

The motion was adopted.

SHRI SHANTARAM NAIK: I introduce the Bill.

15.33 1/2 hrs.

FAIR PRICE SHOPS (REGULATION)
BILL—*CONTD.*

[*English*]

MR. DEPUTY SPEAKER: We will take up further consideration of the following motion moved by Shri G. S. Basavaraju on the 21st April, 1989, namely:-

"That the Bill to regulate the functioning of fair price shops and for matters connected therewith, be taken into consideration."

Shri Syed Shahabuddin.

SHRI SYED SHAHABUDDIN (Kishanganj): Mr. Deputy Speaker, Sir, the Bill before us proposes a system for the regulation of the functioning of the public Distribution System.

15.34 hrs.

[SHRI N. VENKATA RATNAM *in the Chair*]

Sir, the Public Distribution System even today is controlled and regulated by the Government, by the Department of Civil Supplies. The basic difference here is that the Bill postulates the creation or the establishment of a Central Board to which the State Boards shall be affiliated not only for the purpose of procurement of grains but also for regulating the distribution, for fixing their prices, etc. I fully appreciate the reason for this Bill. There is dissatisfaction throughout the country with the working of the Public Distribution System.

The supplies are sometimes scanty and

inadequate; sometimes their quality leaves much to be desired; sometimes the supply is irregular. Things are available; at other times, they are not available. These difficulties are there. But, frankly, I do not quite understand how these difficulties will disappear if the Government department was replaced merely by the creation of a Board at the Central level, or at the State level. That supervision is always available. After all, there is the Central Government which can go into the grievances of the consumers, and the difficulties in terms of supply, or in terms of pricing policy; and I presume that they do not ignore the public complaints when they get them, that they go through them and try to rectify the situation to the best possible extent.

Therefore, I do not quite understand the purpose that will be served by the creation of a top-heavy structure. I would have rather liked the system to be decentralised and I will place that idea before the Government for its kind consideration—that we ought to decentralize the system of distribution, that the local fair price shop must come under some sort of local, social control. There should perhaps be some linkage with the Gram Panchayat, a functional linkage between Panchayat and the fair-price shop. In fact, it should become a statutory responsibility of every Gram Panchayat to run, wherever necessary, a fair price shop, or more. Similarly in the towns, in the urban areas, there should be some relationship with the Ward Committees or the Ward Commissioners; and they could have some authority to supervise the system of distribution. I think it is only by bringing the fair price shops closer to the people directly under their inspection, under their supervision, under their control that we can expect to introduce such improvement as is necessary—and not by creating a new Board in Delhi or a new Board in the State capitals like Patna.

This is my basic criticism. I am not questioning the fact about the difficulties in the system, as they exist. I am sure they are before the Government, and I hope that the hon. Minister shall tell us how he is trying to

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combat this deficiency and how he is trying to improve the distribution system. But the deficiencies, as I see them, cannot be improved by centralizing the system. They can only be improved by decentralizing the system. In fact, I would request the hon. Member who has introduced this Bill to reconsider this basic idea—how to decentralize the system and how to bring the public distribution system under local, social control.

The other aspect to be kept in view is this: after all, the entire public distribution system today contributes only to the extent of 10%, to the meeting of the consumption needs of the people, even in terms of foodgrains. The percentage in terms of cloth, the percentage in terms of other articles of mass consumption will be still less. But let us think of foodgrains. It is 10% Ninety per cent of the foodgrains sold and bought in this country are still through the private retailer. Sometimes I am tempted to question the very philosophy, as to why we pit the Government against the retailer. The retailer is a small guy. The retailer has no capacity to exploit the people. He does not have the capacity to hoard the goods. He does not have the infrastructure. He lives on a small margin of profit. He is very happy if he can make just ten paise out of a rupee. Nothing more. He is not a profiteer. He is not a hoarder. He is not an enemy of the people; he is not an enemy whom we should fight and conquer and vanquish. The real enemy of the people is the hoarder, the profiteer, the wholesaler. It is the wholesaler who has got the money and resources behind him, who has got the organization behind him, who has got the power behind him, and who has got the linkages behind him, who can, sensing a scarcity to come, make arrangements in advance, and invest a lot of money in buying foodgrains or buying articles of mass consumption cheaply, hoard them, keep them for the time when there is a scarcity, even create an artificial scarcity and then exploit the people. It is indeed a surprising political

phenomenon that all the political parties in our country seem to label the retailer as the enemy, and not point their accusing finger at the wholesaler.

This I simply fail to understand. Unless we can somehow short-circuit the wholesaler, unless we can somehow establish a parallel circuit so that every time the wholesaler tries to capture the market, tries to push the prices up, tries to hoard, then a social agency should come in, a government agency should come in, in order to short-circuit him and create a second source of supply to the retailer and thus bring the prices down. After-all, if the wholesale prices go up, if the wholesaler sells to the retailer at a very high price, how can we accuse the retailer?

Let us look at it from the larger point of view. After all, we are a country suffering from unemployment. Here retail trade gives maximum possible self-employment. After-all, these are petty shops, these retail shops we should not disregard them, play an important part in the life of the people; they contribute to self-employment in the society. Every shop has one owner. He himself is a worker; he works with his own hands; he does not exploit any one else. I think a retailer fits perfectly into a socialist concept of a society; he is not living on anyone else's labour; at best, he is employing his own son in his business along with him. I am sure, even in a socialist system, this much of private freedom will be given. Therefore, if we try theoretically under this Bill, to maximise the public distribution system, to completely eliminate the retailer and to supply the people by fair price shops, organised, licensed and regulated by this Board, the State Board or the Central Board, well, it is another matter whether we can succeed or we do not succeed, assuming we succeed, what have we achieved? We have merely tried to somehow defeat the private enterprise and I do not see why we should do that. Therefore, from these three points of view, firstly the fair public distribution system today is concerned only with a very small part of our distribution system for the extent of only about 10 per cent, it is not supposed to

be a substitute for the private distribution system; it is only supposed to control and regulate the private distribution system as it exists. Secondly, that decentralisation and social control, immediate social control can curb all the wrongful tendencies that might exist in the system—but not centralisation Controlled at a distance; that will merely mean bureaucratisation—that will merely mean more Inspectors and more Inspectors will mean more bribery, more corruption and perhaps more cheating and more diversion of the supply from the open market to the black market in order to make up for the bribe that is paid to the inspection system. Thirdly the Government should apply its mind about how to control the wholesale trade. I am not yet convinced whether a complete nationalisation of the wholesale trade will be the practicable answer. But just as in the case of retail trade you try to control the possibility of misuse by creating a parallel system of public distribution through fair price shops, similarly, if the Government were to create a system whereby keeping the retailer where he is, it creates a wholesale depot in every district; and these wholesale depots directly supply to the market, immediately intervene in the market, as soon as the prices show a tendency of rising, come into the market to buy if there is a surplus, so that the prices do not fall but the moment the wholesaler tries to hoard and tries to raise the prices, jacks the prices, the Government machinery comes in and intervenes, and tries to bring the prices down through the intervention at the wholesale level.

Therefore, while conceding that the hon. member has drawn our attention to the difficulties that we are all witness to in the present management of the public distribution system and for which we all plead with the Government to look into the public grievances at every level and try to improve the system. Think that this Bill, as it is, not going to provide a remedy for the problems that we are facing.

I think same more basic re-arrangement is called for, a new concept is called for,

in order that in this country of ours, where we have got 800 million people spread over more than 450,000 villages—perhaps more, 500,000 villages now, we can have a system whereby every individual citizen is assured of a ready supply of all articles of mass consumption, whether it is foodgrains or whether it is coarse cloth or whether it is essential articles of domestic use like match sticks or candles or whether it is ordinary common drugs which are needed by every household. Where all these articles of mass consumption are available through a network of, shall we say, private outlets which are scattered all over the country, and they are supplied through a system which the state can control, where the Government can regulate the knobs, where the Government can control the supply heads, and leave the retailer alone, who works with a small margin and who is known to the people can serve the people.

In my experience, I have seen in my own Mohalla in my own village that when a supply is made to the local retailer it is not hidden. The fact immediately gets known. He might not tell the truth to the others, he cannot conceal it from the people he lives with, he cannot conceal it from the society of which he forms a part. The facts get known. If he gives somebody more than his due share, that also is known; if he denies somebody his share that also gets known. There is already some primitive system of social control which is working. What is needed is, as I said, to look at the source of supply, the wholesale trade and the Government should have the courage to go in for regulating it.

