much quantity of kerosene oil to the State Government of U.P. as had been demanded by them to meet their requirement. It was the duty of the U.P. State Government to have properly distribute the same district-wise and village-wise in the State.....(Interruption)...The Central Government release the required quantity of wheat, sugar, kerosene oil and other things to the States, but these things never reach the people for whom they are meant. In this context I would like to know from the hon. Minister what steps he is going to take to improve the public distribution system in the country. If you will leave all things in this respect to be done by the State Governments, then the problem will not be solved. The Minister should tell us what steps are being taken by the Central Government to improve this system. Hon. Members in this House and also the people outside this House are demanding that our public distribution system must be made an ideal one and should be extended throughout the country. It should be ensured that the essential commodities through Fair Price Shops are made available to the people particularly in the rural areas at reasonable rates. I would like to know from the hon. Minister what kind of public distribution system he wants to introduce to ensure the regular supply of essential commodities to the people.

While giving reply to the debate on his Ministry the Food and Civil Supplies Minister said that the State Governments were working the public distribution system properly and essential commodities were being distributed through the fair price shops regularly. If the same reply was to be given by the Minister today also then the very purpose of bringing this Calling Attention Motion will be defeated. In fact, the prices have gone up and it seems that this rising trend will continue for several years to come. The students of economics very well know that the prices do increase in a developing country. I would like to know how the public distribution system would be set right through better management.

It is apparent from the reply given by the hon. Minister and also from the speeches made by the Members that the black-marketing, the profiteering and the hoarding of essential commodities are taking place on a very large scale. 2.68 lakh cases were detected and 17,000 cases were filed in the court, but punishment was awarded only in 700 cases. The raids were conducted in 2.62 lakh cases and samples were also collected but only 700 offenders could be convicted. The conclusion which can be drawn on the basis of these figures is that either innocent people were arrested or something mischievous happened in between the arrest of the offenders and the judgement of the courts. I would like to know what preventive steps you are going to take at your level to check the blackmarketing, adulteration, profiteering and hoarding.

I would also like to know whether you are going to take any new steps to further strengthen the public distribution system. When Shri Mohan Dharia was a Minister, he got prepared a comprehensive scheme for the public distribution system. I would like to know what has happened to Shri Mohan Dharia's scheme. Why are you not implementing that scheme? If the said scheme needed further improvement, why are you not making the needed improvement in the same?

To sum up, I would like to know what steps you are going to take to check the rising prices and to give relief to the hard-pressed consumers. We should give a boost to the consumers' movement. We should all cooperate in further expanding the

consumers movement. What facilities will be provided for the success of the consumers movement? What facilities will be provided to the consumers societies or to those who will launch the consumers' movement.

[English]

RAO BIRENDRA SINGH : Sir, the hon. Member has drawn Government's attention to a very important matter, that is, of prices. I have already admitted that there has been increase in prices after the imposition of additional levies and increase in freights. The proposals were presented to Parliament and it was known and it was expected that there will be some increase in prices. But it is not due entirely to increase in levies and in freights alone. This Budget has been approved by Parliament. During the same period every year after the presentation of the Budget, simultaneously, the States also try to take measures to increase their revenues. They also increase taxes and duties on various items and even transportation charges are increased by States. So, it is not the increase only based upon these levies and increase in freight and fare which perturb the hon. Member or the House or should perturb us. Because, this was a conscious decision taken. In a developing economy, in a country like India, where there is so much demand on the Exchequer, for improving the conditions in villages and cities, providing employment to unemployment etc., all these things cost money. After all, the money has to come from the people. It is a well-known fact that the incomes chase the prices; also prices chase incomes. When prices go up because of additional levies there is demand for additional TA, DA, etc. If these instalments are released then there is further inflation. If large sums are allocated for development, then, either additional revenues have to be mobilised by the Centre and State Governments, both, or deficit financing has to be resorted to. That also means more money supply and further inflation. So, I am not at all defending the undue rise in prices. What I mean and explain to the hon. Member, is that some price rise was known and was expected. But it is where the price rise has been disproportionate to the additional levies and increase in fares and freights and various other things which were knowingly, consciously

