

Members of Parliament/Members of State Legislatures either herself or through any of her relatives/friends in future...."

(*Interruptions*)

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): It is a shame on democracy.

(*Interruptions*)

PROF. MADHU DANDAVATE: Sir, you should direct the Minister concerned to say something about it.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): The service regulations are in the jurisdiction of the Department of Personnel. I completely appreciate the feelings of the Hon. Members. Certainly we will bring it to their notice.

(*Interruptions*)

SHRI NARAYAN CHOUBEY (Midnapore): These rules must be changed. The rules must be scrapped. (*Interruptions*) He must explain.

(*Interruptions*)

[*Translation*]

MR. CHAIRMAN: Mamataji, please conclude early.

KUMARI MAMATA BANERJEE: We want to request the hon. Minister to look into it. Our Government is committed to the Welfare of the poor and of the nation but sometimes, certain people....

MR. CHAIRMAN: Mamataji, you may continue tomorrow.

16.00 hrs.

[*English*]

DISCUSSION RE: RISE IN PRICES OF ESSENTIAL COMMODITIES-*Contd.*

MR. CHAIRMAN: We now take up item No. 16, Discussion under Rule 193. Shri Sriballav Panigrahi.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Chairman, Sir, I thank you for giving me this opportunity to participate in the debate on price rise which is going on in the House for some days past under rule 193.

16.0 1/2 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Sir, the price rise is a problem not confined to India alone but it is a global problem. It is a knotty, vexed and global problem. But the question is that the price rise should be kept at the minimum possible level. However we may try, the prices that were there in 1947 at the time of achieving our Independence or in 1951 at the beginning of our Five Year Plan, we cannot expect that price level to exist now. It will go up. It has gone up. But actually, the question is how to contain it. Considering that, now the situation in our country is really unsatisfactory, it is serious and that is causing concern in various circles including the Government. I know the Government feel concerned about it. Government have started taking several measures to contain the price rise, to make essential commodities available to consumers throughout the country and at fair price.

Sir, the rate of inflation that we are having now is 8.7% at the end of August 1987 and it was 7.5% in April, 1987. This shows how the rate of inflation is on the increase. There is an apprehension that we may have a double figure inflation this year.

[Sh. Sriballav Panigrahi]

What are the reasons for such an abnormal price rise? We have to come to the reasons. They are obvious. India is still very much an agricultural country. Our budget—as was called during British days—still continues to be a gamble on monsoon. If the monsoon does not behave properly, things go bad and there will be serious disturbances in all the fronts, including the price front.

As you know, we had a budget where the deficit was estimated to be of the order of Rs. 5688 crores, against a deficit of Rs. 8255 crores in 1986-87. Further, there was an expectation, an assurance that because of tightening up of our economy coupled with a good production, a good crop and yield, it could be curtailed. But to our ill-luck, we had, far from a bumper crop or even an average crop, the worst drought of the century this year.

What has happened in the agricultural front? Only 37% of the land in the country got an average to excessive it has experienced inadequate rainfall. As you know, inadequate rainfall leads to disaster in the agricultural front. That way, when a very big drought, the unprecedented drought is looming large, the effect of it we have to experience for a long time. Till the next Kharif harvest, we have to go through the scarcity conditions. We have to remember this and accordingly take redressal steps.

As I told you, about 10 to 15 million tonnes will be the shortfall in production. This has been further contributing to the deficit budget and the deficit budget has contributed to the price rise.

Again, the increase in Government expenditure is also alarming. In 1986-87 it was of the order of Rs. 95000 crores, against Rs. 83,498 crores in the previous year. So, the Government expenditure is on the rapid

increase and the deficit could not be curtailed. Therefore, the net result is a higher rate of inflation.

That way this is not something which is within the reach of the Government. We cannot just blame the Government alone for all this. Natural calamity is also responsible. We have made commendable progress in the field of irrigation. We have doubled our irrigated area within 15 or 16 years. Between 1965 and 1981, it was raised from 31 million hectares to 62 million hectares. Unfortunately, the more the crop and fodder area we bring under irrigation, the more is the area coming under drought and floods. We have enhanced our crops area almost double; but inspite of that, the situation is like this.

This provides us an opportunity to take a fresh look at our planning. We have to give a fresh look at our planning. We have to decide whether to go along the same lines or have a departure from them. We have to lay more emphasis on irrigation and energy. We should adopt dry farming techniques where there is drought. Naturally when we cannot expand our irrigation potentialities what we should do is to develop dry farming technology so that where there is not adequate rain we are able to have production. Then crop insurance has to be implemented properly and there should be a practical approach to it. Today it is far from becoming practical.

Many cultivators are now diverting to other areas because they are not getting remunerative prices for their produce. Let their representatives be put in authoritative positions on different committees so that they can determine the remunerative prices. Painfully we have to observe that there is no reasonable parity between the prices of industrial goods and agricultural produce. A simmering dis-contentment is growing among the farmers. We have to read the danger that is being written on the wall for tomorrow. We have to take proper care of

agricultural sector. Passbooks should be issued to them. There should be simplification of procedures for getting loans. Now there is drought but what is the deal that we are giving to the farmers! Even a middle-class farmer owning 30 acres of land is worse off in economic position than a class IV employee of the Government. I can prove it. Commission after Commission is being set-up periodically to enhance the pay-scales of the Government servants. Whenever there is increase in prices the same is being neutralised by giving them further dearness allowance. But what about the agriculturists? Their loans are mounting up. Our policy is that unless an area suffers consecutively for more than three years they cannot be given certain benefits like remissions suspensions etc. So let us have a practical approach. Let there not be a feeling among the agriculturists who are the backbone of our country that they are being neglected. I would request the Minister to take up this matter to the Cabinet and evolve a practical approach so that there is both agricultural growth and at the same time the farmers remain contented.

I want to blame the Bureau of Public Enterprises. Is there any parity between the pay scales in some undertakings? There is wide gap. What is our economic policy? Our objective is industrial and agricultural growth with social justice. That gap that is there between incomes of different sections should not be widened. It should be bridged. We are wedded to democratic socialism. When we are committed to bring about socialism how can we do this unless we really bridge the gap between different sections in respect of income.

We have to pay attention to energy also. If there is no energy there will not be any industrial units. Industrial units are getting closed one after another for want of energy. We have to give priority to energy. About the price rise, whatever may be our require-

ments, naturally there will be hardship in a year like this. The purchasing power of our rupee has fallen to about thirteen paise. The other day, we came across a news-item that the value of dollar has also recorded an unprecedented fall. That's why it is not only confined to India, it is a global problem. At the same time, our requirements should be assessed properly. The foodgrains should be supplied in an adequate measure to all the places. We have to strengthen our public distribution system. We have to widen its base. How can we do it? There are certain limited articles coming under the Essential Commodities Act. That list has to be increased. There should be a price policy. How can we have a price policy? Everywhere there are certain items for which you regulate their availability and the price. But there are other commodities over which you have absolutely no control. Therefore, we should have a control over everything essential. We can amend our laws accordingly. We have to intensify our dehoarding campaign. Of course, that is the responsibility of the State Government. You have called the Chief Secretaries here. Various steps have been discussed. Naturally all these things have to be monitored.

Whatever we may do, individual retailer has a profit motive. We cannot rule out that. Therefore, we have to encourage the PDS to be manned by cooperatives, municipalities, gram panchayats, etc. They require financial support for that which should be provided. With this I conclude. I know the Government has started taking some action to contain the price rise. These measures should be further strengthened.

PROF. K.V. THOMAS (Ernakulam):
Sir, the price rise and inflation are always causing severe headaches to both the Central and the State Governments. A study on price rise and inflation will clearly show that the Central Government has been taking adequate steps to control them.