I fully realise the difficulties and I am not talking as a member of the Opposition, to the Government but I think there is some politics. Why for the last 40 years we have been completely silent to the machinations, to the exploitation, to the profiteering and to the hoarding by the wholesale trade, has a political reason. That political reason I do not have to explain in this House. The fact remains that it is not the retailer who can give us contributions at the time of elections. He has hardly any surplus which he can contrib-

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ute. It is the wholesaler on whom the political parties depend finally to get a hefty contribution at the time of elections and therefore, we are very very touchy, we are very reluctant to touch the source of our supply, lest we get famished and starved at the time of election. But, in the national interest, in the larger interests of the society, we have to do it. We cannot possibly nationalise production. It is impossible in a country of the size and diversity of India. We cannot possibly nationalise the entire system of retail distribution. But if we apply social controls at the point at which they can be most effective, the wholesale level, I think we can assure a ready, regulated system of supply of articles of mass consumption to the mass of the people, and eliminate this element of profit earning, eliminate this element of hoarding, eliminate this element of occasional scarcity and interrupted supply.

I agree in spirit with the purpose of the Bill, I somehow do not find myself inclined to support this idea of creation of a new top heavy structure, as envisaged in this Bill. With these words, I thank you very much and I oppose this Bill.

SHRI SOMNATH RATH (Aska): Mr. Chairman, Sir, I support the spirit behind the Bill.

To control the price rise it is needed to encourage the resistance of the consumers, and to strengthen the public distribution system. In a developing country it is but natural there will be rise in prices.

By giving Dearness Allowance to Government employees often, more money is pumped into the market, with the result, there is a price rise. So, if we can control the price, we can control the inflation also.

This Bill envisages that the distribution system should be managed by the Government through Boards at the Centre and State levels and through fair price shops in the States and Union Territories and to fix the

price of each commodity to be distributed and to Now, also we have got fair price shops. They are run through individuals or through some other agencies, such as Cooperatives and even Gram Panchayats. The Central Government gives a huge amount by way of subsidy to the Cooperatives besides soft loans so also assists the Gram Panchayats to participate in Public distribution system. But it is found in many States, the subsidy or the amount given by the Central Government to the State Government to be utilised for the distribution of essential commodities is in fact not utilised through the cooperatives, and on the other hand, this amount is adjusted to the loss otherwise sustained by the Cooperative Societies. There is no monitoring system. By permutation and combination and by adjustment, the States just satisfy the Centre and the amount given to the States to serve the consumers is misutilised. There is no effective supervision by the Cooperative Department at the State level also and it is mismanaged.

Sir, the Government wants that almost all the commodities as far as possible should be supplied through fair price shops. At present only selected commodities are supplied through fair price shops. The Central Government has undertaken the responsibility of procurement and distribution of seven essential commodities—rice, wheat, levy sugar, kerosene, imported edible oil, soft coke and controlled cloth at a reasonable rate to the consumers. We find that in one part of the country, some commodities are sold at lower rates and in some other parts of the country they are sold at higher rates. The reason being, there is no free movement of commodities from one part of the country to the other part of the country.

The Wholesale Price Index given by the Department for four cities reveals the same features and how the Wholesale Price Index differs from place to place. That is what the statistics provided to us says.

It is also the wish of the Government that the public distribution system should be

strengthened and the implementation of Essential Commodities Act and other legislations should be strictly adhered to so that the blackmarketeers and hoarders cannot take undue advantage of the situation. Besides strengthening the public distribution system, Government has supplied foodgrains at subsidised rates to the common man under special schemes to ameliorate the lot of the weaker sections. In 1988-89 more than 4000 fair price shops were opened. As on 30-9-99, the number of fair price shops stood at 3.5 lakhs. But I am very sorry to say that the enforcement of provisions of Essential Commodities Act and similar other legislations against hoarders, blackmarketeers and anti-social elements, is not as satisfactory as it ought to be.

The intention of the Government, as has been stated more than once, is to have the vigilance committees at district and fair price shop levels to oversee the functioning of the public distribution system. I would like to know from the hon. Minister in how many States these district level vigilance committees are functioning. In my State, Orissa, there is one such Vigilance committee to oversee the utilisation of foodgrains under RLEGP, NREP and other schemes where in MP is the Chairman an MLA, one Chairman of the Panchayat Samiti and two engineers are the members, and the Chief Project Officer is the convenor. The job of the Committee is to oversee the distribution of foodgrains under RLEGP and NREP. In fact, I am one of the Chairmen of such committees. We found that a particular BDO had not given even a single grain to the beneficiaries for the construction of 'Indira Awas' and there is misappropriation. The Committee, after getting evidence both documentary and oral, suggested that suitable action should be taken against him and suspend him at the outset. It was brought to the notice of the Collector of Ganjam District and also the State Government. But no action has been taken against the BDO. The BDO is continuing to remain there for more than six years. So mere forming the vigilance committee is not enough. The committee must be given sufficient teeth. Also the sugges-

tions given by the committee should be implemented by the officers concerned and the State Government. On the other hand, what is happening is that the officer concerned who is to take actions tries to protect the other officers who have committed the fraud and deprived the public of getting the benefits of different schemes and programmes. If that is the case, then creating some vigilance committee or some such agency will not serve the purpose. It is the sincerity of the efforts that is necessary, and that too from the grass-root level.

As stated by the Central Government, it is for the State Governments to monitor the price and availability of essential commodities. But have any steps been taken to supervise whether the State Governments are functioning as per the desire of the Central Government? Is there an agency to oversee their functioning? To meet the demands of the people in respect of essential commodities, it is necessary to increase the production of various essential commodities, which are part of life. The Government is also importing some commodities for domestic supply to maintain the price level, and supply the commodities to the public at lesser rate than the rate at which the Government purchases them from outside the country.

In reply to a question, the Minister has stated that "the Federation of All India Foodgrains Dealers Associations has agreed to bring down the price voluntarily". I would like to know from the hon. Minister whether in fact this Federation of All India Foodgrains Dealers Associations has acted as per their promise. On the other hand, I am told that this Association wants that some of the commodities should be deleted from the Food Adulteration Act. So, what is needed is how best we can involve the people at the grass-root level. Public participation should be encouraged in keeping vigil on the public distribution system at the local level.

Supplying commodities at the doorstep of the Fair Price Shops is most important for the reason that the transport cost is so heavy that a retail dealer is bound to sell some of

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the commodities in black market. The profit margin of these Fair Price Shops should be looked into since it is alleged it is very meagre.

The Consumer Protection Act, that we had passed in 1986 for having State Councils and district forms, has not been implemented as yet by some states. The Standards of Weight and Measures (Enforcement) Act is also not implemented in its right perspective.

The King-pin of the public distribution system is the Food Corporation of India which was set up on 1-1-1985. It was made responsible for the procurement and distribution of food grains. This public distribution system was made an important part of the 20-Point Programme also. The policy is to increase the number of Fair Price Shops.

The heavy expenditure of the FCI, which is costing crores of rupees, is being subsidised. This is a loss to the exchequer.

The difference between the issue price and the procurement price is Rs. 40 per quintal and the cost of transportation works out to Rs. 35 per quintal and add to that cost of storage, credit, distribution, etc. comes to roughly Rs. 100 per quintal, that is, Rs. 1000 per tonne. It is said that for every tonne handled by the F.C., distributed through the Fair Price Shops, the loss is Rs. 600 to the exchequer. The F.C.I. is nothing but a public sector Trading Corporation. There is no reason why the Government should subsidise a public sector Trading Corporation. So, it is high time that Government should think of putting an end to this wasteful expenditure by the F.C.I. and see that the expenditure is also brought down by way of not giving subsidy even for storage purposes. Steps should be taken to see that free movement of the commodities is made possible throughout the country so that the essential commodity can reach every nook and corner without any difficulty.

MR. CHAIRMAN: Now, the time allot-

ted for this subject is over. Can we extend the time for discussion of this subject by two hours?

SEVERAL HON. MEMBERS: Yes.

SHRI SOMNATH RATH: Sir, people have got high hope in the implementation of the scheme. It is desirable to strengthen the distribution system and it should be done at all levels for its implementation in right earnest. Action should be taken against those persons who fail to implement this scheme in its right perspective.

Sir, in this House, we have discussed that at the time of harvest, the farmers is forced to distress sale of their produce. The Middlemen and the profiteers go to them and purchase their produce at very less price and store it. They have the capacity to store and later by hoarding they create artificial scarcity and sell it at much higher price. So, Sir, to check the undue advantage taken by the hoarders for their personal benefit and also to check them from exploiting the farmers, Government should come forward to purchase their produce, at a very reasonable price, right from the time of harvest. Since we are now going to decentralise our administration at Panchayat level and our Prime Minister had also stated that stress should be given to involve the Gram Panchayat, in the public distribution system, more so to run the fair price shops. The policy of the Government being to have at least one fair-price shop for each Village, Panchayat the Gram Panchayats should be given the responsibility of running fair price shops. The Gram Panchayats must be funded by the Government as it is now done in the case of Cooperative Societies. If it is implemented, in right earnest, the fair-price shops can run well in the villages and the public distribution system can work very effectively.

[Translation]

SHRI VIRDHJI CHANDER JAIN: Mr. Chairman, Sir, I would like to express my views on the Fair Price Shops Regulation Bill, 1989 which has been presented in the House.

While I agree to the objectives of this Bill, I totally disagree to the suggestions contained in the Bill about the central and State Boards.