resorted to and imposed, there the hon. Member would agree that the Government cannot do much. There are certain commodities which are sold under a system of administered prices and then for things like steel, kerosene oil, foodgrains as a whole, sugar in the public distribution system, controlled cloth and various other things, each administrative Ministry takes measures to see that administered prices remain in practice, in vogue and there is no exploitation by the traders, by the monopolists by playing with the lever of demand and supply forces one against the other. I agree with the hon. Member that it has been noticed that after the presentation of the budget, prices started rising. A rise of 2.3% in four weeks is no doubt a very sharp hike. It comes to 0.57% per week and I think it is unprecedented in my view because in earlier years, the price rise was not so high, constantly.

In some cases, the traders have taken undue advantages by creating psychological shortage. May be there was also some hoarding, as it generally happens during the pre-budget period. We took steps to see that action was taken against the hoarders and blackmarketeers. The system of check was not properly exercised by the States. We wrote to the State Governments, I personally wrote letters to the Chief Ministers. We have appointed officers for purposes of monitoring area-wise. We have asked them to visit the States. But as the hon. Member knows the enforcement of laws is the responsibility of the State Governments. I do not know what he expects the Central Government to do. I would like to inform him about the various measures that we are taking in this respect. But I would also welcome any suggestion from this House as to how they can equip me with powers which my Ministry does not have at present.

AN HON. MEMBER : What about Delhi ?

RAO BIRENDRA SINGH : Delhi is part of the country and it is the capital of the country and therefore it is expected that things would be better in Delhi than in rural areas which the hon. Member pointed out. Exploitation is more in the far-flung and interior areas than in large cities and towns where Government can

exercise better check and vigilance. Sir, as I said, prices were showing a declining trend in the earlier period.

The rise over the previous year was only 5.8% as I have given in my statement, over 9-odd per cent in the previous year. Certain commodities like foodgrains showed a declining trend. Over the two years, there was a reduction of 6.6% in cereal prices.

Naturally, this was on account of large production, and it proves that to maintain a reasonable price level, what is required is adequate production. If anything is in short supply, no measures taken by the Government would be effective enough to control the prices and keep them in check. All that the Government can do is to resort to a system of statutory rationing or, alternatively, to resort to a system of statutorily fixing prices. But these measures, again, entail certain difficulties; and they have their own ills. It is not an easy job to statutorily fix prices and to control them. It might mean a very large policing effort, millions of cases to be prosecuted in courts, a system of raids, checks and arrests. Even then, it can be counter-productive, because controls mean creation of shortage and more hoarding for black-marketing, which is created by a psychology of shortage and scarcity. Therefore, what the present system is and what we are following, to my mind, is the best system which has been evolved and developed over the years through the experience that we have been gaining.

In certain things, there is dual pricing, as for instance in sugar, which is an important food item. One way to keep prices from rising unduly in the open market is to have a second channel of supply for essential commodities; and that is what we are doing for sugar. Levy sugar was being sold through fair price shops all over the country at one price viz. Rs. 4/- a Kg. Even the varying costs and other charges were re-imbursed by the Government. Any hike in transportation and other things do not affect this price to the same extent as other commodities at the retail level. Rs. 4/- was the retail price till 1st April. Now it is Rs. 4.40. The price has been raised by Government itself

on account of higher cost of production in the factories, and the higher price that we have had to pay to the sugar mills for the 65% portion of sugar taken up by us.

