

16.41 hrs.

DISCUSSION RE : STEEP RISE  
IN PRICES (Contd.)

[Translation]

\*SHRI M. MAHALINGAM (Nagapattinam) : Hon. Mr. Deputy Speaker, Sir, on behalf of my party the All India Anna D. M. K. I would like to participate in the discussion on rise in prices of essential commodities and to make a few suggestions.

The Government have conceded that the wholesale price index has gone up by 3.9% and the inflation by 5.4% after 1985-86 Central Budget. The sanctioning of Dearness Allowance to Central Government employees confirms the rise in retail prices of essential commodities. Even two days ago I happened to come across a news item that the Government is thinking about sanctioning another instalment of D.A. to the employees. No further evidence need be produced about the rise in consumer price index. During the last session of Parliament, our hon. Minister, Shri Rao Birendra Singh, admitted the spiralling rise in prices of essential commodities. I would like to give certain statistics that appeared in an article in June 1 issue of COMMERCE, a leading magazine in the country to show how price rise has been wide-spread throughout the country.

Assam	4%	to	10%
Gujarat	10%	to	25%
Himachal Pradesh	5%	to	15%
Kerala	5%	to	10%
Punjab and Haryana	10%	to	15%
Rajasthan	10%		
Uttar Pradesh	10%	to	20%

The increase in the price of petrol and the hike in freight rate of essential commodities in 1985-86 Central Budget contributed to this rise in prices of essential commodities during the last three months. When this is the position, the Government should not try to mollify the people by sayings that the rise in prices during the past two months is

\*The Speech was originally delivered in Tamil.

comparately less than what it was during the comparative period in 1984-85 and in 1983-84. This accentuates the sense of frustration among the people.

We talk about the wholesale price index and consumer price index. These indices are worked out on the prevailing prices in urban areas. We do not seem to take any interest about the situation in rural areas. In urban areas we have the fair-price shops, super bazar etc. which enable the common people to get essential commodities at reasonable prices. The hon. Minister would also say that under the new-20 Point Programme importance has been given to strengthen the public distribution system. According to the Annual Report of the Civil Supplies Department, in our country there were 3,05,000 fairprice shops. But the Report does not give any information about the fair price shops in our 5.5 lakhs of villages. Generally speaking almost all the fair price shops are located in metropolitan cities and other urban areas. I should say that Tamil Nadu is an exception. The State Government has ensured that fair price shops are opened in villages also. We have in our State 16,000 fairprice shops in rural areas.

I do accept that in rural areas the Primary Consumer Cooperative stores are in existence. But their number is meagre. We have about 15,981 such consumer cooperative stores in the country with the membership of 54.78 lakhs of people. We have to bear in mind 5.5 lakhs of villages with 45 crores of people. The hon. Minister should not put forth this argument that there are primary consumer cooperative stores in rural areas. They are really a drop in the ocean. More such stores should be opened in rural areas.

The Father of our Nation, Mahatma Gandhi used to stress repeatedly that the country will flourish only when the basic primary need of the villages are fully met. But the Government is neglecting the interests of villages. This approach should change. The basic needs of our villagers should be made available, particularly the essential commodities at reasonable prices.

[Shri M. Mahalingam]

While the prices of essential commodities are going up, it is really a paradox that the producers of foodgrains do not get remunerative prices.

16.44 hrs.

[SHRI VAKKOM PURUSHOTHAMAN  
*in the Chair*]

The primary reason for this situation is the role of intermediaries, profiteers, hoarders and black-marketeers. I want that stringent action should be taken against these anti-social elements, who do not hesitate to exploit the misery of masses.

The Food Corporation of India also contributes to the rise in prices of foodgrains. The procurement expenses of F.C.I. are going up. The subsidy of Rs. 800 crores given to F.C.I. for ensuring remunerative prices to farmers is added to the sale price of foodgrains. The administrative expenses of F.C.I. are soaring sky-high. The warehousing rent, the freight etc. become a part of the sale price of foodgrains. I would suggest that the extravagant expenses of F.C.I. should be cut down heavily. The anti-social elements trying to undermine the working of fairprice shops, super bazar etc. should be eliminated effectively. For example, there was recently an article about the malpractices in the National Consumers Cooperative Federation in New Delhi. This has resulted in a loss of several crores of rupees. Such public sector institutions should be free from corrupt practices. These responsible must be brought to book. Exemplary punishment should be awarded to these indulging in hoarding and black-marketing of foodgrains and other essential commodities. At the same time, the Government must strengthen the consumer protection movement throughout the country. In conclusion, the rise in prices of essential commodities has taken the common people of our country to abysmal level of poverty. It is time that the Government takes effective and energetic steps to arrest the soaring prices of essential commodities.