The public distribution system has been in operation in our country since the country attained independence and this system is necessary. Had this system not been there, the people in famine pruned areas especially in my constituency would have been facing lots of difficulties. The public distribution system is beneficial to people in many ways. People get wheat and rice at subsidised rates through it. At a time when we confront famine, this system comes to our aid. I want that just as wheat and rice is supplied to tribal areas at subsidised rates, these commodities should also be supplied to my area which has been affected by famine this year also. The people living below the poverty line and selected families should in this regard should be distributed wheat and rice at subsidised rates. Similarly, these items should also be made available to famine affected areas at subsidised rates. I would like to make a submission to the Government that it should be considerate about this proposal so that the people could be provided great relief. The Government has launched the Jawahar Rojgar Yojana. The poor people will be benefited by this scheme. The selected families living below the poverty line, especially those living in desert areas and have been affected by famine, could be provided foodgrains at subsidised rates. It will be a relief and great justice to these people if they are provided foodgrains at subsidised rates as in the cases of tribals.

Secondly, my constituency is a widely spread area. The area of only my constituency is 70,000 square kilometers which is equal to the area of Punjab and twice the area of Kerala. The Government of Rajasthan has opened fair price shops in a desert area like ours. Fair Price Shops have also been opened at Panchayat Headquarters. I would like to express my thanks to the Government of Rajasthan for their efforts. At the same time I would like to request them to

evolve a system in which mobile fair price shops could be run in inaccessible and desert areas under the public distribution system. If arrangement is not made to run fair price shops in inaccessible and far flung areas, people of these areas cannot avail of the of the benefits of this system. The foodgrains are sold at high prices in these areas. As such immediate steps should be taken to run fair price shops in these areas. In my area villages are sparsely situated. One village is found in an area of 50 to 100 square kilometers. If fair price shops are opened in these villages, the villagers will be greatly benefited. The Government should also take some concrete steps in this regard. The problem is that though the fair price shops run co-operative societies want to function honestly, they cannot do so for the following reasons. The transportation charges allowed to fair price shops are very low whereas the real transportation charges have increased much. Only 75 to 50 per cent transportation charges are given to fair price shops. Not only that they are not given commission at the reasonable rates. In this way there is little scope of profit to them. When there is little scope of profit and they want to work honestly, it is not possible that they will work dishonestly. The Civil Supplies Department should see that the fair price shops get real transportation charges. The collector should certify that the real transportation charges of their respective areas come to such and such. These shops must get Profit. The prices have gone up. As such people working in fair price shops should be given double commission as compared to the present rate. The Government should evolve a system under which it will be ensured that the fair price shops get good profit.

So far as the Food Corporation of India is concerned, there is a difference of Rs. 60 between the issue price and procurement price per quintal. There should not be so much of difference. If this job is entrusted to any business man he can make storing arrangements within 50 per cent charges including carrying out procurement and also distribution of the goods by transporting the same to various places.

[Sh. Virdhi Chander Jain]

But the food Corporation of India can not make such arrangement and there is a corruption involved in it. I am still of the view that they should get the subsidy and that should be properly used. We can have benefit of subsidy only when the prices at the Fair Price Shops are reduced. The Government gives Rs. 2 thousand crores as subsidy but even then we do not get foodgrains like wheat and rice etc. at a lower price. Palm oil and kerosene are still not supplied in these areas. I have been witnessing this situation since about last 6 months. As regards the distribution of wheat and rice made by the Central Government and the State Governments, I would like to say that the supply has been reduced by 50 per cent as the people in rural area are getting 5 kg wheat instead of 10 kg. per unit. The Government does not pay attention to the drought affected areas. They are demanding foodgrains @ of 10 kg. per unit and therefore, it would not at all be appropriate to distribute only 5 kg. per unit. Since foodgrain reserve with the Food Corporation of India is very short, we should import foodgrain if required. The present requirement is of 2 crore metric tonnes and if the reserve is strong then alone can the Government control the prices. If the position of our reserve stock is not sound then the wholesalers are likely to exploit the situation by increasing the prices. The State Governments do not take action against the hoarders and profiteers as required under the Essential Commodities Act. This is so because the district supply officers and collectors are in collusion with them. Therefore, Steps should be taken against such district supply officers and collectors. I would like to know as to what action has been taken against such District Supply Officers and Collectors who have encouraged hoarding by not taking any strong action against the hoarders? The hon. Minister may kindly give this information so that the situation may be clear to us. In Rajasthan no step has been taken against the district supply officers and collectors who are busy in corrupt practises. Therefore, besides monitoring the situation, solid steps are also needed in this regard.

The Vigilance Committees are functioning at district level in our country which do have some impact. Besides the Pradhans of Panchayat samities and Zila Pramukh, MLAs, and M.Ps are also the members of the committee. Such vigilance committees should be there at the block level as well. Vigilance Committees are functioning in the states also but still no good results are achieved and the masses do not get the benefit which the Government wants to give them such a situation should not be allowed to continue.

So far as cloth is concerned, I have seen that cheap cloth is not available at the Fair Price shops. The Government gives a subsidy worth crores of rupees, even then cheap cloth is not available in any of the Fair Price Shops. This point should also be paid attention to. Either the Central Government allots very inadequate quota of cloth to the states or the State Governments are supplying cheap cloth to the district administration in a very inadequate quantity. Therefore, the need is to make adequate supply of cloth so that the poor people may be benefitted. Today the Indian masses are not getting the benefits of this scheme. I have not seen this benefit being given in my constituency. Arrangements, are also needed in this regard.

In the end I would only like to submit that the Government should pay attention to the points presented by me and there is no need of constituting a Central Board and a State Board. The present system needs to be improved and the District Supply Officers as well as the Collectors should work honestly. Further the Cooperative Societies which are instrumental in the distribution should get adequate profit and expenditure incurred on transport should be compensated. They should act in a way so that benefit, reach to the masses.

[English]

SHRI. ANANDA PATHAK (Darjeeling):
Sir, I thank you very much for giving me this opportunity.

The spirit of the Bill is to ensure proper and regular supply of essential commodities to the consumers at a reasonable price through public distribution system all over the country. I appreciate it. We have been demanding for a long time distribution of essential commodities at a uniform and reasonable price through public distribution system throughout the country. We have also been demanding that apart from rice, wheat, sugar edible oils, kerosine oil, other essential items like cloth, saree, soaps, matches, salt, exercise book, etc., should also be distributed through public distribution system so that the public would be benefited.

In West Bengal, most of these items are covered by the Public Distribution system like fair price shops, ration shops and consumer cooperative stores. The supply position of these items from Central agencies like FCI and others is very very poor and deplorable.

Not only West Bengal but, almost all the States ruled by the Opposition as well as some of the States ruled by the Congress, have also, similarly complained. If the Public Distribution System is to be a success, the Central Government must ensure uninterrupted and regular supply of the essential commodities to the States. Otherwise, the Public Distribution System will break down.

Apart from the need of uninterrupted supply of essential commodities, the provision of buffer stock in different States should be strengthened so that the common people may not suffer at the time of natural calamities like floods, drought, landslides etc. It is very essential.

In many of the fair price shops, we find that very bad quality of rice, wheat and other commodities are supplied. No amount of complaints from the consumers has improved the situation. The Government should take it very seriously and look into the matter for improving the situation.

We find that no price boards are exhib-

ited in many of the shops and the consumers are cheated and exploited. So, stringent measures should be taken against those who violate this rule.

We find another method of exploitation, on the plea of local tax. We cannot understand what is that local tax. The consumers are subjected to 5 to 15% extra charges which is never specified. What is the basis, what is the percentage and under which rules they levy these extra charges, nobody knows. Therefore, some mechanism should be found-out to check this sort of undue exploitation of the consumers.

The provisions, of Essential Commodities Act should strictly be implemented and hoarders, racketeers and blackmarketeers should be sternly dealt with. Otherwise, the very purpose of the Public Distribution System would be defeated.

I also support the suggestions made by some of our hon. Members to have a Committee at different levels to monitor and to ensure that the Public distribution System works properly. I propose that such Committee are constituted and MLAs and MPs and panchayat bodies are involved in these committees so that the purpose of the Public distribution system may be served well.

With these words, I thank you once again and I conclude my speech.

SHRI. VIJAY N. PATIL (Erandol): Mr. Chairman, Shri G. S. Basavaraju has come forward with a Bill for creation of Central level Boards and State level Boards for the Public Distribution System and proper monitoring and efficient working of this system. Going into the spirit of the Bill, we find that it is concerned with the efficient working of the system which has got lot of importance nowadays. Immediately after independence, there were only a few thousand fair price shops in this country.

