

12.31.hrs.

ELECTION TO COMMITTEE

Committee on Official Language

[English]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS AND IN THE MINISTRY OF HOME AFFAIRS (SHRI ARIF MOHAMMAD KHAN) : Sir, on behalf of Shri S.B. Chavant I beg to move :

“ That in pursuance of sub-section (2) of section 4 of the official Languages Act, 1963, the members of Lok Sabha do proceed to elect, in accordance with the system of proportional representation by means of the single transferable vote, one member from amongst themselves to be a member of the Committee on Official Language *vice* Shri Jamilur Rahman died.”

MR. SPEAKER : The question is :

“That in pursuance of sub-section (2) of section 4 of the Official Languages Act, 1963, the members of Lok Sabha do proceed to elect, in accordance with the system of proportional representation by means of the single transferable vote, one member from amongst themselves to be a member of the Committee on Official Language *vice* Shri Jamilur Rahman died.”

The motion was adopted.

12.32.hrs.

BUSINESS ADVISORY COMMITTEE

Ninth Report

[English]

THE MINISTER OF PARLIAMEN- TARY AFFAIRS (SHRI H.K.L. BHAGAT) : I beg to move :

“That this House do agree with the Ninth Report of the Business Advisory Committee presented to the House on the 1st August, 1985.”

MR. SPEAKER : The question is :

“That this House do agree with the Ninth Report of the Business Advisory Committee presented to the House on the 1st August, 1985.”

The motion was adopted.

12.33. hrs.

DISCUSSION RE : STEEP RISE IN PRICES—CONTD :

[English]

SHRI M. RAGHUMA REDDY (Nalgonda) : Mr. Speaker, Sir ...

MR. SPEAKER : You rise with the price rise.

SHRI M. RAGHUMA REDDY : Sir, price rise after the Budget has gone up from 15% to 50% especially in some of the items like vegetables, sugar, edible oil and other important items. The Food and Civil Supplies Minister has agreed that the Prices have gone up by 15%. Here, I want to mention why the price of sugar has gone up. India has got the capacity to produce 10 million tonnes of sugar per year. But during the year 1984-85, we could produce only 6.25 million tonnes.

12.34 hrs.

[MR. DEPUTY SPEAKER in the Chair.]

During the Year 1980-81, we produced 8.5 million tonnes of sugar. Why has this happened? The cane producers have not been given sufficient amount. They have not been paid remunerative price for their sugarcane. They were forced to burn their cane. Due to the wrong policy of the Government, these things had happened. One should have the plan of how much sugar, how much wheat or

[Shri M. Raghuma Reddy] :

how much edible oil is required for the ensuing year and based on that, they should plan. But on seeing the fact that there is a continuous rise in price, it seems that the Government are not having any thorough plan for these things. We are importing oil worth Rs. 1,000 crores every year. The Indian farmers are capable of producing oil-seeds. But the Government are not buying the oil seeds produced by the Madhya Pradesh Oilsedas Corporation, the Andhra Pradesh Oilseeds Corporations and the Gujarat Oilseeds Corporation. The Government have no idea purchasing it. If the Government gives the farmers the target of production of oil-seeds which is required, the Indian farmers are capable of producing the oil-seeds. Indian farmers can produce not only the oil seeds but even pulses also. But the Government is not giving the farmers the annual plan of production and the Government are also not giving remunerative prices to farmers and thereby the prices are going up and the Government is mostly interested in importing the oils and even sugar also from other countries. Even if the Indian farmers are capable of producing the oilseeds and sugarcane, our Government is not purchasing them and the Government is going outside the country for their purchase. We do not know the background of action.

The Government have no regulated market not only for oilseeds but for anything. In India, the farmers are producing ; some middlemen are getting profit out of it. Even in Delhi which is the heart of our country, there is a Naya Bazar which is not regulated. We are not talking about Andhra Pradesh or Kerala or Karnataka and while talking of Delhi itself which is the capital of our country, we do not have this regulated market. In Delhi, only fruit and vegetable markets are regulated. The remaining markets are not regulated.

I would request the hon. Minister that first of all regulated markets should be set up in all the places of our country irrespective of the fact whether it is State headquarters or District headquarters or taluk headquarters, This should first of all be ensured.

For vegetables and other things, the Government should make cold storage arrangement. If there are cold storages, they should store in them the vegetables produced by the farmers. The Government should buy direct from the farmers and supply to the consumers through the public distribution system.

It is because of the lacuna on the part of the Government that we do not have all these facilities now. Some middlemen getting large profit out of this.

So I would request the hon. Minister first to ensure remunerative prices to farmers and help the cultivators, the farmers and the farm labour. 70% of our population mostly depend upon agriculture.

I would request the hon. Minister to give remunerative prices to oilseeds, sugarcane and vegetable growers and then only the prices will come down. Then only we can get enough edible oil and enough sugar in our country. We will become self-sufficient in this respect if only remunerative prices are offered to the farmers.

[Translation]

SHRI G.L. DOGRA (Udhampur) :
Sir, I am grateful to you for giving me an opportunity to speak. I would like to submit some points before you and I shall not take much time. The problem of price rise is a very delicate one. On the one hand the producer is not getting remunerative prices for his produce and on the other hand the consumer has to pay very high prices. Prof. Dandavate has done a very good thing by raising this matter in the House. Many hon. Members have put forth their points of view on this issue but not a single point taken in isolation can be helpful in solving this problem. If all the points raised here are viewed in their entirety, it becomes evident that this problem has taken a turn for the worse and if attention is not paid to it, our very social, economic and political system will collapse. The hon. Finance Minister is well aware of it. He is fully aware of the state of Affairs in his own State and he has information in

respect of other places also. It is not that he is ignorant about it. He is very well aware of it. He is submitting the figures pertaining to his Department in a proper way. It is quite clear from the graph that increase in prices in the wholesale market is marginal. In the retail market, prices are going up very fast. The retail prices are galloping. How can this process be checked and how can this problem be solved, attention should be paid towards this aspect. It is not the responsibility of the Central Government alone. It is a problem which should be solved by the Central Government, the State Governments, and the people jointly. The Opposition, in particular, should treat it as a national problem and cooperate with the Government in solving it.

Every thing changes with the time. Old times have changed now. The economics which we studied in good old days does not hold good now. Due to unemployment and other weaknesses, people have become short tempered. I would, therefore, submit that the problem should be solved in a calm manner.

It is correct that under the provisions of the Constitution, the State Governments have been given certain rights. They take funds from the Centre for the welfare programmes for the people. They are asked to implement the programmes but no follow up steps are taken by them to ascertain whether action is being taken in that direction or not. Nobody bothers to see what action is being taken under the 20-Point Programme and how funds are being spent. The funds earmarked to implement the programmes are not being utilised properly. Prices of commodities are going up because of black money. They are not coming down. Besides, the commodities are being sold in the black market at high rates. Recently sugar and rice were imported, but they are not being made available to the people. It is not possible to do so unless the public Distribution System functions properly. It is not possible for the Central Government to take any effective measure until the State Governments cooperate in the matter. It is not possible without healthy coopera-

tion. If the consumer cooperatives and producer cooperatives are formed, they can prove beneficial. Some procedure should be evolved to keep the middlemen away. Leaders in the cooperative sector are not paying attention towards the difficulties being experienced by the people. Unless their vested interests are put to an end, it will not be possible to control the situation. I would, therefore, like to say that you should understand its importance and must endeavour to solve this problem. The State Governments should be involved in this work. You will not be able to do anything without their cooperation. Under the Public Distribution System, sugar is sold at Rs. 5.70 per kg. but as the people are not aware of it, they purchase it from the market at Rs. 8 to 9 per kg. Parmal rice is available at Rs. 3 per kg., but nobody is aware of it. Wide publicity should be given to it. You should ensure the supply of the commodities required by the people at particular place. Poor people are facing great hardships. They experience difficulty in getting foodgrains when prices go up. I would, therefore, like to suggest that the State Governments should be involved and the Public Distribution System should be streamlined.

You should not rely on the traders, as old values have lost all meaning now. They are not realising that there should not be any hoarding and profiteering. These days they are just on the look out of a pretext to increase the prices. If rail fares go up or the prices of petrol go up, they increase the prices of their goods and start hoarding kerosene oil. I want that you must devise a method so that the entire black money is disclosed and it may not generate in future. Unless this is done, you will never be successful. In case you seize cash, they will start hoarding in kind. The result will be that black money will remain undetected and the goods will also remain in short supply in the market.