With these words, I conclude my speech.

DR. G. S. RAJHANS (Jhanjharpur) :  
Mr. Chairman, Sir, I feel that the entire discussion should take place in the presence of the Finance Minister as well as Rao Birendra Singh, as prices have risen steeply irrespective of the statistics given by you. The statistics cannot fill one's belly.

Sir, recently, I visited a friend's house along with another friend. The person, whom I had gone to see, asked somebody to bring one plate of namkeen and one plate of sweets for me and one plate of statistics and one plate of graph for the other person, because the other person wanted to prove by statistics that there had not been any price rise in the country. Sir, what I want to stress is that it is useless to discuss whether prices have increased or not. There is absolutely no doubt that prices have risen steeply. There are no two opinions about it. A person earning Rs. 1500 per month is incurring on an average an additional expenditure of Rs. 150 to 200 per month as compared to the expenditure incurred by him 4 months ago. I am not talking about sugar only, because there was a spurt in its price. Take other things. The price of Basmati rice has gone up from Rs. 10 per kg to Rs. 15 per kg. Rates of electricity have increased. Take any commodity. I would like to say that prices of all the commodities have increased.

I would like to request the Finance Minister and the Civil Supplies Minister to accompany me to the market some day. I shall show them how and to what extent the prices have increased. The common man is feeling harassed and is unable to foresee what is going to happen in future. The prices have not increased due to deficit budget because prices cannot increase to such an extent during a period of three months. I think you have no control over blackmarketeers and hoarders. That is why prices have increased to such an extent. Unless you take strong action against blackmarketeers and hoarders, prices will not come down.

Recently, you had conducted raids and had shown the seized articles on T.V. People felt happy that the Government were doing something. The hoarders and blackmarketeers are eating away the vitals of this

country. I humbly submit that as and when they are arrested their faces may be shown on T.V.

This situation should be taken very seriously. It is not an ordinary situation.

During this discussion on price rise, one of my hon. colleagues sitting here had remarked that we might come to an end but this price rise would not end and that our size might diminish but these prices would never come down.

I can put it this way. Supposing a person is drowning in a swimming pool and we are assuring him that we are draining out the water from the swimming pool. But water is entering the swimming pool with great speed from the other side. The person will never be able to understand the cause of his drowning.

Black money is eating away the vitals of the country's economy. Black money has increased to such an extent that the common man fails to understand what he should do. Besides, the parallel economy existing in the country is ruining the country. Unless you realise this grave situation, you will not be able to control the prices. If you failed to control the prices, the people will lose confidence in you and that will be a very dangerous situation.

A man from my constituency came to me and said that the people would die of price rise even before the Pakistani atom bomb kills them. He used to send Rs. 200 to 250 to his home every month. Now, he is unable to send even Rs. 50. I would like to urge you to take this problem seriously. This subject should again be discussed in the presence of Rao Birendra Singh so that he may be able to tell how the Government propose to check the prices. Goods are not made available to the people at fair prices anywhere. Only speeches will not do. This problem has to be faced. We would like to say that the Finance Minister and Rao Birendra Singh may be called here to convince us that the prices are going down.

[English]

PROF. K. V. THOMAS (Ernakulam) :  
Sir, I would suggest a few measures to be taken to control and check the price rise. I am not going into the reasons of the price rise.

Sir, there should be an effective public distribution system. It is only in a few States like Kerala we have the effective public distribution system. For every thousand houses there should be a ration shop which will distribute essential commodities like foodgrains, cloth, kerosene and edible oils.

Another movement which we can have for controlling price rise in the cooperative sector. In each village there should be a consumer cooperative society which can distribute all items froms sugar to salt. Even the TV sets should be distributed on a no-profit-no-loss basis. Sir, whenever there is an increase in the wage structure, or an addition of d. a. or bonus is given, actually this increase does not reach the workers. There is an addition of one d. a. or two d. as and suppose you are going to give the bonus. What happens? The next day, in the market there is an increase in the price. It includes sugar, cloth or any other items. I was told by many of my elders that during the II World War period, whenever there was an increase of d. a., it was not given in cash. Instead, a subsidy was made available for the consumer items. For example, if the cost of cloth per metre was Rs. 10 instead of giving d. a., by way of subsidy, the price is reduced by Rs. 2 or Rs. 3. I think, this method can be resorted to at the present moment.