Similarly about foodgrains. We are distributing foodgrains at a fixed price. There is no reason why foodgrain prices should go up in Delhi, because there is enough allocation in Delhi. My information is that wheat through fair price shops is available in Delhi at a price of Rs. 1-78 per Kg. Regarding villages, in the producing States, certain States are surplus in wheat. Therefore, there should be no difficulty. People do not purchase wheat from fair price shops. They depend on the open market or their own produce. Even for sugar, take for instance the case of Maharashtra. When we issued instructions to all the States, two months back, just as I took over this Ministry, soon after that, I said, all commodities that are sold through public distribution system must reach the consumer everywhere and every person should get his fair share, whether it is kerosene or sugar or foodgrains or controlled cloth. Now, Maharashtra, recently contacted me and gave me an impression recently that it was impossible to supply levy sugar to the fair price shops in the interior, in the villages as the people don't want it; and I was surprised just because Maharashtra is a sugar producing State, if they do not want levy sugar in fair price shops, then it only means that people are either getting sugar cheaper in the open market less than Rs. 4.40 which is unbelievable or sugar is unauthorisedly being sold by the factories. One of the two things may be responsible. I do not know which is correct. Similarly, in foodgrains, we are increasing the allocation; we have enough of stock; our stocks, at present, are the highest ever maintained by the Government at the Centre—nearly 22 million tonnes.

PROF. MADHU DANDAVATE

It is not correct to say that the fair price shops in Maharashtra did not want levy sugar. I don't think that information is correct.

RAO BIRENDRA SINGH : That is what I was told by the Maharashtra Government; that is why I have mentioned it. Similarly, there is allocation of edible

oil which is another very important essential commodity, food item. The allocation made is not taken. The offtake is less than the allocation in many States. Similar is the case about some foodgrains also in some States. If we are making adequate allocation and even that quantity is not being lifted and distributed, then I think the Central Government has done its duty. But things require to be looked into at the lower level in the States, in the districts. Cement is another item where government has a dual price policy. Now, cement, kerosene oil, they are directly distributed by the Ministries concerned—Petroleum Ministry and Textile Ministry. We try to monitor the whole thing. Now, we have started getting returns from them. I even noticed that the kerosene meant for public distribution for supply as essential fuel to villagers to poor people, to vulnerable sections of the society. In many States, part of this kerosene oil is distributed by the State authority to industries. Now, there should be a separate allocation for industries. Industries' need can be separately met by the Petroleum Ministry. But when it is allocated in bulk to a State and if large quantities of it are given to industrial units, then it is very difficult to keep a check as to where kerosene oil has disappeared, why shortage has been created. But we have now started looking very closely at the whole thing just because we felt that if the system was efficient, if the district authorities States authorities in the Civil Supplies Department, the Food Department did their duty, there is no reason why prices should rise unduly.

Then, Sir, on the pretext of higher freight and higher duties the traders tend to ask for higher prices. The consumers are mostly illiterate and they do not know some things. For instance, a consumer does not know what the local taxes are, what the amount of local taxes and even though we have regulated things and we have issued orders that just like the net weight the date of manufacture should be shown on the packages; the maximum retail prices to be charged will also be printed while it is sold in the retail market. Though the prices are printed, since the sales tax varies from State to State and certain other local levies are also there levied by the municipalities or corporations,

it is not possible to print the same amount of local taxes on the packages. And then the traders get a very good excuse to charge high prices and they say that these taxes are extra and they can charge the amount of taxes. They have to, under the law, display the amount of taxes, if not on the package then on a board. Sometimes they do not do it and the local authorities can naturally check them. The consumers also have to be vigilant and cautious. They should ask for the amount of taxes on a particular item. The consumers at times themselves do not want a cash memo or a receipt wherein the tax would have to be shown in writing and they want to avoid taxes and that gives a double advantage to the shopkeeper. He can charge more in the name of taxes, much higher than the actual amount and he can pocket that amount without paying it to the Government where it should be paid. So these are the various things making it difficult for us to check undue rise in prices and particularly in smaller places as the hon. Member mentioned. We have done all that we can.

The hon. Member wanted to know what we were doing in the matter. As I have said, the most important thing is to run efficiently the public distribution system for providing an alternate channel for the consumers.