You should pay attention towards these things. Due to shortage of time, I would not like to say much at present. But I would like to repeat that since you are determined to solve this problem,

[Shri G. L' Dogra]

I am sure you can do everything. This problem should be solved by involving the State Governments and by paying undivided attention to it. If we are able to solve this problem, we shall become strong internally and shall be able to face external forces boldly. If the common man is satisfied, he will feel happy and will realise that we are really doing something for him.

SHRI HARISH RAWAT (Almora) :
Mr. Deputy Speaker, Sir, our aim is not to blame anybody through this discussion. We in fact want to draw the attention of the hon. Minister towards the difficulties and hardships of the common man to whom we as well as the Government are committed. Through statistics we can satisfy each other, but we have to keep in mind how far they are worthwhile for the common man whom we have to satisfy. Though the wholesals price index has not gone up yet the fact is that the wholesale prices of commodities in the market have increased sharply after the presentation of the last Budget. In our economy, price rise is a continuous process, but if there is laxity somewhere, the prices of certain items go up steeply which creates great difficulties for the people. There is need to check this trend as it is causing great harm.

In the last Budget, the prices of petroleum products and rail fares were increased, but on this pretext different state transport corporations, private transporters and truck owners have increased their transport charges manifold, as a result of which the prices of commodities have increased exorbitantly in remote areas particularly in the hill areas. You should pay special attention towards this aspect.

A good atmosphere was created after presentation of the Budget and all of us had expected that the concessions announced by the Government would have very good effect on the traders and industries. If these persons had understood the importance of these concessions honestly, they would have made their contribution in developing our economy further and they would have made an all out effort

in this direction. But it appears to me that the traders took the meaning of these concessions other-wise and thought that they had been given a free hand.

The extent of price rise at present varies from State to State. If there is fifteen per cent price rise of commodities in Uttar Pradesh, it is ten per cent in Gujarat and for the same commodities there has been four to five per cent price rise in Kerala. This is a big difference in percentage of price rise, which we cannot prove by putting forward simple arguments.

There has been wide variation in the increase in price of the same commodity at various places within a State. I would like to cite one example of my own area. Three different prices of the same commodity are prevalent in one of the cities in my area. When I told the Collector that three different prices of the same commodity are prevalent, he replied that he was not vested with any statutory powers to compel the traders to display the price lists of these items in their shops. When I pressed him, he asked the S.D.O to convene a meeting of the traders and the consumers. As a result of the meeting, the traders agreed to reduce the gap between different prices prevalent in various areas.

I would urge the hon. Finance Minister that at least after the presentation of the Budget, he should advise the Chief Ministers of the States to alert the district administrations in their respective States to check the price rise. The prices of vegetables, meat and those of other essential items have gone up considerably recently. I would like to submit to the hon. Finance Minister that unless he asks the Chief Ministers to alert the district administrations to check price rise and to ensure control on unwarranted price rise—he might drive home his point by furnishing figures and we also might feel relieved by presenting our side of the case, it is not going to reduce the burden of the people who are suffering the pinch of the price rise.

Many hon. Members have expressed their views in the House regarding our

sugar policy. I would like to submit that there is need to review the entire policy from sugarcane cultivation to production of sugar. Actually the area under sugarcane cultivation is going down gradually. Now the farmers have started cultivation palm oil seeds and such other crops which are more remunerative than sugarcane. In this way, the production of sugarcane would further go down and the farmers would think that cultivation of other items in place of sugarcane may be more remunerative. As a result thereof, production of sugarcane would go down in the country and you would not be able to improve the situation despite import of sugar from abroad.

Even now I am of the view that the problem of sugar is not that of its availability, but it has been created due to lifting of sugar by the States in time. If the States or the wholesalers do not lift sugar in time, whose responsibility is it to see to it? If I go to Almora or Pithoragarh and you go to Allahabad and tell the people there that the wholesalers of the States are not lifting their quota of sugar, a common man would simply say that for him there is no difference between the Central Government and the State Government. You should see to it that the State Governments lift their quota of sugar in time and the wholesalers despatch it to the retail centres and levy shops in time.

I would also like to urge the hon. Minister that there is an urgent need to strengthen and to expand our Public Distribution System. More items should be brought under the Public Distribution System. If need be, subsidy should be granted for this purpose. Co-operative movement can play a great role in this regard. The condition of the Co-operative societies in U.P. and Bihar is deplorable. The State Governments should be advised to take steps to improve the financial condition of their cooperative societies and to strengthen the Public Distribution System.

I would like to draw the attention of the hon. Minister towards the consumer movement. Public Distribution System is

under great stress these days and, as a result, the Government are unable to control the prices. The only method to check the price rise is to strengthen the consumer movement, which is not receiving the required attention now. The only solution to all these problems is to strengthen the consumer movement. I hope the hon. Minister would look into all these things.

[English]

DR. A.K. PATEL (Mehsana): Mr. Deputy-Speaker, Sir, Yesterday about 19 hon. Members took part in the discussion on the steep rise in prices and it shows the importance of the subject and the gravity of the situation. Today more members are going to take part in the discussion. When I heard the hon. Finance Minister speaking that the price were under control, I wondered whether I was in my dream. I have gone through the newspapers. Here I would like to mention about the experience I had some days back. A few days back I had accompanied my wife to the market to purchase some groceries. We just purchased some groceries for Rs. 300 and those things could be kept in one small basket. My wife commented that the same quantity of goods could be purchased for Rs. 50 some years ago. This is the feeling which everyone has. I will not go into the details.

PROF. MADHU DANDAVATE: If the hon. Finance Minister goes with his wife, he will also face the same trouble.

DR. A.K. PATEL: He may not be getting time to go to the market because he is busy with his work. I will not give any detail about the facts and figures because hon. Member, Prof. Madhu Dandavate, gave a lot of details and facts and figures in yesterday's discussion.

Now, I will mention about the present situation as to how it happened. Last year, during 1984-85, price rise was to the extent of 5.2%. The rise was mainly during the first half of the year and it was under control since September 1984 as elections were supposed to be approaching. The Government kept prices under control by manipulating supply—either by

[Dr. A. K. Patel]

increasing the import or by releasing a large stock of sugar or foodgrains than what is normally needed. There was a general expectation that as soon as elections were over the prices would rise. And prices invariably do rise if they are expected to rise.

Sir, due to Government manipulation, the prices in the second half of 1984-85 were kept low although during that period, the money supply—the total quantity of currency notes, etc. was increasing rapidly. For example, the money supply increased by 17.2% during the last year. The currency increased by 3307 crores indicating 18% increase. The treasury bills increased from 16,756 crores to 22,287 crores of rupees indicating an increase of 5250 crores of rupees or 33%. As a result of such inflationary pressures, the prices would have increased by 15% last year, but due to Government manipulation, for political convenience, it increased by 5.2 per cent.

13.00 hrs.

It means that there was a pent up demand, ready to come out and push prices up rapidly but for some temporary reasons, the price rise had been suppressed. That was the situation in the beginning of March, when Government presented the Union Budget.

The Union Budget instead of trying to restrain price rise took such policy measures which would push up prices suddenly and with a bigger jump, first as a result of the pent up form for upward prices and secondly due to imposition of indirect taxes, unprecedented deficit financing and talk of ambitious Seventh Plan in which the public sector investment was going to be very big. No wonder, the rise in prices was sudden and by big jerks.

This reflected soon after the Budget on the 10th March, 1985. The wholesale price index was 339.7 which come to 344.9 on 31st March, 1985. At present, it is hovering around 355 indicating an inflationary rate of more than 15 per cent during this year. The price rise is still

to go further and will also remain unabated because of several reasons. The Government has now again gone to the policy of having ambitious plan in which the plan size will be bigger, although the resources will be inadequate with the result that a small butter would be spread on every slice which would not be fruitful. Already, the Government is wasting a lot of money on public sector projects. The National Textile Corporation had losses of Rs. 97 crores in 1982-83, which increased to Rs. 137 crores in the next year and it again went up to Rs. 171 crores in 1984-85. The gap between the revenue receipts and revenue disbursements which was at about 6.12 per cent in 1979-80 has increased to 23 per cent in 1985-86, as estimated, but the actual may be between 25 and 30 per cent.