But now the number has increased to 3,50,000 shops. If you see the increase over the last 10 years, it has increased by one

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lakh. In the year 1979, there were only 2,39,000 shops and now 3,50,000 shops are scattered all over the country. The quantity of commodities distributed through these shops to the needy people, to the common public and to the poor people living even in the remotest corner of the country has also increased. It will be clear if we can judge this from the quantities that are being distributed through these fair price shops. In the year 1985, if you take the supply of foodgrains, 107 lakh tonnes of foodgrains were distributed through the fair price shops. In the year 1988, this figure has increased to 181 lakh tonnes. If you consider the other essential commodity i.e. kerosene, the figure for 1985 was 57 lakh tonnes while it was 74 lakh tonnes for the year 1988. That means there was a steep increase in the supply of commodities through the Public Distribution system. That is why there is a great awareness among the public, among the Government bodies and among the people dealing with the Public Distribution system and also at the Central Level.

Sir, as far back as 1955, we had enacted the Essential commodities Act. As many as 70 commodities have been covered under this Act. To see that these essential commodities are not mis-utilised, misused for profiteering, for blackmarketing when they are in scarcity, when they are not available in sufficient quantity, we enacted the other Act in the year 1988. This was enacted after till another Act, enacted in 1981. So, this shows the Central Government's concern for the Public Distribution System.

Sir, we are distributing a large amount of subsidy to this Department to see that commodities are supplied at a proper and reasonable rate to the common people, to the needy people. We has also enacted the Consumer Protection Act in the year 1986. After the enactment of this Act, the Central Government has notified the National Consumer Disputes Redressal Commission which has started deciding the various cases. So, in the light of this, it is not necessary to

establish separate Boards at the Central level and also at the State level because even at the State level, we see that as many as seven States have started the Consumer Protection Councils. We see that many of the States are having the Food and Civil Supplies Department under their control for this purpose. So, it is not necessary to think of establishing these Boards. But at the same time, we must consider ways and means to increase the efficiency of the Public Distribution System. How can we increase the efficiency? My friend Shri Vyas has already said about the Cooperative Societies. I would like to lay emphasis on that. At present 28 per cent of the work is handled through the Cooperatives. Other workers relating to the distribution system are handled by private shop-keepers or through the Village Panchayats or through other agencies. If we try to encourage more and more Cooperatives, there will be more direct participation of the people through these Cooperatives. Unfortunately, the Apex Body of this Public Distribution System is being handled through Cooperatives. The National Consumer Cooperative Federation is at present having some problems. It is no running properly. It has some arrears. Some dues are there with the State Consumer Cooperative Federation. Also, there are other problems. If we can given some amount by way of advance or by way of loan to the national unit of the Consumers' Cooperative Society, then we may be able to monitor it more efficiently and we can revive this apex body for the benefit of all.

We are more concerned about hoarding, blackmarketing and diversion of commodities. That is why, a number of raids have been increasing every year. We are acting under the provisions of the Essential Commodities (Special Provisions) Act which we enacted in 1980 and also in 1981 and which is extended up to 1992. Under the provisions of this Act, we see that as many as 7,635 persons were arrested during the last year. Out of this, 5,195 were prosecuted. But actual conviction was only to 426 persons. That means, there are still loopholes, there are still ways and means avail-

able for the culprits to avoid the clutches of these law, to avoid punishment. That is why, not even ten per cent of the people arrested or prosecuted are finally convicted. We should see that these loopholes are plugged and culprits do not go scot-free. Otherwise, our Acts will not be that effective and public distribution system will suffer.

We find that there are some deficit States which require more supply of commodities like the States of Maharashtra, Kerala and Rajasthan. For these States, if godowns are constructed for the storage of foodgrains and other commodities, then the transport problem which is there at the time of scarcity will not be created. There will not be acute transport problem. Of course, transportation will be required right from Punjab to Maharashtra or to other places. Transport will be required from the place where commodities are available to the place where it is required. But if these godowns are constructed with sufficient capacity, then this problem will be reduced. We congratulate the policy of the Central Government for maintaining proper stocks. Whenever there is drought or scarcity, we do not feel the burden or the scarcity much. That is why, in spite of the two severe droughts during the last two years, people could get the required essential commodities at their door-steps, in their villages, in sufficient quantities because of our buffer stocks and proper public distribution system and also because of the subsidy component which was borne by the Central Government. We would like to thank the Central Government for providing mobile vans in remote areas. We see as many as 99 mobile vans which have been purchased for catering to the needs of the people residing in remote and hilly areas.

All said and done, again, in the end, I would like to emphasise that more and more cooperatives should be encouraged. They should be given more incentives as was said by Mr. Vyas. If you purchase some commodities from the private industrialists and also from the public sector undertakings, you should give some concessions to the public sector undertakings if they are supply-

ing the same type of commodities.

You give priority to small scale industries if they are supplying some items to the Government over the medium or large scale units. You may purchase the items from the small scale industries at 10% more prices. That means you are giving encouragement to some type of industries, some type of undertakings—that is public sector undertakings. For These cooperative societies also if you give more incentives and a little bit of more percentage of commission, then there will be more encouragement and participation of people who actually consume the goods and for whom these goods are meant. Ultimately there will be more efficiency in the public distribution system.

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

[*Translation*]

DR. G.S. RAJHANS (Jhanjharpur): Mr. Chairman, Sir, I support certain provisions of the Bill presented by Shri Basavaraju. This is right that the Public Distribution System was introduced in our country after the second World War and it continued after independence but the extent of corruption in this system knows no parallel. The working system of Food Corporation of India has been discussed in the House a number of times. It is on record that during his tenure in the Ministry of Food and Civil Supplies, Shri Shiv Shankar had admitted in the House and has expressed concern over the corruption prevailing in the F.C.I. I feel no hesitation in submitting that the heavy expenditure on transportation, shortage and on storage is simply because of bungling. Corruption is rampant from top to bottom in the Corporation. I do not know when will this corruption end. Whenever we talk of the Public Distribution System, we get the picture of the Fair Price Shops where people get neither sugar, nor coarse grain and coarse cloth. Leave aside small towns, even in Delhi these items are not available on Fair Price Shops. In smaller towns they refuse supply on some pretext or the other. They say that sugar

[Dr. G.S. Rajhans]

stock has been consumed or has not been received. How can you help? So, let us forget the situation prevailing in smaller towns. In states like the Bihar, the Fair price Shops are a den of corruption. There the District Supply Officer and the District Magistrate act in collusion. All the shopkeepers there pay them regular commission. Nobody is worried about the masses. Therefore we feel very uncomfortable when we talk of Fair Price Shops.

My state faced a deluge in 1986 and a devastating earthquake in 1988 but the people could not get any relief from the Fair Price Shops. Our agony is aggravated when we realise that the agriculturists are not getting remunerative price for their produce. Agriculture is not profitable these days. The output of agriculture never exceeds the cost of inputs viz irrigation, fertilizers, seeds, pesticides, agricultural labour, wages, land revenue etc. If the people are engaged in agriculture it is simply because they have no alternative. The procurement price paid by the Government is very low and the poor agriculturist has to suffer. But when the Sale Price is announced by the F.C.I. it is so high that the consumer has to bear a heavy burden. If the Government purchases it at a low price, it should make the management efficient and provide foodgrains at a low price so that people may not have any complaint in this regard. However, if the Government purchases from the agriculturist at a less price but sells it to the consumer at a high price, how can justice be made? The Public Distribution System was introduced only in order to save the people from black marketeers and hoarders, but there is no remedy for the irregularities being practised in public distribution system. These irregularities are on such a large scale that it does not seem possible to pin point them know.

It is said that rats destroy thousands of tonnes of foodgrains in F.C.I. godowns, but not a single rat is spotted. Lakhs of rupees are spent on transportation whereas there is

virtually no transfer of foodgrains from one godown to another. Therefore, there is a need to root out the corruption prevailing in the Distribution System.

Sir, I don't whether the Bill presented by Shri Basavaraju would be effective to check the corruption or not, but I would like to submit that there is no harm to take it up on an experiment basis. However, if the public distribution system does not improve even after the provision of subsidy, there would be no harm to have some other alternative. For this purpose, the Government should constitute State Boards and Central Boards which would exercise a strict vigilance over the entire system which has been hitherto lacking in it. My submission is that even if the hon. Minister does not accept the proposal or the Bill, he should gear up denove the entire administration to check corruption in this department. It would prove beneficial to the people, particularly to those from the lower classes, and the poor people and the middle class people living in the cities who have to suffer due to soaring prices. Those who live in village also suffer equally on that account and they go to fair price shops with high hopes but these places are also the centres of unfair dealings. Hence it is my submission that the whole problem should be taken up seriously and cases of bungling and corruption should be detected and the Government should not hesitate to give most stringent punishment to the persons who are found responsible for it.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Mr. Chairman, Sir, I support the Fair Price Shops Bill which has been introduced here in the House by Shri Basavaraju. Public distribution system is no doubt the best way to provide items of the basic necessities to the people living in rural and urban areas. But as it has been pointed out by one of the hon. Member in his speech, the system has been so deficient that we have not been able to achieve the objective for which it was introduced. Our aim was to avoid hoarders, check price rise and to make the essential commodities available to each and every individual. But the fact is that we

have utterly failed in it.