Second thing is to see that laws are enforced.

The third most important thing—or probably the first important thing—is to increase the production so that the supply can meet the demands comfortably and easily.

And, for improving the public distribution system we have been contacting the States, trying to persuade them and we have brought about some improvements in our own management system. We notice that it is not always the States that were responsible for running the public distribution system regularly and efficiently. Take for instance sugar. If the factories do not despatch the allotted sugar to a State in time, if wagons are not available, naturally the fair price shop would go dry and they cannot issue sugar. If our food grains do not reach the State for the whole month in time and adequate stocks are

not maintained for issue to the State through the FCI godowns, then again there will be no foodgrains for issue.

If kerosene oil in bulk for the entire month does not reach a State from the Petroleum Ministry or the Oil Corporation, then naturally, it will be reaching in bits and the traders can always take advantage of that situation. They can say that the kerosene has not come, controlled cloth has not reached them, sugar has not reached them and so on. Same is the case with edible oil. If the STC fails to provide the entire allocated quantity of edible oil to State, the consumers would not be able to draw their whole month's ration. And if its coming is not certain, then the consumers, out of frustration, would not lift their own share and that can go to the black-market. For that purpose, we are trying to see that as many essential commodities in the public distribution system as possible should be made available at one point. That would increase the viability of these outlets also. For that we need the cooperation of the States because though we have increased the number of fair price shops—even in the month of January the number has gone up from 3.11 lakhs as on 1-10-84 to 3.15 lakhs as on 1-1-85 we want that there should be one fair price shop for every 2000 population and even in the remotest areas, tribal areas, mountainous areas and difficult to approach places—to run them regularly and efficiently where things are available everyday and in quantities that are the share of a consumer in one go if he likes to take the whole months supply and if he is a poor man and wants to take the supplies on weekly basis, there should be arrangements for that also, we need their cooperation. The State Governments are being consulted regularly. I held a meeting of the Advisory Council on public distribution system in the month of March. We are activating the district committees so that the District Collector becomes responsible for over-seeing and supervising the entire thing in his district whether the consumers get regular supplies, shops open in time, and action is taken for violation of laws for overcharging of prices. In this matter I need the full cooperation of hon. Members too.

**SHRI RAM PYARE PANIKA :** But we are not associated.

**RAO BIRENDRA SINGH :** Even for that purpose I have to approach the States. I have already written to them. I will be requesting them again and again till they do it. But in your own respective States you are the important persons in the highest forum.

[Translation]

**SHRI ZAINUL BASHER :** How much addition can you make in the responsibilities of a Collector while his problem is that he cannot even now attend properly to all the items of work entrusted to him ?

**RAO BIRENDRA SINGH :** But the Collector should take action. If there are public representatives, it is in their hands to take action. Even if I catch any black-marketeer red-handed, I cannot take action against him.

**SHRI RAM DHAN :** Who is responsible for the price-increase in Delhi ?

**RAO BIRENDRA SINGH :** The information supplied by Shri Zainul Basher does not appear to be correct. As regards potato and onion.....

**SHRI ZAINUL BASHER :** My information is absolutely correct because I personally went to the market and collected the information.

[English]

**RAO BIRENDRA SINGH :** You just said that the price of potatoes had increased from Re. 1/- to Rs. 1.25 per kg. Onion is selling in market at the rate of Rs. 2/- per kg. As far as the question of levy sugar is concerned. This is being distributed through fair price shops at the fixed price of Rs. 4.40 and the price in the open market has generally gone up from Rs. 5.50 to Rs. 6.25 or even to Rs. 6.30 or a little more depending upon the market.

This is on account of rise in the price of levy sugar and the price that we have had to pay to the mills due to higher cost of production. So, that was inevitable. But there should be no concern about sugar because these prices are not unduly high prices, I maintain.