MR DEPUTY-SPEAKER : Please conclude now.

DR A.K. PATEL : I will not go into it further. The hon. Minister is capable and competent enough to tackle the problem. I would request him to take suitable measures to see that the prices are controlled so that the average common man can live peacefully. If the rates go on increasing this way, the number of persons living below the poverty line would increase and I am afraid, it will lead to so many complications.

The Lok Sabha then re-assembled after Lunch at ten minutes past fourteen of the Clock

[MR. DEPUTY SPEAKER in the Chair]

MR. DEPUTY SPEAKER : The hon. Minister will reply at 2.30 P.M.

[Translation]

SHRI MANVENDRA SINGH (Mathura) : Mr. Deputy Speaker, Sir, the country has made tremendous progress after independence. There was a time when not even a sewing needle was manufactured in the country, but now this great country has entered the satellite age. Shipyards and factories manufacturing aeroplanes as also heavy engineering units have been established in this great country.

We have also made tremendous progress in the field of agriculture. Earlier the country used to import foodgrains from abroad, but now the country is not only self-sufficient in the matter of foodgrain production, it exports foodgrains to foreign countries from time to time. There was a time when the condition of our economy appeared to be in doldrums due to scarcity of petroleum. In this sector we used to look to other countries, now our condition is satisfactory and nearly seventy per cent of our total petroleum requirement is met by our domestic production and we hope that during the next few years, we would be self-sufficient in this sector also.

So far as the question of price rise is concerned, we must not forget that the main reason for price rise is the population explosion in the country. There has been very rapid growth in the population of the country since independence. One of the main reasons for price rise is the growth of population. Mr Deputy Speaker, Sir, I would like to draw your attention towards certain figures regarding population. In 1971, the population of the country was 54,81,59,652, which has now gone up to 70 crores. Our population has grown fifty per cent during the last ten years only. We shall have to give thought to this aspect also. The price rise which we are witnessing now is due to increase in the population.

Mr. Deputy Speaker, Sir, I would like to place before you certain figures which I have collected today. The price of refined oil last year was Rs. 275 per tin, whereas its price now is Rs 260 per tin. The prices of a tin of mustard oil and rapeseed oil has gone down from Rs. 190 to Rs. 175, and that of the vanaspati ghee has increased from Rs. 230 to Rs 237 per tin. The prices of sugar have of course gone up. The price of sugar have gone up from Rs. 480 per quintal to Rs. 825 per quintal. The price of gram dal has gone up, but the production of gram dal depends on the crop of gram. Our country is predominantly an agricultural country and the climate of the country affects our agricultural production. The price of arhar a has come down to

Rs. 475 from Rs. 550 and that of masoor to Rs. 540 from Rs. 600 per quintal. Also, the prices of potato, onion, rice and coffee have come down in comparison to those prevailing last year.

The production of textiles has increased. With regard to the cheap variety of cloth, I would like to submit to the hon. Minister that some improvement must be brought about in its distribution network. So far as synthetic cloth is concerned, the country has made tremendous progress in its production and there cannot be two opinions that it is being made available at cheap prices in the country.

So far as the question of small means of entertainment is concerned, the prices of transistors, TV sets and tape-recorders etc. have gone down considerably.

In the end, I would like to submit that the wholesalers and the officers who are responsible for this price rise should also be taken to task. During the discussion in the Railway Budget and the demands for Grants of the Ministry of Steel and Mines also, I had said that when political workers can be detained under N.S.A., why could the corrupt officials be not detained under the N.S.A. ? Such corrupt officials must be detained under N.S.A. and action should be taken against them.

If you look towards realisation of income tax and sales tax, you will find that fifty per cent of the total collections are pocketed by these people. In the end, I would like to urge that strong measures be taken against them.

[English]

SHRI CHITTA MAHATA (Purulia) : India is a developing country. It has made some progress. But there is one burning problem before the country : every time a Budget is presented before Parliament, it is said that it is a growth-oriented one ; it would hold the price line, and that the entire economy would be well under control. (Interruption). But people have different views.

This time also, the hon. Finance Minis-

[Shri Chitta Mahata] :

ter, Shri Vishwannath Pratap Singh, while presenting the Budget, said that it would not affect the common people, and that prices of essential commodities would not be increased. But after the introduction of the Budget, prices of commodities have been increased by about 10% to 15%. So, the middle income group which has got an earning of Rs. 1500/- p.m. has to increase its expenditure by Rs. 150/-.

Some officials have said that this price rise is seasonal, and that it will be under control within a short time. But the common people have a different view, viz. that once prices increase, they will never come down.

I am not going to give detailed statistics. I will select only a few common items, and quote their prices. Rice, i.e. coarse rice is selling at Rs. 7/- to 8/- a Kg.; coal of inferior quality per 40 kgs. at Rs. 30/-; mustard oil per kg. at Rs. 18/-; and sugar at Rs. 8/- to Rs. 9/-.

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : May I know where is rice selling at Rs. 7/- a kg. ?

SHRI CHITTA MAHATA : In the open market. Electricity rates have also been increased by 30%.

SHRI C. MADHAV REDDI (Adilabad) : He is talking about *basmati* rice.

SHRI CHITTA MAHATA : Railway fares and freights have also been increased by 10% to 15%.

SHRI INDRAJIT GUPTA (Basirhat) : *Basmati* is selling at Rs. 13/-.

SHRI CHITTA MAHATA : But the most amazing fact is that Government is not realizing the realities. According to me one of the main reasons for the price rise is that the Government has failed to punish the black-marketeers, hoarders and profit-makers. Although there are laws like ESMA and NASA. Secondly, another important factor is that parallel economy in black money is playing a vital role in increasing prices. By introducing the bearer

bonds, black-money did not become white. About Rs. 40,000 crores of black-money is still playing an effective role in our economy. Such a huge quantity of black-money is sufficient enough to bring total disaster to any economy, but in our country the Government is too weak to touch these people. Government should think over it.

About 28 crore people are below the poverty line, half fed, half clad; Passing the days in untold misery and agony. Government should think over the reality. Slogans like *garibi hatao* or jobs for every family may be made catchy but are must not try to hide the stark reality. I would like to suggest the government to take following steps :

(i) To fix the price of 14 essential Commodities.

(ii) Effective public distribution system should be introduced. The other day Food & Supply Minister said that government is not lifting the sugar. But by blaming the State Government the problem will not be solved. The common people are the worst sufferer. Government should find out the reasons why the State Government has failed to lift the sugar and other commodities from F.C.I. By mutual discussion with the State authorities the problem may be solved.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad) : Mr. Deputy Speaker, Sir, a detailed discussion has been going on in the House for the last two days regarding price rise and it is a fact that sometimes our officers, whom we trust, present wrong figures and mislead the country.

Just now an hon. friend has said that such officers should be put behind the bars, but this action would not suffice. It was stated in the House that the Government of Uttar Pradesh did not lift the quota of sugar allotted to it, but I have with me a statement of the Resident Commissioner, in which it has been said that sugar was not allotted to that State. I have got those figures with me,

SHRI ZAINUL BASHER : Which Resident Commissioner has issued the statement ?

DR. CHANDRA SHEKHAR TRIPATHI : It is the statement of the Resident Commissioner of Uttar Pradesh. It is very bad and unfortunate for the country that such misleading statistics, wrong statement and distorted facts are given out. The common man is definitely facing the difficulties. The prices of the commodities have increased and it will not be inappropriate to mention here that the prices of all items of daily use have gone up. We should not feel satisfied by saying that the prices have not increased much in comparison with those prevailing last year. It is a fact that after independence, monopoly industries with investment to the tune of billions of rupees have been set up with foreign collaboration to take the country forward and the production has also increased, but such units have shown losses to the tune of crores of rupees annually and to make up such losses taxes worth billions of rupees are levied on the common man in the month of March every year. The hon. Finance Minister should stop such a practice. It is not proper in a democracy to incur crores of rupees on luxuries and pomp and show of the officials of the units which are not increasing their production.