[Prof. K.V. Thomas]

Even though some of my friends in the opposition say that inflation rate has gone up at an alarming rate, I cannot agree with them. If you study the inflation rates for the last 15 years, it can be very clearly seen that the Central Government is able to control the inflation. In 1974-75, the inflation rate based on consumer price index was 16.7%. During the months of April and May this year, there is a slight increase. Everybody will agree that this nation is facing an unprecedented floods and severe drought for the last three years. It is quite natural that there may be an increase in prices.

Sir, a group-wise analysis of the wholesale price index on a point-to-point basis indicates that primary articles and manufactured products contributed to the bulk of price rise in 1986-87. My request to the hon. Minister is that these are two groups where Government has to give emphasis to control the price rise. The index on the price rise of the primary articles, that is, cereals, pulses, fruits, vegetables is 4.9 per cent in 1986-87 while it is only 2.8 per cent in 1985-86. On a further study on the price of vegetables which is the common man's item, we can see another phenomenon of price highly fluctuating from day-to-day and from market to market. The study made on 9th August of this year on the price of vegetables in Delhi markets is quite peculiar. In Saket, the cost of cauliflower per kilogram was Rs. 12, in Kailash colony it was Rs. 24, in Tilak Nagar it was Rs. 20 and in Paharganj it was Rs. 16. Prices of the same vegetable fluctuate in different markets of Delhi. So, we have to find out a machinery to stabilise the price of vegetables and other items so that at least in different markets of the city on the same day, the price is controlled.

Another factor is that how the State Governments are reacting to control the price rise. In my State, in Kerala, the price rise within a short period of 7-8 months is 100

to 150 per cent. Onion and potato is sold from Rs. 2 to Rs. 4.5 per Kg. and green chillies from Rs. 4 to Rs. 10. Price of rice is so high that from Rs. 3 it has gone up to Rs. 5. Here, the State Government cannot blame the Centre. If you look at the help given by the Central Government to the State Government, for the State of Kerala, the subsidy for rice is about Rs. 126 crores every year. Similarly, for kerosene the Central Government is giving the subsidy. My state is getting about two lakh tonnes of kerosene but when the ordinary man goes to the market, the price is so high.

Another item is edible oil. We can find that price of edible oil changes from day to day. We know that a sizeable amount of our foreign exchange goes towards importing of edible oil but where is the edible oil going? I am staying in South Avenue. Even for the Members of Parliament, edible oil is not available. When we go to the Super Bazaar, we are told that we can get only one kilo of oil. Sometimes we cannot get even that. In spite of importing in huge quantity, where is the control?

We have to monitor how the edible oil is being distributed.

Another point is that we can control the price rise only if we have got a very efficient public distribution system. I am very happy to state that we have got a good public distribution system, but it has to be made more effective. When hon. Minister, Shri Bhagat was in Kerala, he had some conference. As I said, we have got a very effective public distribution system in Kerala and rice, kerosene and other commodities are distributed there through fair price shops. We had demanded that at least Rs. 25000 should be advanced by the nationalised banks to the fair price shops so that they can get all the required items from the Food Corporation or other agencies, but till date, though a year has passed since then, the fair price shops

have not got any financial assistance from the nationalised banks.

One more important point is regarding quality and quantity of foodgrains. In Kerala, we get rice of three qualities; one is the ordinary rice, the other is fine rice and the super-fine rice. The consumer does not know which type of rice is being given by FCI to the fair price shops. Earlier the practice was that when the fair price shop people go and get the rice from the FCI, they were given rice in small sealed polythene bags and for that the fair price shop people had to pay one rupee, but now-a-days, we get only polythene bags, not the rice. The consumer does not know whether it is ordinary rice, fine or superfine rice. There should be some machinery so that the consumer knows which type of rice or wheat is being distributed through the fair price shops.

The responsibility for controlling price rise does not lie with the Central Government only, it also lies with the State Governments. We would like to know how many State Governments have enforced the existing laws and have brought the hoarders to book. No effective measures are being taken by some State Governments to catch the hoarders. The Government must be active in this respect so that hoarding is stopped. Unless the hoarding is stopped, we will not be able to effectively prevent the price rise of consumer items.

Lastly, vegetables is one of the items where fluctuation is very high. These should be distributed through fair price shops or some other agency, so that the urban population is able to get vegetables at a reasonable price.

[*Translation*]

SHRI GIRDHARI LAL VYAS (Bhilwara): Mr. Chairman, Sir, I have got the opportunity to speak after two or three days.

It takes a long time for the turn to come.

In regard to price-rise, I want to submit that on the one hand, the value of rupee is falling and on the other Departments under the charge of Mr. Bhagat are not making proper arrangements to meet the situation. In the existing crisis, if the Government Departments take appropriate measures we will definitely be able to provide substantial facilities to the people in the prevailing drought conditions.

Mr. Chairman, Sir, as has been discussed day before yesterday, you might have also noticed as to how essential articles are being distributed. Now-a-days essential articles are not available at the Super Bazar outlets. Mr. Bhagat has himself pointed out two days ago that neither onions, potatoes nor edible oils including vegetable oils are available there. Thus due to short supplies people are facing difficulties and are compelled to pay more for these commodities. Therefore, first of all I would like to request the Minister of Food and Civil Supplies to make efforts to gear up and streamline the working of the Department. During every critical situation, the people of our country become united and cooperate with the Government in combating it. Today also when we are facing a grave situation due to unprecedented floods and drought and with all our systems in disarray, is the Government aware as to what to do in such a crisis? Therefore, it is necessary to gear up the Department. The State Governments should also be geared up in this respect. Along with it, the people of the Public Sector should be involved in improving the distribution system. The backbone of the distribution system is the system of cooperatives. Have you thought of providing assistance to them? Today, the cooperative societies are not being able to provide essential commodities at cheap rates on account of financial constraints. Government should take steps in this regard and provide due assis-

[Sh. Girdharilal Vyas]

tance. So far you have neither directed NABARD nor any other organisation to improve the financial position of the various cooperative societies so that the essential articles may be distributed properly. This aspect has not been paid any attention due to which the cooperative societies are not functioning properly. It is due to financial constraints that these societies are not able to function properly.

Similarly marketing societies are working at the block level which supply all the essential articles to the various societies. Has it ever struck to you to provide assistance to these marketing societies? In order to ensure proper distribution of essential commodities through cooperative societies and Fair Price Shops, the Government must assist these marketing societies at the block level. It is also essential to streamline the working of super bazars and such other agencies which are engaged in supplying essential commodities to the public. What steps have been taken so far to review the function of the Public distribution system and to rectify the shortcomings? It is also essential to see as to what arrangements have been made to strengthen the consumer societies. The Department should pay special attention to the Public Distribution system in order to ensure that essential items are available to people in time and at fair prices. So far the Department has done nothing in this regard. It is high time for the Government to consider the situation seriously and take steps to strengthen these institutions so that the people of this country are able to get relief.