About the kerosene, Sir, in Delhi it is available at Rs. 2.11 per litre which is the administered price fixed by the Government. In Uttar Pradesh if it is selling at Rs. 5 or Rs. 6 in villages, as the hon. Member said, then it only means mismanagement, black-marketing, artificial shortage, and this mismanagement has to be corrected. But it can only be corrected with the cooperation of the State Governments. I hope you agree.

The meat prices have not increased.

[Translation]

SHRI ZAINUL BASHER : We daily consume meat. We purchase it at the rate of Rs. 24/- per kg.

[English]

RAO BIRENDRA SINGH : I also eat. My information is that goat meat in Delhi around the 20th of the April in all the main markets was selling at Rs. 22 per kg.

[Translation]

SHRI ZAINUL BASHER : Meat may be available in abundance in South Avenue.

RAO BIRENDRA SINGH : You might have purchased the best quality meat.

[English]

Anyway, I shall look into this if wrong figures have been provided. My information is it is Rs. 22 in three main markets in Delhi.

Then, Sir, about rice and wheat, hon. Members would agree that these are available in Fair Price Shops and there is no shortage of stocks. We can allocate adequate quantities to any State. Wheat we have plenty, but the States are not lifting much. It is also available in the market.

The prices of cereals have not risen appreciably even after the Budget.

These are the various things which, I hope, hon. Members would appreciate. Government is very vigilant about this whole thing and we have been made more

vigilant after this Calling Attention Motion, and will see what further can be done in the matter,

MR. DEPUTY SPEAKER : In the light of Minister's reply, I request other Members to be very brief and put some relevant questions instead of going on giving preambles and other things. I think you will cooperate with me on this.

[Translation]

SHRI JAI PRAKASH AGARWAL (Chandni Chowk) : Mr. Deputy Speaker, Sir, it is an admitted fact that prices are rising daily and this price rise is directly affecting the poor people whose main problem is how to earn their daily bread. The poor man has to think how much share of a bread piece he should give to his wife, how much to his children and how much he should consume himself. When he goes to the market he has to think what commodity he can afford to purchase with whatever money he has in his pocket so as to satisfy his hunger and thus he has to forego many other essential commodities.

My hon. friend has mentioned certain figures about the prevailing prices. Some of the figures given by him are correct but in some cases the prices are even more than he has quoted. At certain places the people are becoming victims of starvation. The poor man has to satisfy his hunger by taking only tea and bread because they are not in a position to buy other things. I do not want to repeat all the things which have already been narrated by other hon. Members. But I want to invite his attention to certain other things.

The hon. Minister has just said that the prices of certain commodities went up due to their production being less. I would like to know whether a system cannot be introduced under which the farmers could be given incentive to grow more pulses and oilseeds as compared to cash crops because at present the farmers prefer to grow cash crops more than other crops. The reason why the farmers now grow more wheat and rice is that these days these crops give them ready cash they get it not from the private purchasers but from Government agencies like the Food Corporation of India also. At present the prices of pulses

and edible oil are increasing because they are in short supply.

Now I would like to give a picture of the wholesale prices. What were the wholesale prices in 1983-84 and in 1984-85? The wholesale price of Rs. 275 per quintal of gram in 1983-84 increased to Rs. 460 per quintal in 1984-85. The wholesale price of Rs. 500 per quintal of moong in 1983-84 increased to Rs. 626 per quintal in 1984-85. Similarly the wholesale price of Rs. 450 per quintal of urad in 1983-84 increased to Rs. 550 in 1984-85. If proper attention is not paid to this situation, then we will not be able to check the rising prices and to give any relief to the poor people who want only bread to satisfy their hunger. Thus the poor people will go on experiencing hardship. Every year the prices will be going up after the presentation of the Budget and you will not be able to check the same. Some years ago, we have seen, the sugarcane producers had to burn their sugarcane in the fields because there was a bumper crop of sugarcane.