Sir, it cannot be denied that black-marketing is playing a major role in the economy of our country. I would like to draw the attention of the hon. Finance Minister towards Uttar Pradesh. Under the 20 Point Programme, seven items should be distributed to the common man through the fair price shops in Uttar Pradesh, but soft coke and rapeseed oil have never been supplied to the fair price shops in the rural areas of Uttar Pradesh for the last three or four years. No one knows what happens to them or who sells them. It is very unfortunate. There has always been a controversy as to whether to run these shops through the co-operative societies or through the private parties. Neither the Co-operative Societies nor the private parties have ever sincerely tried to ensure the supply of commodities to the common man. I would suggest to the hon. Minister

to make the laws more stringent in this regard so as to prevent the creation of artificial scarcity of commodities. So long as there is artificial scarcity, the common man will not be able to get necessities of life in spite of the commodities being there in abundance. The increase in sugar prices has become a major issue. Often there has been discussion on it in the past. There has been a sharp increase in the price of sugar; there has also been increase in the prices of other essential commodities but the price of the items produced by the farmer did not rise in the same proportion. I do not hesitate to say that 80 per cent of our population, which is in the villages and whose only means of livelihood is agriculture, is feeling frustrated. Now the farmer is not ready to cultivate sugarcane because he is aware that he will not get remunerative price and it is, therefore, obvious that when a thing is not produced, it is bound to become scarce.

Much is said about the deficit Budget. But, I would submit to the hon. Minister that this budgetary gap of billions of rupees and imposition of taxes on the common man or increase in the prices of goods will not be helpful in strengthening the country's economy. An effort should be made to bring about parity between the production and wages in Industries.

[English]

SHRI PIYUS TIRAKY : (Alipurduars) : Sir, much has been spoken by the hon. Members from both sides and it has come to the notice of the House that the rise in prices in the country is now very much disturbing the public life. So, I should not like to speak much. I want to give time to the Minister to speak. He is the Pratap of the country. The country now wants to hear him and hear his Pratap also so that they will know what he is going to do to check the rising prices in the country. What I speak, it matters little. What the Minister speaks, will matter. So, I want to put some questions and I should like to have clear cut answers to those questions. The questions are as under :

(1) Is it not a fact that Planning

[Shri Piyus Tiraky] :

Commission's Plan outlay of Rs 180,000 crores for the public sector is struck due to cost escalation and continued resources constraint ?

(2) Is it a fact that the resources gap is now estimated to be more than Rs. 50,000 crores ? How will you make up this gap ?

(3) Is it a fact that our trade gap is widening in spite of our comfortable food production ?

(4) Is it not a fact that the anticipated 5.2 per cent annual average rate of growth of savings is overambitious, and is doubtful to be achieved due to the existing conditions of price rise ?

(5) Is it not a fact that the poverty line is rising and 50 per cent of our total population lives below the poverty line ?

(6) Is it a fact that the quality of life is much lower now except for a few affluent classes due to the rise in the prices of essential commodities and an average family has to spend 30 per cent more to keep going after the 1985-86 budget ?

(7) How do you justify to do away overdrafts of the State Governments when the Centre is wholly depending on the overdrafts to meet its demand ?

(8) The Government has declared that it will unearth black-money-How ?

(9) Is it a fact that over Rs. 50,000 crores of black-money is in circulation and it will go as high as Rs. 90,000 crores within a few years ?

[Translation]

SHRI KALI PRASAD PANDEY (Gopalganj) : Mr. Deputy Speaker, Sir, so far as the question of price rise is concerned, not one but many hon. Members have thrown light on it particularly during the discussion on the price rise of sugar in the House. When the production capacity of the country declines and the farmer feels disappointed, there is bound to be price rise,

In the northern Bihar seven sugar factories have been lying closed for the last three years. Many people have tried to draw the Government's attention to it. The farmers handed over the entire produce to the factories. 75 per cent of the people of north Bihar depend on sugarcane cultivation. When the produce reached the factories, the big mill owners like***, who own 5 to 6 factories, swindled the farmers of their dues. The result was that the production capacity of the farmers went on decreasing day by day. The farmers became frustrated because they were not getting a remunerative price for their produce. Government also did not make any effort in this direction. We have high hopes from you as you have been the Chief Minister of Uttar Pradesh. We belong to the border areas of Bihar. The law and order situation was very sound in your State. When you took over as the Finance Minister, the people of India had expected that just as they worshipped Kashi-Vishwanath, the Government would in turn see the reflection of Vishwanath in the people. But these expectations were shattered because we see that black money and blackmarketing are on the increase day by day.

I complained to you about the smuggling activities in Raxaulpura in Bihar. I give the documentary proof by way of a photostat copy was but the result was that*** was transferred from Patna to Bombay.*** He was involved in smuggling activities, of which I gave you documentary proof; he had opened in the name of his wife and daughter*** accounts in ten to twenty banks. We had expected justice from you but instead he was transferred to Bombay airport.

Smuggling is going on in Raxaulpura on a large scale. There is no doubt that this is as a result of the price rise. Besides the old stock of sugar with us, this year the production of sugar has been 62 lakh tonnes. In addition, we imported 10 lakh tonnes of sugar. In spite of all this, the price of sugar rose which should not have happened.

The price of petrol has also increased.

*** Not recorded

I concede that it was due to increase in the value of dollar. As a result of the import of petrol we had to pay Rs. 100 crores more in foreign exchange. Government had no other option but to increase the price of petrol in the country. This amount had to be realised from the consumers. The increase in diesel price adversely has affected the farmers. The farmers would be disappointed if they get less price their produce than their cost of production. The farmer should get a remunerative price of his produce.

With these words, I conclude.

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Deputy Speaker, Sir, for the last two days there has been continuous discussion on the price rise. I would like to remind the hon. Minister that the major cause of price rise has been the increase in the price of petrol, diesel and kerosene. You must have observed that since the day the prices of these items increased, there has been increase in the transportation cost which in turn has resulted in the price rise of every commodity. It is, therefore, clear that increase in the transportation charges would affect all other items whether it is machinery, textiles, foodgrains or any other item. You know better about the figures you give but we feel that the price of every commodity has risen.

Take for instance, milk. The price of milk supplied from the Government depots has risen so much that an average family has to spend Rs. 40 to 50 more every month.

SHRI VISHWANATH PRATAP SINGH : Have we levied any tax on milk ?

SHRI GIRDHARI LAL VYAS : It is not the question of tax. The prices have risen due to your policies. As the transportation charges have increased, the price of milk has gone up. Milk is transported in trucks and comes from other States like Rajasthan and, therefore, the prices have soared.

Not only this, on top of the prices raised by you, the States have also raised

taxes arbitrarily. Taxes to the tune of Rs. 100 crores have been imposed on electricity in Rajasthan. Taxes on industries, small as well as big, and even on consumers and agriculturists have been increased. We had pleaded that at least the consumers and agriculturist should be spared but no attention was paid to it. The population of Rajasthan is $3\frac{1}{2}$ crores and the per capita average comes to Rs. 30 and, apart from this, other taxes like sales tax have also been increased. 10 per cent price rise is due to your Budget and 10 per cent due to the increase in the taxes by the State Governments. You must have thought that as the election are over, now you can easily raise the taxes. You, of course, increased the taxes but the State Governments also did not lag behind. Some levied taxes to the tune of over Rs. 100 crores, others over Rs. 150 crores. Everything was taxed. The result is that when we visit the villages in our constituency, we have to face difficult questions from the people. They say that they had voted for us so that they could get commodities at reasonable prices and there would be improvement in the distribution system but the result is not satisfactory. You look into the distribution system. Only a day or two back, Rao Sahib told us how sugar was exported. The people are not getting sugar here. The ration sugar is sold at Rs. 4.40 per kg. but sugar is being sold at Rs. 8 per kg in the open market. It is being said that imported sugar will be made available at Rs. 5 per kg but everybody is not getting it. The common man has to buy it at Rs. 8 kg. Today everybody is saying that they had voted us to power on the strength of our party's policies but we had imposed heavy taxes immediately after taking over. Now you tell us what reply should we give them.

You should ponder over it carefully. The way Rajivji is working and the way he was able to reach the Punjab Accord, it has earned him laurels throughout the country. Hon. Finance Minister Sir, you should also do something so that the people may get relief and they may speak well of you. An hon. Member had said that the prices of cloth have not risen but I would like to remind him that no commodity has remained unaffected by the rising prices.