Secondly, in regard to the acute drought conditions prevailing in some state particularly in Rajasthan, I want to request the hon. Minister to inform the House as to how much edible oil, sugar and other essential commodities are being released for those areas to ensure that the poor people are able to get

all the items properly. In the F.C.I godowns irregularities and corrupt practices are being indulged into. You will notice that the contractors are responsible for most of those malpractices. The FCI people are not at all interested in removing them. The subsidy of Rs. 2 thousand crores which you give is pocketed by these contractors. These people indulge in maximum bungling. I had mentioned this fact when a discussion on this subject was held earlier. In Bengal there are two kinds of procedures. In some godowns Government employees are engaged and in others contractors are doing the same work. Wherever contractors are there, trucks loaded with hundreds of maunds of foodgrains disappear. The system is in total disarray. It is said that Government employees do not work properly, yet the godowns in which Government employees are working, are functioning efficiently. From such godowns we are earning profits and not losses. It is essential to consider this issue. If you do not control the F.C.I, our entire economy will be disrupted. You are saying that we have ample stocks and so we don't need to have any fear. But when pilferage takes place on a large scale, you will raise your hand and express your incapacity to meet the demands. Therefore, you should rise to the occasion and make efforts to check such malpractices in time. So that the F.C.I. godowns which supply foodgrains to the whole nation remain safe. Strong action should be taken against those people who indulge in pilferage. The Government should be vigilant about the requirements of every area and strengthen the public distribution system for the distribution of sugar, wheat, rice and other essential commodities. Only then will you be able to meet these situations effectively. With the onset of summer within 3 or 4 months our stocks would nearly finish. Then you will realise as to how much losses have been suffered due to sheer carelessness. Similarly it is essential to pay special attention to the hoarders, proprietors and smugglers. The system will improve only

when you take strong action against them and in case you are not able to do so these elements will bring maximum harm to the nation. Whatever laws you may frame they are never enforced properly against the proprietors and hoarders. Even the highest officials of the Government kneel down to these rich people and are not able to take strong action against them. If you are able to control them then you will definitely succeed in this matter and make the Public Distribution System function effectively.

I want to submit about edible oils. Though sugar and wheat are available in the rural areas but edible oil which is being imported in large quantities at a cost of Rs. 400 crores, is not reaching the villages. May I know from the hon. Minister as to what are the reasons that the edible oil is not available in Cooperative Societies and other institutions in the villages. Today the price of edible oil in the market is Rs. 30-35 per kg. Even then adulterated oil is being sold through these shops by the middlemen, but the Government is not looking into it. This needs to be checked. Neither oil nor cheap varieties of cloth of the National Textile Corporation is being made available to the common people and to those, who are drought affected, through co-operative societies. The Government should take constructive steps to see that the cloth and oil are made available to the common man. In case no arrangements are made in this regard, the country, which is passing through a critical phase due to floods and drought, will have to face more grave situation. The distribution should be strengthened to overcome the problems being faced by the country.

SHRIMATI PRABHAWATI GUPTA (Motihari): Mr. Chairman, Sir, the country is passing through a critical phase and everybody feels concerned about the price hike. This price hike is creating a difficult situation and I cannot resist saying that the Government is very active in this regard. They have

taken suitable steps to check the rise in prices. A Cabinet Committee has been constituted which will find out the causes of price rise. The Cabinet has announced a five point programme to strengthen the public distribution system. Mobile centres will also be set up. Besides this, the Government should devise ways to check the malpractices prevailing in the public distribution system and should ensure proper monitoring so that maximum essential commodities are available to the people. The Central Government has issued a directive to the State Governments to take steps to see that 23 items of essential commodities are made available to the people. I think, the Government is very alert in this regard. If the Government really takes strong steps, we would be able to control the price effectively. There are several causes of price rise. You see that there is no price rise for two-three months, say from January to March, when the Budget is presented, but after that, there is all round price hike. The Government should ensure that a balance in the economy is maintained. There may be a slight fluctuation in prices, but we are to check the sky-rocketing prices. The price rise is an international phenomenon, but such an hike is crushing the people. The main reason is that we are a backward and a developing nation. Had the programmes to remove poverty been implemented honestly the people would have been benefitted and they would have not bothered about such a price-rise. We are at a loss to understand as to how our economy has been adversely affected. I think, inflation is the biggest contributory factor to price hike then comes deficit financing. The Government should take steps to check inflation and resist from presenting deficit budget in future because this has a great impact on prices.

Black money is another factor which contributes in a big way to rise in prices. Our market is flooded with a very big amount of black money running into thousand of crores of rupees with the result that farmers poor

[Shrimati Prabhawati Gupta]

people, messengers, women and all others are adversely affected by it.

There has been a significant increase in both the retail price index and the wholesale price index during 1987-88. Shri Vyas rightly said that out of 480 districts, nearly 280 or 300 districts are facing the calamity created by drought, which has adversely affected our economy and has caused an unprecedented price rise. Agricultural production has gone down which has also contributed to the price rise in a big way. The Minister of Agriculture should take steps to check the decreasing trend in production. In order to overcome this difficult phase the Central Government as well as the State Governments will have to exercise a cut in their establishment and other expenses.

It is a matter of happiness that our Prime Minister has taken it seriously and he has given a directive to reduce the Government expenses. Keeping in view the menace of flood and drought, being faced by the country, he announced that except in unavoidable circumstances, foreign tours will be avoided. I welcome his move, the country as a whole has appreciated it. Foreign tours have been reduced, but there is still scope for further reduction. The Government expenses should be curtailed, deficit financing should be minimised and black money should be unearthed.

There was a news-item in the Patliputra Times, published from Patna, dated 2 December, 1987 that one Swiss Bank is being run abroad and several Swiss banks exist in the capital of Bihar. The hon. Minister should look into it and take steps to see that no such banks are here in our country and no parallel economy is allowed to run, only then we would be able to check the price rise.

There has been an unprecedented rise in prices. During 1987-88, the rise has now

gone upto 6% whereas it was 4.8% during 1986-87. The whole-sale price index which was 369.5 in January 1987-88, reached 376 in February, 378 in March, 381 in April, 389.3 in May, 400 in July, 407.3 in August, 408.4 in September and in October it touched 409.2. Thus, there is rising trend every month, the Government should look into the reasons and take steps to check it. The Government has implemented 5-point programme and set up a Consumers Council in order to provide protection to the consumers. A Bill was introduced in the last session, it was a very good step, we were hopeful that supply Department will deliver the goods and interests of the consumers will be protected. I hope the Government will earnestly implement the programmes drawn for the protection of the consumer.

I would like to say that the position today is... (Interruptions) my time is still not over... (Interruptions). I am still on my legs...

Mr. Speaker, Sir, how will low paid employees or the poor farmers will pull on. There is no production, absolutely no crop, even if a farmer is having 500 acres of land. How are you going to feed them? Arrangements should be made so that they may get two times meal. One day, two women of the Congress Seva Dal came to me. I casually asked them as to what they had taken in their meals, they replied that they had taken 'Sarson Ka Saag' this is the position. There are no pulses available there at all. Next day they said that they did not take anything then I offered them some food. Today, the cost of vegetarian as well as of non-vegetarian food are more or less the same. The price of onion touched Rs. 20 per kg. in Darbhanga and Motihari during floods. Here, in Delhi, Cauliflower is available at Rs. 2 to 4 Rs. per kg. but its price in Patna and in other cities in Bihar is Rs. 6 or Rs. 8 per kg. The people are in distress there, there is no production due to floods there. The price of mustard oil is Rs. 40 per kg. as against Rs. 22 last year. Two

kg. tin of mustard oil costs Rs. 78/- in Kendriya Bhandar but in I.N.A. market costs Rs. 80/- the fish is as 50 to 60 per kg. Thus, prices are sky-rocketing.

Mr. Chairman, Sir, through you I submit to the Government, especially to the hon Minister concerned, that the announcement of 5-point programme is a welcome measure. It will provide scope for discussion and considered action. The Government should maintain simplicity and thereby reduce expenses so that the people are less burdened. Traders should also be taken into confidence and they should be asked to serve the people. The Government have introduced a good programme.