I would like to draw the attention of the hon. Minister to the fact that he has not been able to check the widening gap between the wholesale and retail prices. There was a decrease of 6.5 per cent in the wholesale price of rice but the retail price of rice has come down only by 1.6 per cent. Similarly the wholesale price of onions has come down by 27.3 per cent but its retail price has gone up by 28.2 per cent. The wholesale price of mustard oil has shown a decline of 9.6 per cent but the fall in retail price is only 3.0 per cent. In the price of coconut oil the increase was .9 per cent but it showed an increase of 5.7 per cent in the retail market. The milk price has gone down by 0.6 per cent but its retail price has gone up by 0.2 per cent. I think we would not be able to check the rising prices unless we bring about an effective improvement in the system and unless the existing system is improved, we would not be in a position to give relief to those poor people who have sent us as their representatives to Parliament by casting their votes in our favour. As regards our distribution system, there are certain defects. Even at our fair price shops blackmarketing takes place in certain commodities which are supplied to such shops for distribution to the people at fair

price. When a consumer goes to a fair price shop he is told that the commodity he wants is out of stock but on the other hand the same commodity can be had from the same fair price shop clandestinely at a higher price. Thus the consumer is not getting the benefit of fair price shops. It is correct that the number of fair price shops rose by 27.6 per cent during the period from 1979 to 1984 but this increase is not in proportion to the increase in the population. I would like to remind you that the implementation of the price-tagging policy had its healthy effect on the price situation in Delhi. At that time the commodities of good quality were available at reasonable prices in the market. That system has not been reintroduced now.

13.12 hrs

[SHRI SHARAD DHIGHE *in the Chair*]

In this connection, I would like to ask some questions from the hon. Minister :

[*English*]

(1) Have you ever planned for planned cultivation of different agricultural goods according to the needs of the country?

(2) Is there any Act for price-tagging of essential commodities? And if so, why has it not been enforced?

(3) The main function of today's Parliament is to keep control over public finance. For this purpose we have three different important Committees—the Public Accounts Committee, the Public Undertakings Committee and the Estimates Committee. The question of control of prices is also very important from the point of view of the voter who has voted us in this Parliament. I would like to know why a Parliamentary Committee for check on prices has not been formed so far.

RAO BIRENDRA SINGH : Sir, I have already given a detailed reply to the general questions which can be raised on the subject.

The hon. Member has mentioned the high prices of some agricultural commodities like grams or other pulses like moong, and vegetables, as was also mentioned by the earlier speaker. Sir, you would agree, I hope, that since prices can only be controlled properly and effectively through

increased production, one has to think how far the prices of commodities which are in short supply in the country already can be kept down—pulses for that matter or some other commodities. If we fix lower prices for these pulses like gram, moong, urad and masur, the natural result would be that production would go down further. In spite of these higher prices, the farmers have not found it profitable to cultivate these crops in larger areas and because of shortage, the prices are ruling so high. The moment production goes up, the prices will automatically come down as in the case of wheat. Therefore, we have to maintain a balance on the question of prices, particularly for commodities which we do not produce in adequate quantities. Oilseeds, for instance, is another commodity. We are spending Rs. 1000 crores or maybe more on import of edible oil, we have been doing it for the past few years and in spite of our best efforts, oilseeds production has not gone up sufficiently to allow us to curtail our imports. Now, if we, through Government measures, through regulations, artificially try to bring down the prices without the market forces having a free play, then it will mean further reduction in production. Therefore, hon. Member would also agree that there are certain commodities for which we have to pay remunerative prices to the farmer, but where the difference between retail prices and the prices in the wholesale or price at the farm level is too high, it becomes Government's responsibility to reduce the gap. There we have to take steps and we are taking steps. Take, for instance, vegetables. If *bindi* is selling at Rs. 8 per kg. in the market in Delhi, the farmer is not getting even Rs. 2 per kg in his field. It is these middlemen from one point to another.....