[Shri Girdhari Lal Vyas]

The price of every commodity has increased- You go to the villages and see for yourself. Hon. Minister, Sir, you cannot gauge the extent of the misery simply through figures that are before you. The situation is so bad that we cannot simply tell the people that it is good. Hon. Minister, Sir, you must pay attention to it. I would request you to put black marketeers, smugglers and other big hoarders behind the bars so that the situation in the country may improve

[English]

SHRI THAMPAN THOMAS (Mavelikara) : I am not touching upon the points with my friends have already mentioned. I want to make a special mention to the hon. Minister and to bring to his notice that price is also increased on account of certain other factors which are now taking place. One of such factors is coin shortage. I do not know much percentage of price rise has been there because of the coin shortage and small changes not being made available to the common man for the purpose of purchasing articles. If price of an article is 75 paise and the customer gives one rupee to the shopkeeper, the rest of the amount is not returned to the customer. This results in a straightaway increase in price. I do not know whether the hon. Minister is aware about it or not. There is an acute shortage of coin and this has resulted in artificial price rise. This has been purposely created by the persons who want to earn profit through this shortage.

In our country agricultural products are not less than the overall phenomenon is that only five per cent of the population of our country is eating twentyfive per cent of the products produced in our country. Therefore, ultimately the price hike is also caused on account of this and the artificial shortage is created in every sector of life, in production as well as in distribution, apart from the hike caused by the monopolistic tendencies.

I would bring to your notice another important factor which is contributing to price rise. There is creation of indigenous money in our country. There is a system prevalent in our country where a person

for instance takes one rupee loan for one paise a day. This term is dictated on him by the lender. If a person, for instance, lends one hundred paise for one paise a day, it works out to 365 paise in a year as interest. How much is increase in volume by this operation which is prevalent in every nook and corner of this country? I do not know whether you have made a study on this aspect to know how much inflation this operation causes in our country. This indigenous way on increase in the volume of money in this country mainly affects the purchasing power of the fixed income group. A man with a fixed income whether he is working in a factory or in an office is forced to borrow from these indigenous money-lenders because his wages do not increase in the same proportion as the prices increase. Unless and until some method is found out to curb this method of money creation, the price rise will continue and the people will continue to face this hardship. Therefore, the Hon. Minister should pay his particular attention to the aspects which I have just now mentioned.

[Translation]

SHRI ABDUL RASHID KABULI (Srinagar) : Mr. Deputy Speaker, Sir, I shall not go into details while speaking on this issue, but I would like to raise a few points.

I feel that unless hoarders, black marketeers and other such elements in the society are severely dealt with, such problems cannot be solved. First of all, the Government should have the will to deal with such elements and only then can they be curbed.

Many hon. Members have pointed out that there is black money to the tune of more than Rs. 50,000 crores in the country and with this black money a parallel economy is being operated. Unless the hoarders, profiteers and capitalists are curbed effectively, conditions will not improve. Bold steps should be taken to deal with them. I would like to submit to the hon. Minister that the root cause of our problem is elections. During elections the

political parties get donations worth crores of rupees from the capitalists, hoarders and mill-owners. As the ruling party is the biggest party, it is responsible to a large extent in such dealings. Elections are contested with this money power. Opposition parties may also be involved in it but the ruling party is more responsible for it.

Secondly, attention should be paid towards those States first where corruption is rampant. Corruption should be put to amend there. It is our duty that wherever the chief Ministers are indulging in corrupt practices, we should check them. In my State the prices are rising steeply and we are facing great difficulties. In Jammu and Kashmir** has been thrust upon us and the Congress Party should thank us because, now, even they are admitting that**

[English]

MR. DEPUTY SPEAKER : This will not go on record.

(Interruptions)

MR. DEPUTY SPEAKER : The hon. Member's time is over. He should conclude now.

[Translation]

SHRI ABDUL RASHID KABULI : In the end I would like to point out that attention is being paid towards poor people in our State under the 20-Point Programme. Government are realising thousands of crores of rupees in the form of taxes, but the advantage thereof is being shared equally by the capitalists and the poor people. Government should give priority to the poor. Your aim is to bring about socialism. I would, therefore, like to say that the poor people should be accorded priority and more attention should be paid towards implementation of the 20-Point Programme in our State.

[English]

SHRI INDRAJIT GUPTA (Basirhat) : Mr. Deputy Speaker, Sir, I am grateful

to you for giving me a couple of minutes..

MR. DEPUTY SPEAKER : You have given in writing saying 'I want 2 minutes'.

SHRI INDRAJIT GUPTA : I only wanted to put across one idea, for the consideration of the House and that is that we should not lose sight of the wood because of the trees. This is what is happening now and which is being condemned by all sections of the House. This tremendous price hike which occurred—he may not admit; that is a different matter—is, in my opinion, the inevitable fall-out of the new fiscal and economic policies, the new budgetary philosophy of this Government. And the people here, all Members here, are asking the Government to take action against those very people whom they are now determined to boost. How can it happen ? The only barometer of what is happening is the stock market, the share market. The hon. Minister knows that there is an unprecedented boom in the share market. Such a boom has never been seen before. And this is a sure sign, a barometer, that a high rate of inflation (which means high profit) is taking place. Everybody is not suffering because of these high prices and inflation. Only people with low incomes or no incomes and ordinary citizens are suffering. But there is a section of people, the big business houses, monopolists and so on. They are happy about it and the share market shows that. And therefore I will say that when once you have announced to the whole world that all regulations, restrictions, and all kinds of controls and everything as far as possible the Government is determined to remove ; which they have done, and taxes on the corporate sector have been drastically reduced and he has already promised that next year he is going to reduce them further. I do not know whether any Finance Minister has been able to do this, already to forecast for the next year, that is, further going to reduce the corporate taxes. What I want to say is only this, that an atmosphere has been created in the country which cannot but inevitably lead to an all round price rise because the whole idea is that there will be no control, no regulation,

**Not recorded.

[Shri Indrajit Gupta] :

no restriction, nothing ; we have decided to follow a pragmatic policy and that policy is meant to help particularly those sections of the community whom my friends here are imploring him to suppress, which is a contradiction in terms. How can it be done ? Therefore, all I want to say is,— I do not know whether you are a smoker . . . (Interruptions). Even on matches anybody is increasing prices whether legal or illegal, nobody to control or restrict anybody. The price of this match box has gone up to 30 paise now.

PROF. MADHU DANDAVATE : Sir, he has brought explosives in the House ;

(Interruptions)

SHRI INDRAJIT GUPTA : Sir, you may try to give up smoking, but matches are used not only by smokers, but by non-smokers also. Fancy paying 30 paise now for a box of matches which was 20 paise a few days ago, earlier of course it was 10 paise. I argued with the shopkeepers, small pan-biri walls : 'Why are you charging 30 paise ? Is it written on the box anywhere ?' He said :

[Translation]

—No, No, now it is correct. You will have to pay 30 paise. You may buy if you want, otherwise you may go.

[English]

I am saying, a certain psychology, a mentality, has been created and the source of that is at the top. The whole budget philosophy only a few months ago has generated this kind of inflationary pressure which is putting prices up all round and is bound to happen if this policy is persisted in because the Members of the Ruling Party who are feeling the pinch of the price now are rightly protesting against it, they were very enthusiastic in supporting the budgetary philosophy of Mr. V.P. Singh, but the two are not separated from each other ; they cannot be isolated from each other. One is following inevitably from the other one

and therefore, all I say at the end is that we are in for some very much more price hike and inflation unless this basic policy of the Government is changed, and I do not think they are going to change the policy ; at least they are not in a hurry because they want to give full latitude and full scope to the business community and the industrialists and the private sector particularly to show that they are cooperating with the Government to increase production. Of course, they have done nothing up to now, and I do not think they will do anything, but the common people of this country are in for a lot of trouble and a lot of suffering and sacrifice if the main source of this trouble, that is, this policy, is not changed. That is all I want to say.

(Interruptions)

SHRI S. JAIPAL REDDY : Sir, it is a contradiction in terms. Yesterday they have been critical of this price rise.

MR. DEPUTY-SPEAKER : No, no. Please sit down.