The Government have started 209 mobile and 3 thousand new shops. I think this number is not sufficient. To-day even the 23 items of essential commodities about which the Government has declared that these would be made easily available, are not available to the common man. I am a mother, a sister and above all an Indian woman. I understand the gravity of the situation and say that the people are living in distress done to non-availability of essential commodities. The Government should gear up its administrative machinery. Here, in the House, speeches on the subject are made every year, but the prices in the market go on soaring high. Taking 1945 as a base year, the value of a rupee has come down to 15 paise. The value of the rupee and the purchasing power of the consumer are decreasing day by day. The people are in distress. I welcome the programme, the Government has undertaken, but I request that it should be strictly implemented.

*SHRI M. MAHALINGAM (Nagapattinam): Hon. Chairman, Sir, I am extremely glad to participate in this discussion on 'Price rise' under rule 193 on behalf of AIADMK.

Total production of goods and services in the country is the best indicator of the health of the economy. If demand and supply factors in the economy are matching, then nobody could deny that the economy would be sound. If production falls, prices will rise. A situation will be created in that case where too much money would be chasing too few goods. If Govt. resorts to minting of money to control inflation and hopes to increase the purchasing power of the consumers, then it will not arrest inflation rather it will increase inflation. Such a policy of generating money supply will not serve as a basis for rehabilitating an inflated economy.

In January 1984, the consumer price index was at 563 points. It rose to 736 points in August, 1987. This is the kind of galloping inflation that is prevailing in our country. In 1985-86, the cost of living index, was at 6.5. In 1986-87, it has increased to 8.7. Based on the wholesale price index, in 1985-86, the inflation rate was 3.88%. During 1986-87, the inflation rate has reached 5.3%. The rupee has got devalued in sizeable proportion. The value of a rupee in July 1986 based on 1960 prices was 16.45 paise. In one year, that is, in July 1987, the value further came down to 15.20 paise.

Prices of all the commodities are increasing day by day. The prices of essential commodities like rice, wheat, cooking oil etc., are increasing daily. We have serious fears that the inflation rate may become double digit one.

Inflation is not a disease that has affected Indian economy only. Even big free economies like that of England, Japan and America are afflicted with inflation. In America, the stock market has crashed. Factories have been closed down. Millions are out of employment. The purpose of my pointing out this is that such a situation should not hap-

* The speech was originally delivered in Tamil.

[Sh. M. Mahalingam]
pen in our country.

Take our own country, unemployment is rampant. All steps must be taken to tackle this unemployment problem. All sick mills must be taken over by the Govt. By such take over of sick units, you will be able to wave millions in India from starvation.

In my constituency, in Vedaranyam, there are many salt workers. The salt produced in Vedaranyam lie in heaps in the salt pans without being procured by the wholesalers. This is because of lack of adequate transportation facilities. There is no facility for transportation of salt by rail. The roadway from Thanjavur to Vedaranyam must be repaired and made a national highway. If this is done, there will be proper movement of salt from the salt pans and thus we can avert a salt recession in Vedaranyam.

Likewise, in Nagapattinam, ONGC is tapping oil and gas reserves in cauveri basin. The oil tapped is unrefined and is taken to Madras for refining. This results in enormously wasteful expenditure. A refinery should be set up in Nagapattinam itself. This would create employment opportunities in Nagapattinam which is a backward area and has an high unemployment rate.

The Govt. attributes two reasons for the present rise in prices. One is the steep fall in production due to drought. Second is the deficit in the Budget to the extent of nearly Rs. 7000 crores. Both these reasons are inter-connected. If you increase production, then you will net revenue from the consumers of the products and with the help of that revenue, you can make up the deficit. The Govt. must, therefore, start more factories and encourage production in the existing factories.

The Govt. has announced a five point strategy, to meet the situation arising out of

inflation. Those are (1) to open more public distribution shops (2) to distribute adequate foodgrains to these shops (3) to monitor the distribution through these shops (4) to prevent hoarding and blackmarketing and (5) to bring a sense of self-discipline in the traders against profiteering through negotiations with representatives of trade and industry.

The Govt. has also identified 23 essential commodities and has issued directions to the State Govts. to monitor the distribution of these items in the States. I welcome this.

I also welcome the amendment to the Guest Control Order brought to curb wasteful expenditure in big hotels and on dinners.

Tamil Nadu Govt. is taking all possible steps to control the prices of essential commodities. Commodities are being distributed at fair prices in every village in Tamil Nadu. The govt. is also feeding school children and elders under famous 'Nutritious Meals Scheme' I request the Govt. to assist the State Govt. so that the scheme could cover more and more persons.

Drought is a main reason for the current rise in prices. But, drought, floods and other national calamities are a matter of routine annual occurrences. Therefore, the Govt. must have a permanent solution to the problem.

The drought conditions in Tamil Nadu has affected the agricultural production. There is acute water shortage. I request the Hon. Minister to appoint a Tribunal to adjudicate the cauveri river water dispute. The State Govt. has reminded the Central Govt. of this on so many occasions.

The Govt. is spending huge sums to tackle the situation arising out of drought and floods. If all rivers in India are linked on a national basis, then that will serve as a key to solving the problems arising out of drought

as well as floods. This would also save huge amounts of wasteful expenditure.

India is a big country. In some parts floods ravage and in some other parts we have drought. This situation could be averted only when we link all the rivers in India. If this is done, during the rainy seasons, the excess water in rivers in the flood-prone areas may flow into other rivers and thus help fruitful utilisation of all water resources. Drought situation can, hence, be managed in this way in a efficient manner.

I hope the Govt. would consider the suggestions I have made. With these words, I conclude.

17.00 hrs.

[English]

SHIR P.R. KUMARAMANGALAM (Salem): Mr. Chairman Sir, there are two major problems that I think are reaching a level where a revolution could be around the corner. The first one is price rise and the second is unemployment. Sir, today the House is discussing price rise. Discussions take place on and off. The Members of Parliament seriously air their views; but it looks as if it is all that happens.

The price rise will soon reach such as phenomenal proportions that the poor who are living would find that 'living is worse than death' Today, whether one admits it or not, we have reached a stage where the poor no longer dream of *dal*; no longer dream of edible oils; they are restrained today to somehow managing to get some edible substance into their digestive system.

Sir, I do not stand here either to support the Government or to oppose the Government. I stand here as a Member of Parliament representing my constituency, knowing that the majority of the people in my

constituency are poor and are going through dire circumstance. The price rise even statistically is reaching phenomenal proportions. In January 1985 when I was elected as a Member of Parliament to this House, the Consumer Price Index was at 568 points.

In september 1987, it has reached 745 points. Obviously, there has been an increase of about fifty per cent. Is this my contribution to the people who have voted me to this House? Not only that. Today the rate of inflation is 8 per cent. If 8 per cent is not galloping, then what else? Does it have to be 20% when one admits it to be galloping? We understand quite reliably that the Government has set up a Cabinet Committee to monitor day to day prices. But what is it doing? Monitoring does not mean drawing up statistics. That can be done even by statisticians. Collecting data is not the end of everything. What is the ground effect? Are we able to control prices? No. What have we done? There are demands that the whole-sale trade should be nationalised, retail trade should be nationalised. But is it really possible? Yes, if it is nationalised, it will be welcome. But is this present system capable of handling it?

In 1960 our CPI was 100 points, this month we are nearly 755 points. From where to where have we come? Not only that. The price of edible oils, this year, has gone up by 37% -beyond the reach of even middle class people like me. I can say categorically that even for families like ours, edible oil is becoming a question mark. It does pinch. Then one can imagine what is the position of the poor of the nation? It is not sufficient to give first lip sympathy. We need some action. If we do not have action, I can assure you that all the institutions that you may have, however high sounding and high flown they may be, they will all be broken up. The people of India will not tolerate a system which does not give them at least one square meal a day.

[Sh. P.R. Kumaramangalam]

17.10 hrs.