One point which I want to stress is the price of cloth. When you go to a saree centre, it is the dealer who tells you the price. The consumer does not know the price exactly. My suggestion is, in each metre of the cloth, the retail price is to be printed. Cloth is one of the major sections where people are cheated. I know, in some ration shops ordinary clothes are distributed. But better type of sarees and better type of suitings you got only from the market. If you go there, you do not know what is the actual price. The dealer says this is the

[Prof. K. V. Thomas]

price and you purchase it. For every metre of cloth, you should print what the retail price is.

We are talking about price rise. What about the quality? If you purchase one k. g. of rice, definitely there will be 100 pebbles in it. When you buy sugar, along with sugar, you will get some adulterated things. I am surprised to find that in many of the States, there are parallel industries which supply all the items needed for adulteration. So, the Government should take very effective steps to prevent adulteration.

We are discussing about the price rise. There should be a linkage between the price of the commodity and the price of the agricultural product. In Kerala, last year when we had drought, the production of coconut was less. So, the price went up to Rs. 3,000 or Rs. 3,500. This year, it has come down to Rs. 1,200. The coconut growers say that they are not getting the remunerative price. The consumers say that the price of coconut had gone up last year. This year it has come down. So, there should be a measure by which they should prescribe what is the maximum price and what should be the minimum price of the agricultural products. If the price of the agricultural product is coming down below a particular level, then the Government agency should intervene and purchase the whole thing. This has to be strictly implemented for all the essential agricultural products.

Regarding the price of vegetables and fruits, every year during the lean season the price goes up. I think, the Ministry of Agriculture can do some framework. Earlier in every house, there used to be a kitchen garden. Now, in Kerala itself, I know we are getting all our vegetables from Tamil Nadu. So, transportation cost and other costs are added to the price of vegetables. So, the Ministry of Agriculture should formulate a scheme for the production of more vegetables and fruits. They should also think over the matter as to how vegetables to be produced in each State and efforts should be made in this direction.

17.00 hrs.

SHRI V. S. KRISHNA IYER (Bangalore South): Sir, This House should be grateful to Prof. Madhu Dandavate for raising this very vital issue. This is a burning problem of the day. It is not a party question. Just now, we have listened to the Members from both the sides. Cutting across party lines, the Members has spoken the truth, nothing but truth.

Every country is watching what we are going to do about it. They expect that, this House being the supreme Body of the country, you will do something. The people of this country want relief, not the jugglery of statistics. I was really amused to receive that unexpected, very pleasant letter from hon. Finance Minister. It is a novel idea. I am really surprised how he believed these officers who gave the statistics. It is very far from reality.

During the course of Budget discussion, while we were discussing the demands of various Ministries, I gave some statistic. I do not want to repeat those statistics for want of time. In my own Constituency, Bangalore, the average cost per family rose by Rs. 100/- per month from April. It happened after the introduction of the Central Budget. Prices rose very high after introduction of the Central Budget and the Railway Budget. After that, the State Government's introduced some more taxes. All of these put together, there was a heavy dose of taxation. As a result, not only the members of the organised sector and the employees in Government but also the poor people who have no earning and all those below the poverty line suffered. It is impossible for them to live. We must do something about it. There was in addition a significant increase in petroleum product prices and in the railway freight rates. Almost all the Electricity Boards enhanced the rates of power and water charges. Milk dairies have enhanced the prices. Transport Corporations have enhanced the prices by nearly 25-30%. Don't you still see that there has been inflation and prices rise? Do you still entertain doubts in this regard? I am really surprised at the hon. Finance Minister giving those figures.

Another point I wish to say is that the hon. Finance Minister in his Budget speech and the Prime Minister immediately after assuming office, assured the nation that they are going to check the black money. We all trusted it. Six months have elapsed. No effective steps have been taken. We know at what staggering figure this parallel economy is rolling now. Some concrete action must be taken to see that the black money is contained. The Government should consider this problem seriously. Prof. Madhu Dandavate also gave this suggestion.

I suggest that the only remedy to the problem is to identify the poor people all over the country and supply essential articles to them at subsidised rate. That is what Karnataka has done, what Andhra Pradesh has done. These two Governments are supplying foodgrains at subsidised rates. Poor people are given controlled cloth and other essentials also at controlled rates. That is the only remedy. That cannot be done at the cost of the State Government. The State Governments are finding it very difficult. I know this is the subject of hon. Rao Birendra Singh. But unless you provide finance, this cannot be done. So, I would suggest that we should have a network of consumer cooperative societies all over the country assisted by the Centre and we should identify the poor people and give them subsidised food. That is the only remedy by which you can check the price rise. This is very important subject. We should put all our heads together to solve this problem. It is a national problem. We should solve it. We should come to the rescue of the poor people of this country at this critical juncture.