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : I just want to read a few paras and that is what has been said in this House :

"Mr. Speaker, Sir, from time to time hon. Members have expressed concern about the behaviour of prices in recent months. Fortunately the rate of increase this year has been much more moderate than any of the four years. However, the prices of certain specific items particularly rice, pulses, khandsari, gur, fruits and vegetables and tea, during this period, have increased rather sharply."

This is not the proceeding of this year. This is the proceeding of the year 1983 and this is the speech of my able predecessor, Shri Pranab Mukherjee.

In 1984 in this very House he has expressed himself as follows :-

"Prices have a vital bearing on the welfare of the common man. I, therefore, share with the hon. Members the concern about the behaviour of prices and welcome this opportunity to have a discussion on the subject. The seasonal element in the price rise can even be seen from the fact that during the three months, May to July, the wholesale prices recorded a rise of 8.2 per cent in 1979-80, 8.4 per cent in 1980-81, 8.2 per cent in 1981-82, 6.1 per cent in 1982-83 and 3 per cent in 1983-84."

"In respect of essential commodities, the price index during the past three months have been particularly sharp in the case of pulses, potato, fish, coffee, Gur and certain other items."

Sir, I think, this has been the lot of every Finance Minister. This has been the wording of them, not of mine. There seems to be perpetual . . .

PROF. MADHU DANDAVATE : All that you are establishing is that every Congress-I Finance Minister has failed.

SHRI VISHWANATH PRATAP SINGH : Dandavateji wants to rely upon only this Finance Minister. You see in 1979-80. He quoted figures between 1977 and 1979 and said that the inflation rate then was 2.5%. I do not know how statistics of 1978 are cardinal truth of statistics, and the statistics now are jugglery statistics, statistical jugglery. You see, it is the same machinery which fed you the statistics, is feeding us also. But, for Dandavateji, that period was the period of truth and this period is the period of jugglery. I don't know how can he juggle his belief so quickly. May I submit....

PROF. MADHU DANDAVATE : Mr. Minister, since you are going to base your arguments of this, I know it. Will you allow me just half-a-minute ?

I did not say that the figures that you have given were wrong. I say that if you take only a trend for a few weeks or

only for a few months and try to have the generalised conclusion for trend all over the year, you are likely to go wrong. Just as law and order situation in one week or two weeks is likely to be good and if you take all over the year it is bad, it is supposed to be bad. All that I have said is, it is not that your figures were wrong. But if you take the figures for a small span of time, that does not give the general picture of the country because we have to survive not only for three months but also for the whole year. That is our tragedy.

SHRI VISHWANATH PRATAP SINGH : I congratulate Dandavateji. At least in the first sentence, he said that my figures were not wrong. At least, he admits the correctness of them.

PROF. MADHU DANDAVATE : Right from the beginning, I said that.

SHRI VISHWANATH PRATAP SINGH : He has said that we have taken a very small period and he has referred to my love letter.

PROF. MADHU DANDAVATE : Collectively.

SHRI VISHWANATH PRATAP SINGH : Unfortunately, it would fail, if the letter written by the lover is not properly read. It is the same thing that Prof. Dandavate has done. That is, the whole year average inflation rates are there. Even if I take a longer period that would be three months, because in the present financial year, only three months have passed and I cannot extend it or interpolate it for six further months. But even as you say, I got the figures for the annual rate of inflation and if I take 12 months ending July, 1985, the inflation rate is below 6%. So, that is for the period that we have taken. But I will not go into technicalities of this. I will come to that later.

Yesterday, Krishna Iyerji said, how did the Minister believe his officers when these figures were given. One thing, may I inform that these data are not given by

[Shri Vishwanath Pratap Singh] :

the Finance Ministry? Your consumer price index is given by the Labour Ministry. Your wholesale price index is given by the Ministry of Industry. Your retail prices are collected by the Agriculture Ministry. But let us give a thought that it is not a question of my believing. So far as D.A. figures are concerned, it is believed by lakhs and lakhs of Government employes in this country and even if you ask D.A. on behalf of the Government employees reference is made to the CPI figures. You see what are the facts. The index figures are collected by the Government employees.

15.00 hrs.

They are typed out by them. You say that there is bungling in it, that is, they are a very flimsy sort of thing. Now I do not have to debate on it because Prof. Madhu Dandavate has agreed. In fact, neither on our side nor on that side, let us take these as flimsy. I will not take shelter behind—it nor that should be made a debate of political attack. We know that quite various factors have come in and you have been in Government position. Hon. Members on that side have been in Government position. Basically, we are in public life. When we are in public life, we should share with people what is the truth and what is the position. Graphs are given, not for a solution, but for purposes of analysis. But when the point is made that these figures are not giving the true picture, this is not correct as there is no distortion of figures. Figures are correct. But there is limitation of figures. There is a limitation of wholesale price index and consumer price index of what they portray. These are aggregate indices. They only portray micro level. But when it comes to micro level of family budget, then they are not relevant. It is relevant to family budget. So much of the criticism is there, either on this side or that side.

There is an element of truth so far as this is concerned, because there may be normal increase in wholesale price index and consumer price index but there may be sectional break ups. For instance, the prices of a few articles go up and the

prices of a few articles fall down. The consumer price index or the wholesale price index may be normal. But both the sections of society may experience great difficulty. Sugar prices may go up. Jute price index may be even. But jute growers are also in difficulties and sugar consumers are also in difficulty. That is, when we come to micro level, I am not in favour of using wholesale price index. There we have to go by specific items because in a family, the person is not going to buy the whole market. He is going to buy certain items. If the prices of those items have gone up, it is relevant for us to look into it and take action. This is precisely what I want to clear some of the misconceptions . . . The graph has been given not as a solution but as a matter of diagnosis and the matters indicated are relevant. Not that they are useless. They are relevant when you try to analyse the impact of money flow, the impact of taxes or where you object to it that the deficits are not specific to a commodity. Similarly, when you analyse these factors as variables, then these matters in that sense become relevant. Whether these matters have affected prices on a micro level, I will come to that later. What is affecting the common man is the price of essential commodities and what we should do about it. That is the spirit in which I want to take the House into confidence.

[*Translation*]

Yesterday, Rajhansji said that only statistics did not provide bread. He was right. Temperature will not come down by merely gazing at the temperature chart. Temperature Chart helps in diagnosing the disease only—whether it is Malaria or Typhoid. If you fail to diagnose the disease, you may give quinine to the patient suffering from typhoid and chloromycetin to the patient suffering from Malaria.

The utility of these statistics or charts is to diagnose and understand the issue. The interest of the patient is that his temperature should become normal.

DR. G.S. RAJHANS (Jhanjharpur) :
It cannot be diagnosed from the tem-

perature whether it is Malaria or Typhoid. It can be diagnosed only by blood test. People do not believe in your statistics. They do not feel that they will get goods at cheap rates. I am telling you the truth.

SHRI VISHWANATH PRATAP SINGH : I am not saying that you should believe in them. You are saying it on your own. What I am stressing is that the common man or the patient is interested only in the result, i.e., his temperature should become normal. He is not concerned whether you take his X-ray, etc.

DR. G.S. RAJHANS : We are only interested in it that the prices should come down.

SHRI VISHWANATH PRATAP SINGH : We are all one in this matter.

[English]

SHRI INDRAJIT GUPTA : Unless you remove the infection in the blood, how can the fever come down ?

[Translation]

SHRI NARAYAN CHAUBEY : In the first instance you must reduce the prices of goods . .

(Interruptions)

[English]

SHRI VISHWANATH PRATAP SINGH : When I come to the Budget, I will come to that point, not now.

Coming to retail prices, I have submitted to hon. Members an all India study of various retail prices because the debate is generally on wholesale price index, but it covers all individual items. You will find the document in Appendix—E; this is from various parts of the country and on specific items like rice, wheat, sugar, groundnut oil, etc. . .

SHRI S. JAIPAL REDDY (Mahbubnagar) : Which papers are you referring to ?

SHRI VISHWANATH PRATAP SINGH : I have laid it on the Table of the House. I hope the hon. Members have received it....

SOME HON. MEMBERS : Yes, we have received.