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

The unemployment has reached a level where we have registered unemployed of about 5 crores. Young men between 20 and 30, many of them qualified, are now reaching the figure of five crores. Do you mean that these unemployed people are able to have even one square meal a day with the present price rise? Yes, at least the employed are fortunate. Shri Harish Rawat, Rangarajan Kumaramangalam, Indrajit Gupta, etc. raise their voice for dearness allowance which really do not compensate, but at least there is some sort of compensation from the point of view: "Do not cry, have half a glass of milk if I cannot give you one." What about the unemployed, the poor, self-employed? Is their income matching the price rise? What about those who, at the moment, are in a situation where even with the price like of 1960 they cannot survive and have two meals a day? I think, it is time that the Government decides seriously to look at this problem and not just go through exercises on paper and what is normally called in Hindi natak. What is really required is real results on the ground. What is also required is that none of us look at this as political issue, because what is at stake is the parliamentary system itself. I am sure, the Members on the other side of the House, would agree with me and join with me that it is no longer a party issue, whether this party or that party. We should bring an end to this profiteering that is going on. Profiteering in essential commodities, in food articles, is a crime. It is no longer a business, because every bit of profit they make, they make at the cost of the poor, the have-nots. Profiteering in food trade should be made a crime. It should not be justified and supported. Of course, these traders have tremendous support because of the wealth they have at their disposal. But it is time that we realise that we have reached the vicious circle where if we do not contain them, we will be contained and we may be pushed out from this House.

Mr. Deputy Speaker, Sir, another very unfortunate thing is that in F.C.I., for example.—the hon. Minister, I wish, is aware of this problem—they used the system of contract labour often in violation of Contract Labour Abolition Act. The most important point is that the Labour Ministry has requested—in fact directed—the F.C.I. to do away with this system which is illegal. But they did not think it justified and they are saying that it is cheaper to allow them. But let them look at the pilferage figures. How is it that a contractor can pay a labourer Rs. 5 per bag and collect only Rs. 2 per bag from the authority? Is it not obvious that he is losing Rs.3 per bag? and for making up this loss, he should be collecting more than Rs.3 per bag from some other source because his motive is not national service. His motive is definitely making profit. I would like to state that it is necessary for the Government to pay attention to these things because the system is collapsing. The hon. Minister would not misunderstand me but I am confident directly on day to day basis, especially in Delhi, is aware of the feelings of the people on price rise. If the system as it now prevails is not sufficient to control, let us do away with it and bring a system which can control it.

According to me, there is an immediate need to have more number of fair price shops. Unless we have more fair price shops, we would not be able to serve the people. Second, there is a need just like during the Emergency, to fix retail prices of not only the essential commodities, the so called essential commodities, but all commodities and ensure that all retailers and wholesalers give display of these prices in prominent places in their shops and in cases where excessive profiteering is noticed, penal action should be taken. It should not mean just a 'Nam ke vaste' find. Anybody in

the Food Adulteration Department is found taking encouragement in any form, whether in kind or in cash, to help these evaders of law, I think the law should come down on them very heavily.

Sir, we have seen in the food trade, formation of cartels; they almost become a group monopoly. They exploit every item. If one goes to the agriculturist and asks him at what rate he is selling tomatoes, you will find that it will be between Rs. 2 and Rs. 3 per kilo while here in retail, it sells sometimes at Rs. 12 or even Rs. 10 per kilo. There is just no connection between the purchase price and sale price. There is a level to which profit can be justified and we are not able to do anything about it. If one says that these items can be sold through public distribution system, then it is said that these are perishable commodities and therefore we cannot stock them. Then what is public distribution system for? Therefore, if it is serving the people, and if there is loss, then it should not be done. You give thousands of crores of rupees in subsidy in various forms like wiping out debts etc. which is for the benefit of rich man. Can you not give subsidy to food? It is necessary for the Government to change its overall approach to controlling prices. More lip sympathy is not sufficient. It is the Government, the Opposition and all those believe in the parliamentary system who should take steps to ensure that profiteering of food items should at least be stopped. Profit motive is justifiable, may be in a capitalist State. But we are, according to the Constitution, a socialist, secular and democratic republic. And if we are one, it is time that all of us wake up and move immediately to take steps to have public demonstration, and public action to ensure that prices are controlled.

Mr. Deputy-Speaker, Sir, I would only like to end by saying one thing. I am not criticising either this Government or that Government, but for the last 40 years we

have seen many Governments in power, but none of the governments can claim that they managed to contain price rise except in the period from 1975 to 1977, those two years during the Emergency. I think in the Emergency there may have been, according to a few, certain amount of excesses. But it is time that we realise that there were certain benefits which we, the people of India obtained. I am not suggesting from the floor of this House that Emergency is required, but what I am suggesting is, there were certain measures that were brought in Emergency which contained profiteering and brought benefits to the common people. Let us bring them back at least. Let the common man at least have two square meals a day.

[*Translation*]

SHRI K.D. SULTANPURI (Simla): Mr. Deputy Speaker, Sir, I would like to congratulate the Government for the way it has met the situation created by price rise with its limited resources. It is praiseworthy but the condition of the country which has come before us is that the poor people of all States feel that there has been too-much rise in prices. To my mind big hoarders are responsible for such a situation. The Government should take strict action against them and raid their stores. Due to drought prices have gone up as has also been stated by the hon. Members. A plate of meal costing about Rs. five and Re. one and eighty paise now costs Rs. twenty in the canteen. The salary which a Member of Parliament receives is Rs. 2250 equivalent to that of a peon. Though an M.P. serves the people day and night. Prices have risen for them also. In our parliament there are some M.P.s whose position is sound but there are many poor people whose plight is miserable. What I want to say here is that the way the Government has met the situation is laudable. But I would like to point out that in my constituency comprising three districts and 17 assembly constituencies with a vast hilly area adjoining Tibet and in other areas

[Sh. K.D. Sultanpuri]

like Leh, Laddakh and Bharmaur, Kullu, Lahaul Spiti and Kinnour adjoining China, the people have to face great difficulties. Owing to snowfall foodgrains are supplied by helicopters. Therefore I request the hon. Minister to make some permanent arrangements for keeping a stock of foodgrains enough for 6 months at Lahaul Spiti, Keylong and Bharmaur, so that the needs of tribal areas can be fulfilled.

[English]

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS AND MINISTER OF FOOD
AND CIVIL SUPPLIES (SHRI H.K.L.
BHAGAT): Excuse me for a minute. I
wanted to assure the hon. Member that in
certain areas which become snow-bound in
Kashmir or in Himachal Pradesh anywhere,
about these articles I have told my officers
that in cooperation with the State Govern-
ments they should store six months com-
modities making available the sort of ware-
housing and other facilities. I agree with him
entirely that in areas becoming inaccessible
at least six months stocks should be kept

[Translation]

SHRI K.D. SULTANPURI: I am very
grateful to you for issuing such instructions.
I want to cite an example of the last few days
in this august House. My areas experience
so much snowfall that a Gram Sewak going
to some other village had to discontinue his
further journey due to snowfall. He was even
reported missing or dead by newspapers.
When roads opened people could not recog-
nise him but he survived because he had two
bags of rice a small quantity of pulse and
some coal to live on. He got caught in the
snow while going to Kala village near
Kunjanpark. I have seen him. There the
condition of people is very bad. I think the
State Government must be working on the
instructions of the hon. Minister.

SHRI H.K.L. BHAGAT: A few days back
Officers have been instructed to make per-
manent arrangements in the area for six
months so that people don't face any diffi-
culty. We will inspect warehouses and other
things there. Officers of Central Government
in consultation with Officers of State Govern-
ment will make arrangements.