I hail from a village. Though public distribution outlets are there even in rural areas which are supposed to provide the things of basic necessities like food-grains, sugar, kerosene etc. to the poor people but only influential people in the rural areas manage to get power connections or adopt other means to lit up their houses even in villages, but the poor people are deprived of these facilities. There are many other factors which are responsible for this. The most important thing is the corruption which has devoured everything.

The most evil thing is corruption. When it reaches the highest echelons it does not spare anybody at the lower levels. Hence, the question arises where from to start to eradicate it from the highest level or the lowest level. But it is evident that unless it is checked at the highest level, it wouldn't be removed at the other end.

You must be aware that in Public distribution system the officer incharge, decides various things like transportation charges. But the amount so decided is so small that it encourages corruption. Due transportation charges are not paid to him for carrying the produce from the wholesaler to the shop. When he is deprived of what he deserves, he would naturally resort to corrupt practices. After all how should he manage to bear the expenses of transportation. All the officials, right from supply inspector to the gazetted officers like DSO etc. are involved in it. You should consider the matter. I am reminded of an old saying that there was an opium addict who was always in the state of intoxication. He employed a servant to bring butter for him. Somebody told him that the servant was in the habit of stealing butter. Thus he employed another servant to check the stealing habit of the former one. In this manner he employed servants one after the other. In the end the servants would place sugar candy on his lips in place of butter. When he woke up, he would say that the butter was very sweet and the servant was very good. And thus ultimately, in a few days, he died.

When there was only one servant, small quantity of material was stolen but as their number increased, all of them developed the habit of stealing and thus all was lost. Same is the situation with public distribution system.

So far as FCI is concerned, it supplies the commodities to the wholesaler. Every sugar bag is short of 2-5 kg. of sugar, and this quantity is further diminished by the wholesaler himself before it is supplied to the public distribution shops. In these circumstances, what is left for the poor people. This process not only increase the prices but also deprives the people of these commodities.

So far as cheap cloth is concerned, that cloth does not reach the poor. Even the supply of this cloth to the shops is reduced. The Government should take effective measures in order to solve this problem. It should give a serious thought to find out a way to provide cheap cloth to the poor people, farmers and labourers. Today, the public distribution system has proved complete failure in rural areas. The Government should give top priority to the cleansing of the entire system. I do not say that the system should be done away with, but I want that it should be strengthened. Wheat and rice supplied by the FCI is so inferior that it is not fit even for cattle consumption. It will lead to the indisposition of the cattle. And the same foodgrains are forcibly supplied to the poor. Everything which is required to apprehend the culprits, is available in Delhi. In spite of the availability of the required instruments, high officials and the Hon. Prime Minister who administers the country, public distribution system in Delhi is not working satisfactorily. One day I had gone to Kidwai Nagar with my party workers. The local residents showed the sample of rice which was being supplied to them and it was not fit even for animal consumption. Moreover inspector himself was forcing the residents to buy that rice. At that time I assured the people to bring the matter to the notice of the Government whenever I got an opportunity. And now today I have got the opportunity to bring the matter to the notice of the Government. I

[Sh. Ramashray Prasad Singh]

would like to inform you that the rice was supplied from the Mayapuri Godown. Such inferior foodgrains are being supplied to the poor people. The Government should conduct a thorough inquiry into it so as to find it out as to from where and how these commodities were received and why these things were not rejected.

I would like to submit that Public distribution system is a very good system. So, measures should be taken to strengthen it. Evil practices like corruption which is further spreading, should be checked. An Enquiry Committee should be set up to investigate into the cases of those officials who are indulged in spinning money through corrupt practices, and the committee should examine the sources from where the officials accumulated huge wealth. If the Government takes effective measures, the culprits would be apprehended soon.

In the end, I would like to say that public distribution system should be strengthened to the possible extent so that maximum of the commodities are provided to the poor people, farmers and labourers. With these words, I conclude.

SHRI K.D. SULTANPURI (Simla): Mr. Chairman, Sir, I support the Bill presented in the House by Shri Basavaraju.

I think that the Ministry of food and civil supplies in the Government of India has done a commendable job.

17.00 hrs.

by opening fair price shops and giving assistance to the poor. During the recent drought, had there been no fair price shops all over the country, the nation would have faced terrible hardships, but the situation was remedied by opening more fair price shops by the Government. I want to state that the grinding of foodgrains supplied by the Department of Food and Civil Supplies of the Government of India to the State Govern-

ments is done by the mills, consequently the poor men owning grinding mills in the villages suffer because they do not get foodgrains to grind.

17.01 hrs.

[SHRI SOMNATH RATH *in the Chair*]

Licences are issued to big mills for grinding, which take out maida, suji bran etc. from the flour then supply residue to the poor, and the state Governments supervise the whole thing. In some States, it is misused. The rice supplied by the Government of India is being sold at Rs. 2 per kg. in Andhra Pradesh but now the question of credit and discredit has arisen and some States have taken undue advantage of it any many people have not been able to get their ration. Some State Governments in the country, misuse the foodgrains supplied by the Government of India as is being done in Bengal, where all the supplies are distributed among their own cardholders. Some Governments are indulging in such type of activities in the country.

The licence policy has been changed and now the requirement of a licence to set up big flour mills has been waived. Now anybody can instal a flour mill. Similarly in the issuance of licences for setting up vanaspati manufacturing units, there is corruption on large scale. People ready to spend lakhs of rupees approach us for getting a licence issued for them to set up vanaspati producing units. Other hon. Members might have also been approached for this purpose, but the question is who are the people working for money and where is the money going? The Government should look into this matter. The Government should issue licences to the cooperative societies, so that everyone is benefited.

SHRI HARISH RAWAT: There should be fair price shops for distribution of apple juice also.

SHRI K.D. SULTANPURI: Anxiety also has been expressed by our colleagues on two-three points raised by you. At three

stages corruption takes place in the distribution of ration, first in the freight charges while booking goods by the railways, second in godowns and third when the goods are actually sent for sale. Due to the collusion of all, non-verification of godowns and ineffective monitoring of coal, vanaspati and foodgrains, the State Governments remain totally in want ignorant of the actual stock position of various commodities. The House will be surprised to know that only small quantity of left over foodgrains after blackmarketing reach the farflung areas like Kinnaur and hilly areas of Gharwal. I would suggest the hon. Minister that godowns should be constructed in the tribal areas, foodgrains should be stored therein and should be distributed properly among the poor for their welfare. Shri Sukhram, the hon. Minister hailing from my State is not present in the House and you are Shri Baitha, so I believe that you will also serve the States properly, without partiality. There is shortage of foodgrains in Himachal Pradesh. To take undue advantage of the shortage of foodgrains in Himachal Pradesh, the opposition is playing a dirty game through the neighbouring states of Punjab, Haryana and Uttar Pradesh. Opposition is exhorting the public to vote them to power if they want wheat flour at Rs. 1.50, salt at Rs. 0.25 and rice at Rs. 2 per kg. I ask, why does not the Janta Dal experiment this thing in Haryana, where they are in the power instead of misleading the people living in the hilly areas. They are making promises because they know that they will never come in power. It is a wishful thinking. They do not have any constructive programme to offer, that's why such misleading promises are being made. They make empty promises of writing off the loans and making the foodgrains cheaper but how and from where? We have the bitter experience of Janta Party days when sugarcane fields were burnt down and potatoes thrown on the roads. However, the Congress Government works for the welfare of the farmers and the opposition only misleads the public. Therefore, I request the Government to keep a watch on their activities.

As stated the rodents eat away the

foodgrains. But I say it is not only the rodents also, some persons also squander away the foodgrains. The situation can be improved through better management and monitoring. The question of salesmen at the shops is also highlighted. Shopowners run both their own shops as well as the fair prices shops. When fair price shops are allotted to such unscrupulous persons who indulge in blackmarketing and squander away the ration of the poor, then good results cannot be expected. So I request the Government, to issue instructions to the State Governments not to allot fair price shops to the person who run an other shop side by side, and allot the shops to other persons for the general welfare. I also request the Government to issue atleast 25 percent of the licences for setting up mills and vanaspati units to the harijans for their upliftment. The Government must do something for the weaker sections of hilly areas as almost every commodity is being sold in black market. The people engaged in transport need petrol and quality spare parts, but even they are diverted to blackmarket. So there is need for monitoring by civil supplies personnel. They should examine the difference between the ex-factory prices and the market selling prices. If the cost of imputed labour is included in the cost of production of farmers then little is left for him. What he earns, is consumed by fertiliser, tractor and water charges. The rates of commodities being sold in Delhi become double than what is received by the farmers the Ministry of Food and Agriculture should set up a Marketing Committee to ensure remunerative prices of various commodities to the farmer and put an end to their exploitation in order to improve their lot.