SHRI VISHWANATH PRATAP SINGH : If you see the retail prices, in the case of rice, there is a small rise as compared to last year in kharif, there is always some rise before the new crop comes. The wheat prices have remained generally at what they were last year. The sugar prices have shot up, the gur prices have shot up. The groundnut oil prices have remained the same, may be they are a little lower than what they were last year. The price of gram has shot up. The prices of other pulses have remained at what they were last year. The price of potato has moved up, but that of onion has declined as compared to last year. The price of meat has gone up, the price of fish has gone up but that is not common man's food...

[Translation]

SHRI NARAYAN CHAUBEY : We cannot do without fish.

[English]

(SHRI VISHWANATH PRATAP SINGH) : Meat is not common man's food...

AN HON. MEMBER : No (Interruptions)

(SHRI VISHWANATH PRATAP SINGH) : Allright. The price of meat has gone up. But the price of cloth, by and large, with a little variation, has remained at what it was last year. This is the overall picture truthfully.

Yesterday, Shri V.C. Jain very correctly placed three items as the culprits, namely, sugar, vegetables and pulses...

AN HON. MEMBER : Chillies also.

(SHRI VISHWANATH PRATAP SINGH) : There are a thousand items in the country. You can always pick up one item

[Shri Vishwanath Pratap Singh]

or the other. Basically, the point which Mr. V.C. Jain made was....

[Translation]

(SHRI NARAYAN CHOUBEY : The question is whether the items should be available at these prices ? Even pulses are not available at less than Rs. 8 per Kg.

(SHRI VISHWANATH PRATAP SINGH) : In case you take Basmati rice it will not be available at the notified rate. Rate is meant for the common man.

[English]

So, this is the general pattern. A further analysis has been made. The contribution of fruits, vegetable, sugar and khand-sari to rise in the wholesale price index is there ; we agree. If you see Annexure—C, fruits and vegetables have contributed 34 per cent to the rise, gur and khand-sari have contributed 37 per cent to the price-rise. These items have contributed 71 per cent to the price rise. But may I ask what is the budgetary policy or philosophy on sugar and vegetables ?

It is a non-budget item. Now coming to sugar Here, the price rise can be due to budget imposition. It can be due to rise in agricultural prices. It can be due to profiteering; it can be due to shortage of supplies, blockage in distribution channel. There are various factors. So far as sugar is concerned, the main reason for price rise is the gap between consumption and supply. We have attained a production level of above 80 lakh tonnes. Now it is going above 80 lakh tonnes. But the consumption has gone up more than 80 lakh tonnes. There is a gap of 20 lakh tonnes of sugar. This is the main operative part of the prices and this is the price situation so far as the sugar is concerned.

Now coming to vegetables, there is 34% rise, which is by and large a seasonal rise. If you look at Annexure-B, every year you will find 24% rise, 30% rise, 33% rise, 37% rise and in the last year it was 60% rise. Well, if you don't want to call it seasonal, I am ready to

take a bargain on it, when October comes I will take it. Then at that time don't say that it has gone down for reasons, if you don't want to take an aggregate price level. But basically the point is this. Apart from this, now let us see what we can do. That is more relevant. We have to see three items-increase of supplies, improved distribution, and de-hoarding. Where there is regular profiteering, it should be stopped. Now let us see how these are amenable. Sugar supplies can be increased. We should try to ensure that we have got stocks. There is no problem in augmenting supplies. This is a short term problem. In the long term it may be solved. Already steps are being taken to improve the distribution system. There are some problems. Lifting from the States has improved. Allotment for July was 1,25,000 tonnes. They have already lifted 46,000 tonnes. It is improving.

I come to dehoarding. This is an area where on the bigger level tax evasion is there. Certainly we can take care of this. But basically it is an Essential Commodities Act, which comes into the purview of the Food and Civil Supplies Ministry coordinating with the State. They take action.

We cannot augment short term supply on vegetables. Vegetables cannot be grown overnight or in fifteen days all over the country. There is no hoarding possible as far as vegetables are concerned. Vegetables cannot be hoarded for long.

PROF. N. G. RANGA (Guntur) : Growers also have to be protected because these things won't last long.

SHRI VISHWANATH PRATAP SINGH : This is a short term policy. I am saying that in 15 or 20 days you cannot grow more. Here in the distribution system, alternative competitive marketing should be there where you have got facilities, so that you increase the production and sell it at lower prices. We are taking action about this.

When it comes to sugar, the question of over all analysis etc. goes away. We

have decided that the price of the imported sugar by State Governments is being reduced from Rs. 5.40 to Rs. 5.20. The State Governments will correspondingly sell imported sugar in the free sale at less than Rs. 5.80 as against Rs. 6/- prevalent at present. A similar reduction in the imported sugar price is being made exclusively for action by FCI.

SHRI MADHU DANDAVATE : At what price are you importing sugar ?

SHRI VISHWANATH PRATAP SINGH : An additional quantity of 50000 tonnes of imported sugar has already been made available for release as levy sugar in the month of August. More sugar will be available to each family at Rs. 4.40 per kilo. The Food Ministry has considered releasing a further quantity of 50000 tonnes of indigenous sugar in the free sale market, thus making a total of four lakh tonnes free sale sugar in the month of August. We are taking concrete steps to augment the supplies.

About the rise in prices, the question is at what price do you get and at what price do you sell ? Rs. 4.40 is the levy price which we have calculated on the cost of the sugar cane for the grower. Next year do you want to depress it below levels which will be going to hit the grower ? That is one point—that is the macro economic price we have to see in the long-term.

May I ask ? If you see the hike-up, the margin money, on the price of wheat, that is the hike up after the FCI release price, then you will see in Karnataka the hike is Rs. 28. Almost it is one of the highest in the country. In West Bengal the hike is Rs. 24.

SHRI INDRAJIT GUPTA : After what ?

SHRI VISHWANATH PRATAP SINGH : This is over and above the FCI which is Rs. 172. But the hike on wheat over Rs. 172 in West Bengal is Rs. 24. May I know why it is that high ? It is one of the highest. In Karnataka it is Rs. 28. Let us not go into those details.

PROF. MADHU DANDAVATE : Where do you hand over the commodity ? Then there are transport charges and handling charges.

SHRI VISHWANATH PRATAP SINGH : It is there in other States also where there is a much lesser hike. These States are in the plains, not hilly areas.

SHRI SHYAM LAL YADAV (Varanasi) : This is too much.

SHRI S. JAIPAL REDDY : What about Kerala ?

SHRI VISHWANATH PRATAP SINGH : But what we have to take is the long term perspective, in regard to these commodities. Then there is a conflict between the long term and short term requirements. For instance, sugar imports is the solution to bring down the price of sugar. We can solve it because we have got foreign exchange reserves. But it is the total picture we have to take into account—the price to the sugar cane growers, the sugar price, its modernisation and many other points have to be looked into and that is a long term solution. Edible oil is another example. For price consideration we have to keep it down, but for production consideration even Agriculture Minister said that there is a little more price for the grower and over a period of time the price Index may go up. By this the grower will get more incentive and the long term problem will be solved. Sometimes it becomes politicised and various measures have to be taken. But we have to keep a balance of that and keep an eye on the long term and short term aspects.

About the steps taken against black-marketeers. Indrajit Guptaji just now said that we do not have the will. May I say that this year in contraband seizures we have seized 3 times the quantity of contraband we seized [in the whole of last year. The seizure was of the order of Rs. 101 crores. This year in gold the seizure was Rs. 30 crores whereas last year it was only Rs. 10 crores. Not only this we had Operation Kethu recently where the foreign exchange dealers indulging in under-invoicing and over-invoicing

[Shri Vishwanath Pratap Singh]

were caught. They were sending goods to destinations which were prohibited, and a big operation was done and several crores worth of mishandling and all those were caught. I can assure you that we are not going to relent. We are going to make the laws tougher and we will come to this House and we will plug the loophole. We are creating a revenue intelligence bureau and there is going to be no let up.

PROF. MADHU DANDAVATE : Black money has gone up to Rs. 37,000 crores. Tell us what you are going to do about it.

SHRI INDRAJIT GUPTA : *Toda temperatureku uthariye na ?*

SHRI VISHWANATH PRATAP SINGH : It is not that it has gone up right now. There is no doubt that black money is there. Various measures will have to be taken. We will have to tackle it on the economic administrative as also on the political fronts. . . . (*Interruptions*) Choubeyji, you must be knowing the political under-world much better than I know.