**SHRI SOMNATH RATH (Aska)** : Mr. Chairman, Sir, price-rise is a global phenomenon. The average rate of consumer price rise in the developing countries has increased substantially to 57.3 per cent in the first quarter of 1985 compared with 51.2 per cent in the previous quarter and 44.5 per cent in the first quarter of 1984. The average rate of inflation in the Western Hemisphere in the first quarter was 169.5 per cent compared with 154.3 per cent in the preceding quarter and 132.9 per cent in the corresponding quarter of 1984. Of course, in Europe it is just the reverse.

The price-rise in India is not so much as it was in the preceding years by this time. It may be said that we should not depend on the jugglery of statistics. But the same source has supplied these statistics for decades. Of course, words will not cut ice. In this House we have discussed that the cultivators or the producers are not getting remunerative price for rice and wheat. So, there is no price rise in respect of rice and wheat. In the statistics as supplied by the Finance Minister, certainly there is price-rise as far as sugar and vegetables are concerned. The fact is that sugar is not being sold at the controlled price. We should plug the loopholes in the distribution system, so that the villagers as well as those living in towns can get sugar at the controlled price.

The hon. Minister has stated in answer to a question that the States are not lifting the sugar that is allocated—'States' means the wholesale dealers appointed by the States. But the wholesale dealers in the States complain that the FCI is not supplying the sugar in time ; they say that they are given a notice to lift the sugar by a particular time, but the notice itself reaches them after the due time is over or when they approach them, the sugar is not made available. The second allegation of the wholesale dealers in different States is that the sugar bags are not weighed by FCI ; they are asked to lift the sugar without its being weighed.

I want to know one thing from the hon. Minister, that is, what happens to the lapsed quota. Suppose a quota is given to a particular State—'State' means the wholesale dealers appointed by the State to lift that quota of sugar ; and suppose in a particular month for some reason the sugar quota is not lifted. Then what happens to that lapsed quota ? Is it going to the black market or is it issued in the next month ? That in one thing which should be taken into consideration.

Secondly, the wholesale dealers appointed by the States are either individuals or cooperatives. You know that Government is giving soft loan to the cooperatives at the primary level as well as at the district and State levels—to the consumer cooperative societies, to the marketing cooperative societies, to the Janata cooperative societies, who deal with essential commodities and also to the

[Shri Somnath Rath]

retail dealers. When the wholesale dealers are not lifting, the sub-dealers also, when they are asked to lift, are not lifting. We mostly depend on the cooperative societies. In these cooperative societies, there are Directors elected by the people and these Directors also have some responsibility. They have to see why the wholesale dealer is not lifting or why is the wholesale dealer not supplying the quota in time? Then coming to the retailers, they are either persons of the cooperative societies or individuals. Government is also giving marginal subsidy for house rent and also soft loans to these primary societies to deal in essential commodities. What happens to that system? So, the cooperative society, beginning from the primary society upto the State level, should be geared up and they are to lift the quota. Further, the individuals who are appointed either as a wholesale dealer or a sub-dealer or a retail dealer, help the quota, after being lifted, to go to the black market rather than going to consumers. There is some difficulty also. The transport charges incurred by the dealers for taking sugar to the villages by carts or otherwise are much more than the transport charges given to these dealers. So they sell the sugar in the town itself without taking it to the villages. Further I would submit that, as the Finance Minister wants, we should not only speak of the disease but also prescribe the medicine. We can prescribe the medicine if we know the cause of the disease. Here the cause of the disease is the inefficient distribution system. It is one of the causes for the price rise in villages. We have also got certain responsibilities.

The MPs are members of Citizen Committees at the district level as well as at the sub-divisional level. What are we doing? The people may ask, what our representatives are doing. We should also reflect the grievances of the people there, to see the district collector or the supply department work efficiently and ask them as to why the quota is not lifted, why the FCI is not giving the quota, what happens to the lapse quota, beginning from the Centre i.e. from the FCI upto the retail dealer. If all these lapse quotas are again given next month, I think there will be no difficulty