Restrictions should be imposed on quantity of foodgrains to be stored. Let there be 100 quintals in case of godowns and 10 quintals in the case of individuals. No one should be allowed by the Government to store more than the requisite quantity only then general public will be benefited. The traders purchase things at cheaper rates and store them and sell them when prices rose. Therefore, Government should take appropriate steps for this purpose.

[Sh. K.D. Sultanpuri]

If the essential commodities are not made available to the poor in the villages then they feel that policy of the Government is good, but the benefits are cornered by the middlemen who are represented here by hon. Members of Opposition. Both the petrol pumps as well as fair price shops are allotted in their names. Everywhere they are allotted to the people who exploit the poor whether it is Punjab, Himachal Pradesh, Uttar Pradesh or any other State. Therefore, they should be reserved for the workers of the party who can directly help the villagers. These things should be allotted to the honest persons whether through the panchayats or through the cooperative societies without fear or favour. I suggest that efforts should be made to allot depots to the poor and the black marketeers should be debarred.

I feel that the Bill as such is good but the provision of the Board does not appear to be of any use. The representatives should have been elected from the poor but there is no such provision. Formation of the board is a welcome step, but a comprehensive Bill should be brought forward to help the poor, labourers, farmers and sections of the society.

With these words I thank you for giving me the time to speak.

KUMARI MAMATA BANERJEE (Jadavpur): Mr. Chairman, Sir, I am grateful to Shri Basavaraju for moving such an important Bill in the House. I request the hon. Minister to accept the spirit of the Bill. There are many points on which one can speak on this important Bill, but I won't take much time as maximum number of hon. Members should be able to participate in the discussion.

First of all, I want to state, that the purpose of setting up fair price shops was to make available essential commodities at cheaper rates to the public but the public distribution system is not functioning properly and fair price shops have now become unfair price shops. 14 essential commodities

proposed to be made available at these shops are not available there. I requested earlier to Shri Eduardo Faleiro in the House and again request you to pay surprise visits to the fair price shops without even informing the department. On these surprise visits the hon. Minister can himself find out the shortage of essential commodities like sugar, sarees, soap etc. and their quality, which are diverted to the black market. The Government must review the situation as bungling is going on due to connivance of F.C.I. and supply agencies of the State Governments. The total number of fair price shops in the country, at present, is about two lakhs. The Government should sort out the number of those which are working well and the number of those which are not working well. Surprise visits should be made in order to separate those shops which provide essential commodities from those which do not provide and thus a list should be prepared. At present fair price shops are not supplying essential commodities and it has made the life of a poor man very pitiable. Owing to price rise, people in private sector, public sector and the salaried classes or people of fixed income group are finding it great difficult to meet the necessities of life. In spite of all this, the prices of same commodities vary from state to state. So much so that in Delhi the price of one commodity in one market is different from that in the other. Government does not exercise any control over prices. It should pay attention towards this matter and a monitoring cell should be set up to monitor the trend of prices of various commodities. A cell should be formed under the Ministry of Food and Civil supplies to take care of these things.

Moreover, the number of fair price shops should be further increased particularly in rural areas in view of the increased population of the country. Mobile vans should be pressed into service.

Besides, my submission is that in our State, the licence for fair price shop is issued only to a CPI (M) worker and none else. I would request you to give special attention towards women, ex-servicemen, handi-

capped and disabled persons and reserve some percentage of shops for them while issuing licenses.

Though there is consumer Act and Essential Commodities Act already in operation in our country but I would like to know as to how many black-marketeers have been arrested. There are Fair-price shops in my constituency which sold adulterated rape-seed oil which caused paralysis to about 500 people. The Government should have given compensation to the affected persons but it has not done so. I do not know the reasons therefor. It should not be a matter of Government's discretion. If a person gets adulterated commodity from a Government shop and is paralysed, he deserves compensation.

I request you to go to the shops and see the adulterated things which are sold to the people. The things like Baby Food, rape-seed oil, mustard oil, medicines, glucose everything is adulterated. Why is the Enforcement Department so inactive that no action is taken to check the adulteration? The Government should be vigilant and the concerned department should take strict action against the adulterators. How can a person who got adulterated things, remain healthy.

I would like to say something about ration-cards also. In our State, ration cards meant for fair price shops are not being issued properly. People in large number from Bangladesh are infiltrating into our State. The number of such people is in lakhs, the local panchayats or local cadre of CPM in the border districts in our state are involved in this. The commodities meant to be supplied to the people from fair price shops are diverted to Bangla Desh. The Government should pay attention towards this. Local panchayat issues the ration-cards. The people from Bangla Desh come there with red flags in their hands and sit there. The names of the infiltrators from Bangla Desh are registered and ration cards are issued to them. My submission is that the Government should conduct an enquiry into the whole

affair and a commission should be constituted for this purpose. I would submit that the Government should fix the responsibility of public representatives to recommend the names for issuance of Ration cards. If the prevailing practice of including the name of the infiltrators from Bangla Desh in the voters' list continues and if they continue to get ration cards in the same way, our economy would suffer a severe set back. Public distribution system should cater to the necessities of a common man. With these words I thank you for giving me an opportunity to express my views.

SHRI AZIZ QURESHI (Satna): I welcome the spirit of the Bill but I do not think whether we shall be able to achieve our objectives with the help of provisions made in the Bill. It is evident from the history that in each and every era whether the ruler was an emperor, a king or a dictator or there had been democracy, whatever ideology would have dominated the scene the main objective had always been to do more and more work for public welfare. Then we see that with the passage of time people talked of public welfare in the name of socialism, as Shri C.M. Joad has said.

[English]

"Socialism is like a hat which has lost its shape because everybody wears it."

[Translation]

When we study the historical background of socialism, we find that from the ancient times whether it was chauvinism, Syndicalism, Guild socialism, Christian socialism or socialism of the chair, whether it was new concept of socialism after Marx had treated it scientifically, all of them followed a separate path to achieve their aim. But the primary motive of the ideology in every socialistic order has been the same.

[English]

All the means of production should be owned,

[Sh. Aziz Qureshi]

controlled and regulated by the State.

[Translation]

No ideology aims at a separate objective in socialism. The Bill which has been moved in the House reminds me of Sir Thomas More's Eutopia:

Sir Thomas More created a heaven of his imaginations and showed how a ship moves after a storm where the people enjoy the life with all comforts at their disposal. Even if the Government adopt the provisions of this Bill and enact a law, or constitute Central Boards through which the allotment of commodities are made to the fair price shops even then whether the Boards would have any powers to implement the actual spirit of the Bill or to penalise those who violate it. My submission is that the entire exercise would be futile. In fact the Government will have to take certain stringent measures in this regard. It will have to take certain unpleasant but firm decisions in order to identify the persons who indulge in hoarding, black-marketing, resort to under weighing and adulterating the commodities and unless provisions to award them deterrent punishment are made and unless the Government take strict action against those Government employees who show any sluggishness in implementing the provisions properly, it cannot achieve its objective. Bhopal is a living example in this regard. It is the city where people died like mosquitoes and flies after the tragedy of Union Carbide. Those who are alive, also lead worthless lives. The Government and the Hon. Prime Minister obliged the people in Bhopal by providing free ration to the victims which included-wheat, milk, oils, sugar etc. And the source for distributing these things were the fair price shops which have been mentioned in the Bill. But I am sorry to say that not even one percent of the total fair price shops in the State have accomplished the task earnestly. About 50 percent bogus ration cards were submitted almost in every shops and the Government employees indulged in corrupt

practices while distributing the commodities. It was due to this that the owners of the fair price shops became millionaire within one year, they accumulated wealth by taking undue advantages of even dead bodies. I do not find appropriate words to relate the tragic incidents. I would submit that the Government should take stringent measures to enact strict laws and provisions should be made to award death penalty at least to those who sell life-saving drugs in black markets or over charge the customers. Unless the Government take such effective measures to heal the wounds of society, the problem would not be solved. So the Government should undertake a major operation. The Members have talked about the poor people. It is the duty of the Government to ensure that all the people who live in our country get basic necessities of life. The Government which fails to provide guarantee in this regard, will be regarded as criminals by the future generations. So I would urge the hon. Minister and the Government that in the perspective of the spirit of Bill, they should make some provision for the areas inhabited by majority of those people who live below the poverty line, Harijans, Adivasis and backward classes to enable them to make their both ends meet. The Government should issue identity cards and ration cards in order to provide commodities at reasonable rates, and the Government should provide things of basic necessity free of cost to those who do not afford to pay at all, otherwise all the claims and resolutions would prove worthless. The Government as well as we people will be accountable to history. It is also the moral obligation of the Government to provide milk for the children and two square meals for the old who are not capable of earning their livelihood for which Government may make a provision under the present system or any other system evolved by them for the purpose. That is their duty. In this context I would like to discuss about my constituency Satna which is a backward area and where most of the people are labourers, poor, harijans and Adivasis and where even today thousands of people are engaged in lime-kilns and cement-stone-quarries and are toiling hard. But even today they are not

being given even minimum wages in this country. The Government should make arrangements to open maximum number of fair price shops in hilly areas and places such as Maier, Nagod, Rahgaon, Vijayrahogarh, Chitrakoot, Badvara and Amarpatan in Satna which is predominantly inhabited by Harijans and Adivasis so that the labourers who had been exploited earlier under the feudal system and now under the capitalist stricture, may get in adequate quantities the essential commodities such as pulses, soap and fertilizer etc. to enable them to make their both ends meet.