**SHRI JAI PRAKASH AGARWAL :** Gap is too much.

**RAO BIRENDRA SINGH :** Gap is too much. That is what I am saying, and in most of the things we notice that there is no reasonable relationship between the prices in wholesale and the prices at the retail level. There is very little relationship between the prices at the farm level and the prices at the retail level and it is for this purpose that we want more fair price shops and fair price shops taking up more items in the public distribution system.

More cooperative consumer stores are coming up. We provide subsidy and financial assistance to them. Stronger consumer protection movement should be there to help the Government and other authorities in each town and city. People should form their own cooperatives and set up consumer stores in Mohallas, in streets, in towns and wherever it is possible and the result is, immediately the prices of green vegetables would come down. But if we leave it to a few people—the monopoly of sale—at the retail level and if other people generally do not come forward, then it is difficult. Ladies, for instance, should be able to do something in the matter. 50 or 60 women in a *mohalla*, in a colony can come together and form a cooperative society and start a consumer store in the *verandah*. Every morning, they can send somebody to the wholesale market and get the needed vegetables and sell them two o'clock or the afternoon. That is the only thing. Otherwise, when we go to posh market, naturally they charge very high prices and prices also differ from place to place.

**SHRI RAM PYARE PANIKA :** Your super market is also charging high.

**RAO BIRENDRA SINGH :** Super market is not charging high price—not super bazar. I agree with you that prices in super bazar could be probably much lower. They can do it and we are working towards that end also. We have already taken steps. With the cooperation of public in general, even in areas where we have not been very successful, things can improve.

**MR. CHAIRMAN :** I will request the hon. Members to be very brief and to the point.

Shri Kali Prasad Pandey—not here.

Shri Dharam Pal Singh Malik.

[Translation]

**SHRI DHARAMPAL SINGH MALIK (Sonepat) :** Mr. Deputy Speaker, Sir, it is an admitted fact that the prices are daily moving up and this unprecedented price-rise has made it difficult for the poor people to exist. The hon. Minister has admitted that the prices of certain commodities have gone up due to the additional levy imposed on them. But the point at

issue is that the additional levy has been imposed on only ten items while the prices of almost all the commodities have increased. Besides this, there are certain things which are available in abundance but the prices of the same are increasing due to hoarding. If there is anything which is in short supply, the price-rise can be explained, but when the commodity is available in abundance and artificial scarcity created by hoarding and the price is increased arbitrarily, then the responsibility of making that thing available at fair price rests on Government.

Black money has been generated in the country to such a large extent that it is playing a very big role in escalating the prices. It will be very difficult to contain the rising prices unless the craze for earning more and more unaccounted money is put to an end to. The people who have black money readily agree to pay as much price as is demanded by the seller for a commodity without caring for its actual price, with the result that the price of that particular commodity goes up further. They pay more than the actual price because they are in a position to do so, while the poor people have to suffer on this account because they have to bear the unnecessary burden of such price escalation.

There is a big lacuna in our existing laws. Provision is not there in the law to guarantee a comfortable and secure life to the people at large. Unless Government gives a guarantee of this, the people will go on amassing more and more money in order to lead a better life. These days everybody believes that he can lead a better life only if he has an amount of Rs. 5000/- in his pocket and he can make his life more secure if he owns Rs. 10,000. I want to say that these days security is linked with the money. In such circumstances, it becomes the duty of the Government to provide security to each and every citizen of the country so that he may feel that he will be able to get his requirements at fair prices whenever he wants. Such a guarantee will put an end to the vicious circle of generation of black money by dishonest means and hoarding of things.

I would like to say that there must be ceiling on movable and immovable property irrespective of the fact whether

it is in urban or rural area. We would not be able to check the price spiral unless such a ceiling is laid down. Today there is no ceiling on income. A man can earn and accumulate as much money as he can. The more a rich man earns the more is the burden on the poor. A rich man can meet his requirements by paying exorbitant prices for commodities but a poor man does not have the purchasing capacity even to buy the essential commodities. In this way the exploitation of the poor people continues unabated. The rich people are getting richer, In this context I would like to ask the hon. Minister two or three questions.