SHRI K.D. SULTANPURI: In the hilly
areas crops have been destroyed due to
drought and failure of rainfall as in other
areas. Farmers owning small pieces of land
adjoining plains are able to cultivate if there
is a rainfall. In the absence of rains cultiva-
tion is not possible. This time rains have
totally failed. In this difficult situation the
Government has taken a commendable
decision to open depots in the far-flung ar-
eas. This has given much relief to the
people. But Government must ascertain the
requirements of the people in respect of
sugar, rice and wheat. Even if these com-
modities are distributed through coopera-
tives, people will have to go to far off areas if
wheat is not made available there. I appeal
to you to give instructions to the State Gov-
ernment to make available these commodi-
ties to the people there through fair price
shops so that the people there have not to
face any difficulty in this regard.

The State Government has taken an-
other good decision and allocated Rs. 31
crore for giving subsidy to the people. It has
decided to sell gram dal at Rs. 4 per Kg. Urad
dal at Rs. 4.50 per kg., gram at Rs. 1.50 and
flour at Rs. 1.75 per kg. The State Govern-
ment has come under pressure due to this
decision.

I would like to point out that the benefits
which are made available to our neighbour-
ing States like Haryana, Punjab and Jammu
and Kashmir, are not being made available
to the Government of Himachal Pradesh. I
request the Government to allocate more
and more funds to Himachal Pradesh State

so that it can fight inflation and help the people of far-flung areas.

A little while ago Kumaramangalamji said here tomatoes are brought to Azadpur in Delhi and sold. The farmer is not able to sell his goods directly to the people whatever quantity of sugarcane, Bananas, Potatoes and vegetables he may produce. In the evening the farmer is told that their goods have been sold. This is exploitation which needs to be stopped by taking proper steps. When you do this then farmers will get benefit. Auctioneers should be eliminated. It should be ensured that the farmer get fair price for their produce. The Commission Agents do not display any price list for the information of farmers at which their goods have been sold, as due to high prices he is able to sell it at whatever prices he likes. Therefore, this system should be streamlined.

So far as F.C.I. is concerned, at many places wheat is made available to flour mills at low rates and even on credit. But what the owners of these flour mills do is that they dispose of some quantity in black market and convert the rest into Maida and Suji and earn profit. They buy rotten wheat from Punjab at low rates and after cleaning and washing sell its flour at high prices. Now-a-days there is no control over wheat so there is need to pay attention towards this matter. Wheat should be allotted Panchayat-wise and Depot-wise. There is need to monitor the allotments as these mill owners are at present earning lakhs of rupees as profit.

Mr. Deputy Speaker, Sir, I am happy that since the hon. Minister has taken over the charge the functioning of the Department has improved. Raids at many places have proved useful. Administration's functioning has improved. I want to bring to the notice of the hon. Minister that when I visited Madras I saw that workers on daily wages were being exploited. Regular labourers should,

therefore, be appointed to check such an exploitation. Often there labourers go on strike. With great difficulty the last strike was got ended. These labourers may please be protected from this exploitation.

I want to say one thing more. After granting pay scales of Punjab in Himachal Pradesh, the Government of Himachal Pradesh has to pay Rs. 43 crore to its employees. The employees in organised sector are able to get their demands accepted by resorting to agitation. Our Government has to accept their demands under pressure. Their grades have been revised but our grades remain the same. Government must pay attention to these things because we are asked about the work done and the matters raised in the Lok Sabha.

The Government has done a commendable thing by taking over the responsibility of the supply of foodgrains all over India which the Government is discharging efficiently. We hope this work will be further improved and the scarcity prevalent in the States would be removed. With these words, I conclude.

SHRI C. JANGA REDDY (Hanamkonda): Mr. Deputy Speaker, Sir, in 1977 Mrs. Gandhi made an issue of the hike in prices of onion and gold and thereby ousted the Janata Government. A huge uproar was created in the whole nation, voters were attracted to her side and thus the elections were won. Today one of our colleagues was talking about emergency and said that though he was not advocating the cause of emergency, yet prices were in control during that time. But I would like to remind him about the prices of sugar and onion in 1977 when the Janta Government was formed. Due to certain reasons, the prices of gold and onion increased, for which a lot of uproar was made but what about the prevailing prices of gold and onion today? The rise in the price of gold does not make a difference but what do

[Sh. C. Janga Reddy]

you say regarding the prices of onion? Since the past fifty years of my life I have never before witnessed the price of oil at the rate of Rs. 30-40 per kg. What is its reason and what are you doing about it? You will say it is all due to the drought. But the impact of drought will be seen only next year. Last year the crop has been good and there was rainfall also at certain places. Looking at this year's prices it seems, that edible oil, onion and vegetables will go out of stock and only non-vegetarian food will be available. It has just been said here that there is no difference between the prices of vegetarian and non-vegetarian food. The farmers do not get remunerative prices and similarly the consumers too do not get commodities at fair prices and that is why people are very much worried today leave aside eating, the middle class and lower middle class people are not able to even touch pulses. The price of arhar pulse is not more than Rs. 600 per quintal but in the market it is available at Rs. 14 per kg. Same is the case in respect of 'mcong' and 'urad' too. The poor do not stand any chance of getting pulses which are full of protein. No one knows the condition of next year since the crop this year was not good. It is said that F.C.I. has a stock enough for three years and in the newspapers we read that we will have to get them from foreign countries. What is the reason behind this? The farmers also do not get the fair price. What is the reason that in the retail market the price is 100 to 150 per cent more? You should find out who is responsible for this. It will be extremely difficult in future, if we are not able to control this. Mr. Kumarmangal just said that both unemployment and prices are increasing. The Government should take steps to check this phenomenon, and there must be a common policy. What is the reason that while the price of groundnut is Rs. 400 or 500 per quintal, the price of oil is Rs. 30 to 40 per kg. After viewing the prices of all the commodities, we find that there are some drawbacks in our policy. Something must be done to rectify

them. I have already submitted and the hon. Minister is aware that due to a storm, pulses were spoiled, and these can be used only for boiled rice. No one in the market is prepared to buy a bag at a rate of Rs. 150, 130 or 120. You have opened some centres for the sale of rapeseed oil which is purchased by the State government in order to protect the interest of the farmers. If a rich person buys it, the banks are prepared to give loan upto Rs. 2-3 lakhs but a farmer has to mortgage ten acres of land for taking a loan of Rs. 2-3 thousand. Boiled rice is sent to Kerala and Karnataka where it is eaten by the people. In order to decrease the prices, due attention should be paid towards the profiteers and the support prices fixed by the F.C.I. The rotten pulse should be purchased, and boiled rice should be stored in the godowns and sent to places where such a rice is consumed. At present only the middle-men are purchasing it. This practice also needs to be put to an end.

Now-a-days we do not get anything except wheat, rice and oil. Since pulses have a lot of protein and in South India 'Sambhar' which is prepared with a pulse is consumed everyday there, therefore, pulses should also be made available through F.C.I. and these should be distributed against ration-cards. Otherwise it would become difficult for people to get the pulse which is more important than sugar. The expenses being incurred by the F.C.I. which amount to Rs. 1.70 to Rs. 2.00 per kg. should also be stopped. The wheat for Warangal mills comes from Hyderabad and for Hyderabad mills wheat is sent from Warangal. What objection do you have in providing wheat to them in their respective places. Whatever wheat you give under N.R.E.P. and R.L.E.G.P. is sold in the market and there is no one to consume it. You should give more rice since in South India wheat eaters are less in number. Wheat is sold by the contractor at a high rate. You must send rice and wheat to their respective areas through

N.R.E.P. and R.L.E.G.P. What do you do in sending wheat to the rice consuming state and *vice versa* which results in black marketing. Whatever wheat is given to Andhra Pradesh goes to Maharashtra and Madhya Pradesh through black market. This practice should therefore be stopped. In order to decrease the transport charges licence should be given to the flour mills at places which are near godowns.