Here discussions were held on cooperatives. Leave aside everything else and see the condition of no other branch of the Super bazar but one situated at the Parliament House Annexe which I visited a number of times and I have the experience that in spite of my frequent and repeated personal visits, I found that neither Pamolein nor butter-oil was available there. Therefore what to talk of other things. Even after written complaints no action was taken in this regard and things continued as they used to be earlier. Therefore, first of all the Government should improve the condition of Parliament House Annexe Branch of the Super Bazar and then the condition of the main branch of Super bazar in Delhi. Having seen the conditions of the super bazar branch one can easily imagine the difficulties, problems and the circumstances which an ordinary citizen of the country has to face.

Mr. Chairman, Sir, through you, I would like to submit that time is the best judge of all of us. Therefore, the Government should make such arrangements so that we as well as the Government may not be blamed by the time. We should not waste time only in speeches and in presentation of bills at the cost of our country and its poor people who may be otherwise ruined and continue to be exploited and we may be rendered incapable of coming to their rescue. If it so happens, even the history itself will not forgive us. Hence, I would like to urge upon the Government to consider all these points right from this moment and enact some law

to that effect to mitigate the sufferings of the aggrieved and thus give them some relief.

SHRI RAM PYARE PANIKA (Robertsganj): Mr. Chairman, Sir, I rise to congratulate Mr. Basavaraju for presenting this Bill in the House on which we have been given an opportunity of discussions. There is no doubt that in the last four years and particularly during the last one year when our country was reeling under the most severe drought of the century, there has been a continuous expansion of our public Distribution System which has worked very efficiently in those critical moments and words fall short to appreciate it. The department played a very effective and active role in organising relief measures every where throughout the country right from Kashmir to Kerala and from seven sister states to Gujarat. We cannot deny this fact that the Department has a commendable performance to its credit in organising relief works not only at the time of drought but also at the time of floods. Had this department not worked so actively, it was almost certain that a large number of people would have died. Therefore, I appreciate the performance of the department of food and Civil Supplies but the points raised here by our hon. Members cannot be ignored. Even today ration cards have not been issued to all the people living in remote, tribal, desert and hilly areas of our country. Therefore, the first thing I would like to urge upon the centre is to send clear instructions to all the State Governments to issue ration-cards to each and every family by 1st June. Secondly, our late Prime Minister Smt. Indira Gandhi had announced to set up a ration-shop for every 2000 unit to make the Public Distribution System a more useful proposition. Although the Government have accepted that three and half lakh of Fair price shops will be opened in the country but this number appears to be quite inadequate in view of the total population of 80 crores in the entire country. Hence, it is the need of time that there should be one ration-shop on every 2000 units.

The Government had introduced a mobile system which has been proved very

[Sh. Ram Pyare Panika]

beneficial particularly in the tribal, remote, desert and hilly areas. But the mobile vans provided for the urban suburbs have been operating only in the cities. These mobile vans do not visit hilly, tribal and cyclone affected areas or the tribal areas of Madhya Pradesh. Therefore, what is urgently required is the provision of these mobile vans essentially in all the tribal, drought-affected and desert areas of the country even if the Central Government had to provide some subsidy for the purpose. I think it will be in the interest of the people.

Sir, besides this, as regards the Bill regarding fair price shops, I rise to congratulate the department. Consumers Protection Act was passed in 1986. But till now the State Governments have not been implementing the provisions of this Bill despite the all out efforts of the centre. Committees on the district and State-level have not been yet constituted. Therefore, I urge upon the Government to constitute these committees, only then my colleague will withdraw this Bill. The Government should take measures in this regard as early as possible.

Sir, I as well as my several colleagues have been making this demand for a long period that subsidized fair price shops under N.R.E.P. and R.L.E.G.P. are being provided only for the tribal areas under the tribal sub-plan but these have been confined only to 194 tribal blocks which is quite insufficient. That would not do. Now, a new scheme called "Jawahar Rozgar Yojana" has been introduced in place of these two schemes. I hope that ration will be provided under this scheme at subsidized rates. But I would like to urge upon the Government to extend the facility of subsidized ration to all the harijans, Adivasis and bonded labourers of the country. Moreover the monitoring committees which have been constituted to monitor the ration-shops have not been functioning properly. Therefore, the State Governments should be instructed to allot ration-shops to the persons of our ideology on block level. Sir, we feel ashamed when we hear that

C.P.M. Government is allotting ration-shops only to its cadre-workers. R.S.S. workers should not be allotted these ration-shops. We have seen everywhere in the country that these R.S.S. workers are communal minded people and while running these ration shops they work with narrow mindedness and shallow outlook.

Sir, we have seen that in 1977, several members of the R.S.S. had got Fair Price Shops allotted in their name. Hence I would like to request the Government to get a survey conducted in this regard and to dispense with their services. Otherwise, these people will distribute the commodities of ration only to the members of their own party instead of the general public to strengthen their party.

Sir, whatever have been results of the co-operative movement in Maharashtra and Gujarat, the Government is well aware of it but in U.P. the results have not been good. We are not satisfied with the performance of the co-operative movement. A co-operative society with good credentials is welcome. But there are some societies which consist of anti-social elements who swindle away all the ration commodities. Hence such elements should not be allotted fair Price Shops.

Sir, besides this, essential commodities like Janata cloth etc. is not made available to the poor. A survey should be got conducted so as to find out the shops in the country which had distributed this cloth. Palmolein and other edible oil is also not available to the poor. Other essential commodities are also not available at least in Mirzapur and Sonebhadra. Since last year that area has been affected by famine. For the last two months, there is no rice, wheat and sugar available at the local fair-price shops. I cannot understand how the local population will celebrate Id. Tomorrow, I am taking hon. Shri Sathe and hon. Shri Kalpanath over there. The people will definitely ask me as to how they are to celebrate Id. In these hot days of summer, people do not have even sugar for "Shikanji" and they are also short of water because of drought. For the past one

month, I have been demanding help for them from the U.P. Government but ration items have not been supplied till now. The Food Secretary over there is a lady as is the case over here. Hence, we thought that they would be kind enough to send rations and civil supplies to Mirzapur and Sonbhadra in a week's time but that was not sent there. The Government should send a telex message to the U.P. Government to send these commodities within a week, preferably by the 7th so that Id can be celebrated on the 8th. The situation in the hills as well as the plains is the same.

I give credit to this Department as there were no starvation deaths in the last drought. Even today, the three meteorological divisions of Bundelkhand, Madhya Pradesh and Varanasi have not had rains. There are other areas also where there have been no rains and which need your attention. Hence the Central Government should set up a monitoring cell to monitor the functioning of this department. Many State Governments to not pick up their share of ration commodities such as sugar in time. The Centre should have a monitoring cell to ensure that there is no corruption and that there is timely distribution of these commodities. There is abundance of kerosene oil, diesel and other commodities in the country but these are not being distributed to the people. Hence the Government should lay down a policy for this purpose and get it strictly implemented. Where State Governments are incapable, the Centre should set up its own cell to ensure the proper distribution of these commodities.

SHRI HARISH RAWAT (Almora): Mr. Speaker, Sir, it would be wrong to say that the public distribution system has not been successful in our country. To a large extent the public distribution system has achieved the objective for which it was introduced.

The P.D.S. has made their utmost contribution towards price control. Fair-price shops are spread all over the country, even in farflung areas. Considering the size of our country it is difficult to keep an eye on all of

them. It cannot be claimed that the commodities distributed through these shops ultimately reach only those people for whom they are meant. But for the fair-price shops we all would have been at the mercy of the traders in the open market, and the prices would have sky-rocketed and no Government would have been able to exercise control over prices. Hence I would like to urge upon the Government to remove the deficiencies as pointed out by the public and those within the knowledge of the Government, on the basis of their experience and take measures for maximum expansion of the system.

Presently 14 items are being distributed through fair-price shops. I would like to suggest that another 10-12 items should be added to the list of such items, so that we may make the maximum number of commodities available to the public through this system.

Potatoes are one of the most important items demanded by everyone. These days vegetables are very highly priced in the market. On one hand, potatoes are purchased from the farmers at the rate of 0.50 paise per kilo while on the other hand they are not available in the market even at the rate of Rs. 3.00 per kilo. Essential commodities like potatoes, oil and soap should be made available through fair-price shops. Unless we adopt a dual-price system in our country we cannot ensure welfare of the masses. The general public and the people with limited income in particular will continue to be fleeced in the open market.