My first question is whether Government is going to take any such step as to make the lives of the people at large secure. Everybody should feel that he will get all his requirements at fair price whenever he wants them. Secondly, I would like to know whether Government are going to make an effective law for checking hoarding etc. Thirdly, I want to know whether Government intend to fix the prices of all commodities, whether essential or not, and to make it obligatory on the part of the shopkeepers to display the prices of all commodities. A stringent provision should be made in the law to severely punish those shopkeepers who do not display the prices. Such a law will serve the dual purpose of checking the price-rise and ensuring the availability of things to people at fair price.

**RAO BIRENDRA SINGH :** Mr Chairman, Sir, I agree with the hon. Member that the inflation increases with the expansion of money supply. There is urgent need for containing the black money. Tax evasion should be checked because it leads to price-rise. But I do not agree to the point that black money has any major impact on the prices of essential commodities. In my opinion a man possessing black money cannot even eat much.

In our country, there are a large number of people for whom essential commodities should be supplied at fair prices. For this purpose there should be an effective public distribution system. If certain people can pay more than the

actual price of a particular commodity in a posh market like the Khan market of Delhi, I do not think it will have any major effect on the price situation all over the country.

As regards the law for preventing the generation of black money, a law entitled the Prevention of Black Money and Maintenance of Essential Supplies Act was enacted in 1981. It contained a provision for detention of the offenders also. Under this provision any person can be detained for a period of six months without trial. There are provisions in the existing laws which provide for stringent punishment to those who indulge in hoarding or black-marketing or violate the laws relating to essential commodities. Therefore, there is no need to make more laws for this purpose. The need of the hour is to enforce them effectively. Certain States like UP, Gujarat, Maharashtra and the Union Territory of Delhi have implemented these laws well. A number of people have been arrested. Several others have been detained. Upto 31st March this year, 790 persons were detained under the law meant for preventing black-marketing. Most of them are still under detention. Some of them have been released and in the case of some others the detention period has expired.

There are Acts like the Essential Commodities Act or the Essential Commodities Special Provision Act which provides for severe punishment. There is a provision for special courts. There is provision for summary trials too. A minimum period of imprisonment have been specified for different kinds of offences. Thus there are already a number of laws to deal with such evils.

A number of raids have been conducted. In 1984, 2.69 lakh raids were conducted under the Essential Commodities Act. About 8,821 persons were arrested. Five thousand people were prosecuted and 1,094 persons were convicted. A number of cases might be pending in the courts for final decisions. Property worth Rs. 10

crores was seized and that is in the possession of Government.

The laws are there but they are not honestly implemented in all the States. We are trying to see that these laws are enforced strictly in every state. Hon. Members should also make efforts in this direction. After all, all are in politics for the last several years. Old people come here. They are experienced and know where the defect is and how it can be removed.

I think, Mr. Malik will agree with me that Government has never lagged behind in making the rules, regulations and laws to meet any particular situation. We also try our best to get the laws implemented. I expect the cooperation of all of you in getting these laws implemented effectively but the fact is that certain States are not at all serious in implementing them. For example the West Bengal Government have not implemented the Black-Marketing Prevention Act. Hon. Members from West Bengal in this House daily express their concern about the rising prices but they do not want to detain anybody under these laws. Every state has its own powers. In such cases, we find ourselves helpless. Though there are laws, certain States do not enforce them. We ask for returns from them and receive some. We try to persuade them and use pressure also. The Centre is helpless to do more than this. If hon. Member has any concrete proposals, he should send them to me and I shall consider them seriously.

**SHRI DHARM PAL SINGH MALIK :**  
The shopkeepers do not display the prices.

**RAO BIRENDRA SINGH :** Under the law it is obligatory for them to display the prices of different commodities. Not only this they should specifically mention on the board as to what the actual price is and what local taxes are but the consumers also should be vigilant in this respect.