[*Translation*]

SHRI NARAYAN CHOUBEY : How many persons have been sent to jail ?

(*Interruptions*)

[*English*]

SHRI VISHWANATH PRATAP SINGH : Yes, under COFEPOSA this year it is 60% higher than last year.

SHRI INDRAJIT GUPTA : How many prosecutions or convictions ?

SHRI VISHWANATH PRATAP SINGH : Under COFEPOSA we have locked behind the bars 50 per cent more than the last year.

Now, we come to the general parameters and the overall impact of the money flows and the tax imposts. The rate of inflation is lower than the last year. It is the rise of whole-sale price index. You have Annexure 'B'. Here it is not point to point correspondence as

Prof. Dandavate said but it is the whole-sale price index rise in the financial quarter of three months. That percentage is the lowest. If we see the consumer price index, namely, annexure 'A' in the year 1980 in the months of January-March the consumer price index rise was -1; in 1981 +12; in 1982 it was -3; in 1983 +5; in 1984 it was -1 and in 1985 it was -2. So, it is of the same order. Consumer price index annexure 'A' April-June 1980 (it is in points) +13; in 1981 +19; 1982 +13; in 1983 +31; in 1984 +16 and April-May figures for 1985 it is +14. It is of the same order as was last year. [*Interruptions*]

PROF. DANDAVATE : I refer you to the graph that you have given. Continuously from 1981 to 1985 the graph is going up. It is 3.7; 3.9; 4.6 and 5.1. Continuously it is going up and the trend is continuing.

SHRI VISHWANATH PRATAP SINGH : That is not true. In 1983 the rate of inflation was 7.2; in 1984 it was 9.3 and in 1985 it is 5.6. (*Interruptions*)

Sir, he says that he has got the figures for five years. The rate of inflation from 1981 comes to 6.5 per cent. He will never have the opportunity of five years I think, ever. He had the opportunity of three years and it was the golden period.

SHRI GIRDHARI LAL VYAS (Bhilwara) : Not even three years.

SHRI VISHWANATH PRATAP SINGH : Yes.

PROF. MADHU DANDAVATE : We might have five like two plus two plus one.

SHRI VISHWANATH PRATAP SINGH : Let us come to deficits. What are the options ? Deficit is equal to your resource that you have raised minus expenditure. Either you raise more resources or you reduce the expenditure. Raising of additional resources is by methods of taxation or by buoyancy of public sector revenues. As regards taxation, percentage-wise we are almost reaching the limits.

We can achieve buoyancy which we are trying. Public sector internal resources we are banking on 35,000 crores. We have to strengthen public sector and we will do it.

Coming to expenditure cut, since there is criticism of the public sector and anti-poverty programmes we cannot cut expenditure. On your non-Plan side Defence, interest and subsidy constitutes 73 per cent of your expenditure. Are you going to cut your Defence expenditure?

Are you going to cut subsidy on food and fertiliser? The point was made that we have come with a supplementary and that will add to further deficit. May I say that last year in 1982-83, budget estimate was Rs. 1375 crores supplementaries came to 2202 crores of rupees? The total of both the budget estimate and the Supplementaries worked to Rs. 3577 crores and the Final deficit came to Rs. 1656 crores. For 1983-84 the budget estimate deficit was Rs. 1586 crores, Supplementaries came to Rs. 2940 crores. The total of both works out to Rs. 4526 crores and the Final Deficit came to Rs. 1417 crores. Similar is the position for the year 1984-85. When we do more public spending, some of the money, a portion goes back to the Government and the corporate sector. About 52% of the tax are from the public sector units. So, it is ploughed back. Otherwise the deficit would have been double the budget estimates plus the supplementaries. But this has never happened.

PROF. MADHU DANDAVATE : For 1984-85, it comes to Rs. 3985 crores.

SHRI VISHWANATH PRATAP SINGH : I am saying of actuals. You never know the actuals. My difficulty is this.

PROF. MADHU DANDAVATE : For 1984-85, how can they give the figures? You have only the revised figures.

SHRI VISHWANATH PRATAP SINGH : For 1984-85, the budget estimate was Rs. 1773 crores and the supplementaries were Rs. 3612 crores. The total of both came to Rs. 5385 crores and the final deficit was Rs. 3742 crores. Now, a point was made about the inflation out-

side the country, that is, in other developing countries and here I will not refer to that point. But certainly in developing countries inflation is between 34% and 37% compared to what has been happening in the developed countries or in the Western world. In Europe, it is 17.3%, in Middle-East, for Latin America, it is 113% and for developing countries, it is between 34% and 37%. A point was made from the Opposition, that the highest rate of inflation was in India. Hon'ble Member, Mr. Zainal Abedin made this point. That is why I am replying to his point.

Now, I am skipping over over-drafts, etc. because we have cut that source. Much point has been made that big concessions have been given. Has anybody counted that? In the direct taxes, only Rs. 200 crores were in personal taxation. This amount of Rs. 200 crores from the amount of Rs. 4500 crores which have been given out of which under the lower income brackets, there was a concession of Rs. 50 crores and in the second income brackets there was a concession of Rs. 70 crores. So, a total of Rs. 130 crores shown and that has been pointed as a big concession.

AN HON. MEMBER : What about the corporate tax?

SHRI VISHWANATH PRATAP SINGH : About the corporate taxes, we have taken credit of Rs. 250 crores. Concession has been given mainly in our indirect taxes for public sector, power equipments, and fertilizer imports. That will go to reducing the cost of economy, not on the direct taxation side.

PROF. MADHU DANDAVATE : Exemption limit that has been raised to MRTP houses is also some sort of concession.

SHRI VISHWANATH PRATAP SINGH : It is not a taxation proposal. But we have kept the capital angle in tact. Now, I have not much to say about the prices, but all the hon. Members insist about one thing, and it is not a question of so much of debate but of taking action we will take. If the monsoon is quite favourable—because that is one factor which no Finance Minister can fight—I will be within

[Shri Vishwanath Pratap Singh].

the manageable limits. That I can assure you and we hope that we will manage. Thank you.

SHRI INDRAJIT GUPTA : Has he convinced Mrs V.P. Singh about it ?

SHRI VISHWANATH PRATAP SINGH : She does go to the market herself to purchase grocery and in fact, she has given me the price of Rs. 7/- per kg. of sugar.

SHRI INDRAJIT GUPTA : Members are worried about their wives.

PROF. MADHU DANDAVATE : The fact is that Finance Minister's wife wants to join the Opposition Parties. I am giving him this confidential information.

SHRI VISHWANATH PRATAP SINGH : I confess that every breakfast time is an opposition debate with her.

15.31 hrs.

CRIMINAL LAW AMENDMENT
(AMENDING) BILL

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL AND TRAINING, ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES AND PENSION AND IN THE DEPARTMENT OF CULTURE (SHRI K.P. SINGH DEO) : I beg to move that the Bill further to amend the Criminal Law Amendment Act, 1952, be taken into consideration.

MR. DEPUTY-SPEAKER : You can continue later on.

15.32 hrs.

COMMITTEE ON PRIVATE MEMBERS'
BILLS AND RESOLUTIONS

[English]

Second Report

SHRI HAFIZ MOHD. SIDDIQ
(Moradabad) : I beg to move :

“That this House do agree with the Second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 1st August, 1985.”

MR. DEPUTY-SPEAKER : The question is :

“That this House do agree with the Second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 1st August, 1985.”

The motion was adopted

15.33 hrs.

RESOLUTION RE : RELIEF TO
FARMERS AFFECTED BY
DROUGHT

[English]

MR. DEPUTY SPEAKER : The House will now take up further discussion of the Resolution moved by Shri Janak Raj Gupta on the 17th May, 1985.

Shri Chintamani Panigrahi to continue his speech.....He is not there.

Shri Girdhari Lal Vyas.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Hon. Deputy Speaker, Sir, in the Resolution under discussion here it has been stated that the entire country is drought prone. But I would like to tell you that Rajasthan is the worst affected by drought. The hon. Minister, Shri Buta Singh is present here. His constituency is also the worst affected. All the desert districts of Rajasthan bear the brunt of drought. In addition, other districts of southern Rajasthan also get affected by drought.

Fortunately, the hon. Minister, who is present here, also belongs to our area. It is his duty to see that maximum possi-