The Consumer Movement should be made more effective. The House had also passed a Bill to that effect. Consumer Committees have been set up at the national level and also at the district level. But at the district level their functioning has become so bureaucratic that the very purpose for which they were set up has been defeated. A look at reports of districts will reveal that there is hardly any district where the consumer society has been functioning properly. Most of the items available there are adulterated

[Sh. Harish Rawat]

whereas all these things are supplied by reputed mills. But there is no system to check them at the point of manufacture. These items are checked only when they are with the retailers. And it is the retailer who is punished instead of the mill-owner who is really at fault. It needs a change in the existing system. There should be a system like the one followed by the Customs Department to check each and every item. Quality control tests should be conducted on commodities at the point of manufacture and in case the commodities are found to be adulterated or in any other way sub-standard, these should be rejected then and there.

I would like to make 2-3 suggestions. Maximum number of godowns should be opened in the hilly areas. As at present transportation charges of various items upto godowns are born by the State Governments. Problems are encountered as the system is spread out in the hilly areas where villages are located at a distance of 10-11 kilometres from each other. In Himachal Pradesh, Jammu and Kashmir and my constituency, people have to pay an amount equivalent to the price of wheat fixed by the Government, as transportation charges. If one godown is set up for every 4-5 fairprice shops, the transportation expenses will have to be borne by the Government itself and public will get a lot of relief as they will get commodities at fixed rates. At this point, I would like to urge upon the Central Government to bear the transportation expenses on essential commodities in hilly areas. The Government of Uttar Pradesh has also requested the Central Government to bear the transportation charges but it has refused to do so. The Central Government should come forward to bear these charges.

Previously, there was a scheme of distributing subsidised foodgrains in the tribal areas but it has since been discontinued. I do not have full information whether this action has been taken only in respect of Uttar Pradesh or other States as well. I would like to request you that this scheme of supplying

foodgrains at cheap rates in the tribal areas should be revived. In addition, the village should not be taken as the unit in the tribal areas but the block should be taken as a unit. In those tribal blocks, where non-tribal also reside, the latter should also be given this benefit, as otherwise it will create misunderstanding between the tribals and the non-tribals. Such instructions have not been issued so far. In the tribal areas of my constituency such as Mushairi and Joshimath etc., you have said that the non-tribal residents of a tribal dominated village will be extended the same facilities but the block will not be accepted as the basis. The Government should clarify the position in this matter.

I would like to level one charge against the Central Government. Uttar Pradesh is a vast State but wheat, rice, sugar, palmolein etc. are being supplied in inadequate quantities with the result that the entire public distribution system has failed. I have urged time and again to ensure that foodgrains and other essential items should be supplied to Uttar Pradesh as per its requirements but no attention is being paid in this direction. Our States has been given a step-motherly treatment by the F.C.I. There is still time to rectify the situation otherwise our position will deteriorate further. Our friends in the Opposition are not present here at the moment and, therefore, I would like to inform you that the people of Uttar Pradesh are complaining that the Congress Government is not supplying subsidised foodgrains to their State. The Central Government should take steps to remove this shortcoming.

Finally, I would like to submit one point more. The Central Government purchases inferior quality rice and wheat under the pressure of Punjab or some other States and these stocks are either left to rot in the godowns or they are distributed through the fair price shops. As a result, the Central Government has to incur much discredit. I have seen that the rice and wheat distributed by the fair price shops are unfit for human consumption. The Government should get these matters investigated and the F.C.I. godowns should be checked at random and

it should be ensured that such inferior quality of foodgrains do not reach the Public Distribution System outlets any more.

[English]

SHRIK. PRADHANI (Nowrangpur): Mr. Chairman, Sir, I would like to speak on this Bill on Fair Price Shops in our country. There are two types of shortages in the country created by nature by the businessmen. One is natural shortage due to drought and flood and the other is artificial shortage when the prices go up. Generally fair price shops go to those places where the prices are very high to help the people from the soaring prices. When the Janata Government came to power in the year 1977, they wanted to de-control all the essential commodities and they de-controlled them. For a few days, there was very good movement of foodgrains and other essential commodities. After six months the prices began to touch the sky. Then the Home Minister came and asked: "What to do now? We have de-controlled rice, we have de-controlled sugar, we have de-controlled kerosene" and the officer said "After de-controlling" these essential commodities Act will not apply; we cannot do anything." Again they introduced the Essential Commodities Act and controlled these essential commodities. Sir, what I wanted to tell is that the Essential Commodities Act is there to punish those people who indulge in hoarding and black-marketing. But we seldom fine or punish our corrupt businessmen or officers or anybody indulging in these offences. Therefore, it is my earnest request to the Government that they should direct the State Government who are responsible for the distribution of the foodgrains, to punish them often and see that things are set right. Since I have got a short time, I want to give some points only.

Sir, I have suggested once in AICC—of course it may be a heavy burden on the exchequer—that we should introduce two types of ration cards in this country. One should be 'Green Card' and the other should be 'Yellow Card'. I mean that 'Green Card' should be for the people those who live below the poverty line. We can give subsidi-

dised rice through this 'Green Card' and through the 'Yellow Card' we can give rice at a reasonable price and those commodities which are not available generally in the public market. That is why this 'Yellow Card' should be available. At present our Government is kind enough to supply subsidised rice in tribal areas and mobile vans have been provided. They are doing excellent service for the tribal people. They are moving essential commodities to the weekly market and are selling to the tribal people every 15 days. One thing which prevails there is that these business people and black-marketeers catch hold of the ration cards of the tribals who do not have sufficient money to purchase these commodities. They take it in a bundle and purchase to sell at a higher price somewhere. The Government should see that this kind of misuse of these cards does not take place. Then there are transportation difficulties for these fair price shops. Now-a-days, the private retail shops are always corrupt and that is why in Orissa, the State Government was kind enough to suspend the private retailers and give them (commodities) to the co-operatives. But cooperatives also are handicapped because transport charge given to them is too low. Suppose one has to move one bag of rice from one place to another, say a distance of 20 to 30 kms., he has to incur Rs. 5 to Rs. 8 per bag. He cannot bear the charge. There is no margin of profit. Somebody should be engaged by them to sell rice or wheat. But there is no sufficient margin of profit in this dealing. That is why, anybody who deals in essential commodities will be bound to make some underground, blackmarketing business. That is why, it is the duty of the Government to provide some little margin or profit to the businessmen, retail shopkeepers who deal in essential commodities.

The other day, while replying, our hon. Minister, Shri Sukh Ram, promise in the House that if the State Government wants more mobile vans, he would consider and provide more vans. If there is any shortage of vans, he has committed already to provide more vans. I once again remind the hon. Minister to see that more mobile vans are

[Sh. K. Pradhani]

provided to Orissa so that the vans move to market every week, once in 7 days and supply essential commodities to the tribals who are very poor and who do not have the sufficient capacity to purchase essential commodities together twice a month and that they can purchase easily once a week, that is 4 times a month.

[*Translation*]

PROF. NARAIN CHAND PARASHAR (Hamirpur): Mr. Chairman, Sir, the Fair Price Shops (Regulation) Bill, presented by Shri G.S. Basavaraju is well intentioned. The intention behind this bill is to ensure regular and proper supply of essential commodities at reasonable prices, especially during difficult times. But often people are not able to get the essential supplies. It has been provided in the Bill that the public distribution system should be rectified through the Fair Price Shops in different states. It has been suggested that some Boards should be set up for this purpose.

So far as the setting up of these Boards are concerned, the Central Government may set up any number of boards, appoint any number of commissions etc. but all of them will prove to be fruitless until the State Governments take necessary interest in implementing the scheme. The success of the Public Distribution System depends on the attitude of the State Governments. Therefore, the most important question is whether the Centre has any information regarding the State Government's unwillingness to render full cooperation in this regard. If they are not willing to cooperate, then what are the reasons behind it? Either they may be having some difficulties in this regard or they may be having some intention behind such

non-cooperation. As has been pointed out by Shri Harish Rawat, the hill areas have some peculiar problems and it is essential to solve them. Their foremost requirement is that of storage facilities. There are several areas in the hill regions where the roads remain blocked for 6 months and there are certain such areas also where roads get damaged due to excessive snow-fall resulting in the traffic coming to a standstill. Besides, on account of thick forests some areas become inaccessible. In this context, the most important point which strikes us is that storage facilities should be provided on a priority basis in the hill and tribal areas and also in those States which have been declared as special category States by the Planning Commission so that the regular supply of foodgrains and other essential commodities could be maintained throughout the year. Even if it is not accepted as the criteria for other States, still in those rural areas which are not connected by railway lines, or national highways etc. or where transportation facilities are not available, arrangements should be made for ensuring regular supply of essential commodities. Such areas should be identified and arrangements made accordingly by providing transport subsidy and similar other measures.

[*English*]

MR. CHAIRMAN: Prof. Narain Chand Parashar, you can continue next time. The House stands adjourned to reassemble on Monday, the 8th May, 1989 at 11 A.M.

18.00 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, May 8, 1989/
Vaisakha 18, 1911 (Saka)*