SHRI H.K.L. BHAGAT: If you have a list of those flour mills that are near the godowns but are not getting their supplies from there, you may please send it to me and if there is any such thing I will see that it is done.

SHRI C. JANGA REDDY: Thank you very much, I will write you a letter. The support price of rice in Haryana and Punjab is quite high. What is the reason that in Andhra Pradesh paddy and rice is bought and sold at low prices. The support price should be same throughout the country. The F.C.I.'s support price in Andhra Pradesh is twenty rupees less than that in Punjab and Haryana. In this connection, I had written a letter, enquiring about the rates of the price and tax, but I have not received any reply even after one year. This is your own responsibility and it should not be left to the State Government. The fact is that in Vishakhapatnam whatever palm oil was imported from other countries was sold in black market as reported in the press. I took up this issue in the House and asked for its verification too. Punishment should be given irrespective of the fact whether the Central Government or the State Government is involved in it. A lot of people took the draft for purchasing essential commodities, but never paid the amount. This has caused a lot of loss. In Karim Nagar and Warangal districts, the palm oil coming from Vishakhapatnam disappeared and all went to the black market. In order to stop such an arrangement, I request that you get the entire matter examined and it is only after this verification that

you will get to know the reality.

I have already submitted to the House regarding the prices of vegetables. Today tomatoes are being sold in the market at a rate of Rs. 12 per kg. and the same is for all other vegetables like cabbage, brinjal etc. Besides controlling the prices, I also request that you should arrange to ensure fair prices for the farmers. Cooling centres should be arranged for them so that vegetables too can be kept fresh like fruit and other things. Along with this some control on banks also needs to be exercised because the bank people do not give loans without keeping their own profit. Loans of small amount should be given to the commission agents for buying foodgrains and those who overdraw should be prosecuted. Along with such an arrangement, I want that farmers must get fair prices which are not at all being, given today. This is the reason that our farmers are moving towards commercial crops like cotton, tobacco and ganja. Recently unlicensed ganja worth Rs. 10 crores was caught in our district in an open market. Besides stopping this, you should also try to decrease the prices of wheat and other foodgrains, so that both consumers and farmers be helped.

SHRIMATI USHA CHOUDHURI (Amaravati): Mr. Deputy Speaker Sir, the House is discussing serious issues like drought, floods and price-rise in the same week. These issues have created serious problems for our country and our society. Both are closely related to each other. The hon. Members who have spoken before me have unanimously expressed their concern on these issues. The hon. Members hailing from all parts of the country and speaking different languages are present in this House. All of them have spoken as one voice in attracting the Government's attention to these natural calamities and the issue of price-rise. I want the Government to seriously think over all these questions which have been raised here so that solutions can

[Shrimati Usha Choudhuri]
be found to them. In this context, I would like to express my feelings in a few words.

I have listened very carefully to the speeches made till now. It is not our country alone but the whole world is facing the problem of price-rise. Many reasons have been given for this ranging from a rise in price at the international level to budget deficits. Besides there are some other reasons too. To some extent our social framework and economic system are also responsible. Although many of our brothers have already expressed their anger over this matter, we should try to bring about some improvements in them. If we are able to exercise control over profiteering, bring about improvements in the public distribution system, involve the common man in development works and encourage farmers by offering them fair prices for their produce, we will definitely be able to control prices to a great extent.

One of our colleagues has mentioned that on being elected we come to this House with some hopes. But today we see prices increasing day by day. In the First Five-Year Plan prices rose by 15% in the Second Five-Year Plan by 25%, in the Third Five-Year Plan 35% and after that 45% and today prices have increased by 60%. Many other discussions have been held here. My view is that it would be wrong on any person's part to hold the Central Government solely responsible for any country-wide problem whether it is flood, drought, price-rise or any other case. The Central Government and our honourable Prime Minister has taken a decision to reduce our expenditure because of deficits in Budget. We will spend only what is essential for the welfare of the people and reduce the rest of our expenditure. The Government has taken the right step in trying to do so. Further, as a citizen I want to say that the states where we come from should also try and cut down their expenditures. For

this purpose they should form committees at the district level to find out ways to curb the excess expenditure. This would strengthen the efforts of the Government to reduce expenditure at the national level.

Some days earlier our hon. Finance Minister has said in the Rajya Sabha, that keeping the price rise in view, essential items like edible oil are being imported to provide relief to the people. Presently 15 lakh metric tonnes of edible oil are to be imported. If the shortage persists imports can be increased further. We are grateful that the Government plans to take these steps. Along with this a question arises. Before achieving independence we used to depend on other countries for everything. We have made tremendous progress since independence. Today our Government says with great pride that we have enough stock of foodgrain to feed the entire nation in the event of floods, drought or crops being destroyed. If this is so why are we importing edible oil and other items from abroad? The production of oilseeds, wheat, paddy, pulses and vegetables is going down day by day. I cannot understand it. We can easily grow these things in our fields. We must try to increase their production in our own country. We should see how we can encourage farmers to increase the production of these things. Today the prices of industrial goods are increasing and the Industrialists are earning huge profits while the farmers' labours are not sufficiently rewarded. This is because agricultural produce is undervalued. The difference between the prices of agricultural and industrial products is also causing price-rise. It is not as if only international factors lead to price-rise. To help farmers to increase their produce they should be supplied with seeds, manure, water and electricity at cheap rates. A state-wise plan should be drawn up which should provide for continuous and easy availability of essential items. Farmers should be trained to produce good quality seeds, vegetables and crops.

Though the Government has done and is still doing a lot of work in this direction, this work needs to be done faster and on a larger scale.

Shri Janga Reddy is not here now. He speaks and goes away and does not sit here to listen. During his speech he said that price of sugar came down considerably during the Janta regime. But he forgot that in Janta's time farmers set fire to their sugarcane crop and used it as fodder for their animals. Later the farmers stopped sowing sugarcane. When the Congress came to power, farmers and some others were satisfied. They wanted to gain popularity by reducing the price of sugar during the Diwali period.

But its effect remained for many years. Indian farmers reduced the sowing of sugarcane crop which led to a fall in the production of sugar. Thus, we had to procure sugar from abroad. It is not a question of running a Government or fighting price-rise, economic, social or political problems or gaining popularity or making someone bankrupt. But this is a question of running a family. The Government do try to solve problems and while discussing such serious issues, the Opposition should think over this and give us some constructive suggestions if they have any. We too like suggestions.

I would also like to say that there are certain things which we can do at our level. So long as we are not self-sufficient we should keep up the timely imports of essential items.

A lot has been discussed here about racketeering and smuggling. I would like to tell you that there is an Adivasi area in my constituency. Everywhere there are fair price shops. If you make a survey you will find that traders who own shops buy goods at controlled-rates and sell them through their own private shops, saying that no controlled goods have arrived. Why are restric-

tions not imposed on them by the Government? The Government should enact a law so that co-operative societies, women societies or consumers' societies and unemployed youth can get loans from nationalised banks to open fair price shops. This way they will get a means of livelihood along with an opportunity for honest public service. This can also put an end to racketeering and smuggling.

There is a proposal with the Government to open about 3000 shops with a view to streamline the distribution system, but stocks cannot be maintained in tribal areas. Stocks do not arrive during rainy season. As such people do not get foodgrains for 4 months. The shop-keepers say that they are not able to get the stocks due to rain. Hence arrangements should be made to store the stocks.

The Government of Maharashtra is doing a good job with regard to providing employment to the labourers. Under the employment guarantee programme the labourers are given foodgrains in lieu of half the wages. Controlled cloth and foodgrains are given under this programme. It will be very helpful if labourers are provided employment.

In the end, I would like to say that this work cannot be successful by depending on bureaucracy and petty representatives of the people. Consumers' movement should be promoted in the country. The consumers movement is gaining momentum in big cities and villages. But no attention is paid towards it. The Government should be mindful towards its co-ordination. Committees should be formed at the State, district and taluka levels to make this movement a success. Efforts should be made to provide the commodities to the people at reasonable rates.

With these words I conclude

SHRI VIR SEN (Khurja): Mr. Deputy-Speaker, Sir, the price rise has been flayed by all sections of the House. Some of the hon. Members have drawn attention towards the factors responsible for price rise among which inflation tops the list. There will be no recession in price rise till such time deficit financing, the basis of inflation is allowed to continue. I feel that there is only one remedy to check inflation and that is avoiding the wasteful expenditure being incurred by the State Governments. There are a number of ways of wasteful expenditure. There are many officers whose only assignment is to prepare sketches of foreign visits and they go on spending on that count.

Mr. Deputy-Speaker, Sir, it has been my personal experience when I was a Union Minister, I found proposals of foreign visits daily on my table. No Minister will dare to reject the proposals of foreign visits of the Officers working under him, because it will cost him his Ministership. One of the Secretaries spent Rs. 1 lakh during his 5 day foreign visit. Hence wasteful expenditure must be checked. There are a number of schemes in every department but only essential schemes should be undertaken. I am of the opinion that industry should be given first priority followed by education at second position and provision for electricity and water should be at third position. Thereafter, schemes having links with agriculture should be taken into account. The remaining schemes which are only for the purpose of show or demonstration should be given up. There are certain schemes which can be postponed for 10 to 20 years. Until and unless the Government takes these aspects into account there will be no change in the rate of inflation. The Government expenditure will go on rising and it will have its impact on prices and we will not be able to check this trend.

Several hon. Members have made a mention of black money. Why black money

is being created. Due to high taxes in the country people become tempted to evade tax. I would cite an example. At the time of selling property people show comparatively a low cost so that they may get some relief from the high charges of registration. I know that the rate of income tax is very high in our country in comparison to that in other countries of the world. The black money cannot be eliminated if the present system of collecting income tax continues. It is, therefore, essential to see that the tax rate is reduced and more attention is paid towards realisation of taxes. The more the tax is reduced the more people will refrain from adopting dishonest means. The former Finance Minister had given some hints in this direction and the rates were actually brought down. Consequently there was some improvement in the realisation. More needs to be done in this direction.

Thirdly, the Government will have to pay attention towards the large scale corruption prevalent in the distribution system, though it has been termed as praiseworthy. But nobody talks about corruption now-a-days. What I feel is that the Government, the Ministers and the Officers are of the opinion that it is a normal thing. They feel that there should be no discussion on this subject and there is no need to give a thought to this point. We will have to find where the corruption lies. There is rampant corruption in the department of public distribution system and the Government as well as the Minister concerned are well aware of it. After all what the distributor gets in the process. He is paid very less commission which cannot meet even the transportation charges of the goods. All Officers and the Minister are quite aware that without indulging in black marketing nobody can run a fair price shop. In spite of that nobody thinks about raising the commission of the distributor. I fail to understand the reasons for this.

SHRI H.K.L. BHAGAT: I am not pre-

venting you from speaking but it is not so what you are telling. It is not that nobody can run a fair price shop without indulging in pilferage. At certain places the commission of the distributor has been increased so that he may get some profit in the process. It is not that he has no profit and whatever he earns is spent on transportation. I have also some feelings about corruption and leakage in the system. I will tell you about that while replying. It is not so that we do not increase their commission even fully knowing that there is total corruption. The Government has raised the commission. There is some criterion which is followed in this connection.

18.00 hrs.

SHRI VIR SEN: The hon. Minister has tried to clarify.

SHRI H.K.L. BHAGAT: I will tell you while replying. I do not believe in clarification.

SHRI VIR SEN: In fact there is not a single shop in India where wheat, sugar and oil are not sold in black market. If they do not indulge in black marketing they cannot run the shop.

SHRI H.K.L. BHAGAT: I am also conscious of the facts as you are. I am not challenging you nor I am denying your statement. I only say that it is not correct that nobody can run a shop on the existing commission. If somebody wishes to run, he can.

SHRI VIR SEN: Then I throw a challenge to you. Could you please show me a single shop in India which is not indulging in black-marketing? Any how, you can say so far the sake of clarification.

Now I shall come to Palmolein Oil which is being discussed in the newspapers these days. It is a fact that the boiling point of

palmolein is higher than the normal human body temperature. Everybody is aware of the fact that palmolein oil when consumed clots in the veins. It may cause fatal heart attack. This thing has been discussed in the newspapers. When palmolein oil is harmful to human-health and can cause heart attack why it is being imported?

Secondly, the rapeseed oil is being imported at a rate of Rs. 6/- per k.g. according to Government figures. The vegetable oil industry maintains that it spends Rs. 6/- per k.g. for hydrogenation alone. In this way the total cost comes to Rs. 12. Is the Government not aware that vegetable oil industry is earning a profit of Rs. 18/- per k.g. Is the Government not aware that even 1 per cent of total rapeseed oil does not reach the consumers. All the rapeseed oil goes to the vegetable oil industry on which they are earning a profit of Rs. 18/- per k.g. Why is the Government not paying any attention towards it?

I was told that Germany is prepared to supply butter oil at a rate of Rs. 18/- per k.g. But our officers are of the view that it will cause a loss to farmers. The price of ghee has gone up to Rs. 70/- per k.g. They think that the farmers are getting good profit out of it. But this argument is wrong and meaningless. I should be excused for saying this that the Central Government officers from top to bottom are in collusion...(Interruptions)... I am concluding. I was saying that some sort of bungling is prevalent from top to bottom. You need no licences to open a fair price shop until and unless you give bribe at 10 different counters, you cannot get the licence.

I would also like to draw the attention of the hon. Minister towards the fact that during the period from April to September the price of wheat in market is less than that in the fair price shops. Thereafter, when prices go up in the market people start coming to fair price

[Sh. Vir Sen]

shops. If you find out as to how much wheat is lifted by the fair price shops during these months then you will come to know when the prices are high and when these are low. Similarly, there are a number of other things. Previously, there used to be six to seven thousand units under a fair price shop. But now the number of shops has been increased leaving two to three thousand units with each fair price shop. Now there is no other way than to adopt dishonest means and show fictitious units. Hence I could say that the entire public distribution system is faulty. The Government should take steps to eliminate such corrupt practices.

Some of our colleagues have raised some other points. Perhaps Shri Vyas has left the House. He made a reference to co-operatives. It has been my personal experience that most of the co-operatives are fictitious. All the goods including cloth coming to co-operatives are being shown as sold overnight and these things do not at all reach the consumers. I would like to know from the hon. Minister as to what the Government is monitoring? The Government is monitoring ends with the arrival of goods in the district and their onward movement. But the govern-

ment does not monitor whether the goods have reached the consumers. All these fair price shops are more for show only. It is not possible to ascertain the difficulties of the consumers by sitting in the officers chambers. Those officers who receive salary to the tune of Rs. 9,000 cannot assess the difficulties of the consumers. It makes no difference for them if the prices go up beyond any limit.

There are certain islands which are in no way affected by whatever happens around them. The Members of Lok Sabha and Rajya Sabha come under this category. The Government admits that the price rise does not affect them. Hence the Member Parliament faces the same situation when a peon getting Rs. 2,500 as emolument faces. Therefore, the Government should pay attention towards their plight also. With these I conclude.

[English]

18.06 hrs.

*The Lok Sabha then adjourned till Eleven
of the clock on Friday, December 4, 19
Agrahayana 13, 1909 (Saka).*