for supply of sugar. The Government may also ask or advise the State Government to see that the District Citizen Committees or Supply Committees meet—when the Parliament is not in session, so that we M.P's can also attend. Previously, the MPs were members of the Panchayat Samitis. Now they are not, except in some committees. Who is appointing the dealers? It is the Chairman of the Panchayat Samiti or with Sarpanch. When they appoint dealers, is it not their duty to see how the dealers are supplying essential commodities to the public? They are to supervise. In the supply Committee there is no MLA or MP, MLA is not there in the Supply Committee at the Panchayat Samiti level, and MP is also not there. So it is left to the Panchayat Samiti Chairman and two or three Sarpanchs. What they say is gospel truth to them. Whomsoever they appoint is final. Because, as per the notifications the appointment of retailers or dealers by that Committee cannot be at Panchayat Samiti level the Supply Committee the local MLAs and MPs may also be included. As for the inflation, it said that this Government should do more to check inflation. Sir, it is a problem of decades. We cannot expect mana from the heaven, all of a sudden. The Finance Minister is to be congratulated because he has taken very good steps and he has said that in this year Rs. one thousand crores more will be collected from the Tax Department. Certainly this is a very noble idea. Further, I would suggest that, as the President of the Associated Chambers of Commerce has made an appeal to the Government about the black money, the Swiss Bank may be persuaded to disclose the accounts of Indian Nationals, who are said to have kept crores of rupees of black money there. They are not disclosing as to who are those persons and it has been suggested that the Government of India should join hands with other governments and see that the Swiss banks reveal who are the persons who have deposited black money with them.....

MR. CHAIRMAN : Not that easy.

SHRI SOMNATH RATH : It is said that black money to the tune of Rs. 20,000 to 40,000 crores are abroad and that is being utilised for fuelling the inflation and hoarding black money. Necessary steps are to be taken to eradicate this evil.

[*Translation*]

**SHRI RAM PYARE PANIKA** (Robertsganj) : Mr. Chairman, Sir, I have been listening from the very beginning to the speeches of the hon. Members, who have participated in this discussion, Prof. Madhu Dandavate initiated the discussion. I had hoped he would make some suggestions, but in stead of doing so he made an analysis of the whole Budget and highlighted the achievements of the Janata Party Government. In doing so he forgot that the country never witnessed such a period when industrial production had one down from 10 per cent to 1.4 per cent and agricultural production had gone down by 17 per cent. The prices of onions had gone very high and it was the common man who had felt the pinch. Price of salt was soaring high and sugarcane had to be burnt in the fields. Besides, potatoes rotted in the homes.

I respect Mr. Madhu Dandavate but reality must come out. I am not speaking just by way of criticism. Not only the hon. Finance Minister but we also have pointed out that the prices have increased and our colleagues have expressed concern over it. The hon. Members of the House and the people in the country say that the prices have increased, but the reason for rise in the prices should be analysed. First take sugar. I do not want to blame any State Government, whether it Andhra Pradesh Government or West Bengal Government or Kerala Government or Karnataka Government. The Minister of Food was telling about it the other day. Take Bihar. Our party is in power there. During the last two months they did not lift even one tonne of sugar of there quota. During the last month, they were allotted 10,000 tonnes and during this month 8,000 tonnes, but they did not lift even one tonne of sugar. Similarly, West Bengal Government did not lift the quota. The Andhra Pradesh Government lifted 30) tonnes of sugar during the last month. The Government of Uttar Pradesh also did not lift the quota. This time they lifted 8,000 tonnes against the quota of 16,000 tonnes. You will have to go into the basic facts.

Same is the case In respect of rapeseed oil. It is being imported and the Central Government are repeatedly asking them to

lift it. When commodities are in short supply' the prices will definitely go up. The traders, black marketeers, hoarders and smugglers know that the Government are not lifting the quota. They create artificial scarcity of commodities and thus the prices increase. Here comes the issue of relation ship between the Centre and the States. The need of the hour is that the Centre should be empowered to appoint their own officers to look after the distribution system and to intervene in the matter. At present, no Central Government officer can check any fair price shop. He is not allowed to visit any shop. It is the basic thing. I would, therefore, suggest that the Central Government should be made responsible for the food distribution system and the Constitution should be amended for this purpose. This year, sugar production has been to the extent of 62 lakh tonnes only and keeping this in view the Government have decided to import 10 lakh tonnes of sugar from abroad. Now, we have a buffer stock of wheat and rice but I would like to say that some State Governments are earning profit by purchasing these commoedities from the Central Government. The prices of wheat is Rs. 172 per quintal, but it is being sold at Rs. 205 per quintal in Uttar Pradesh and in the North Eastern States it is being sold at a profit of Rs. 48 per quintal. Many State Governments are imposing taxes on these commodities whereas the Central Government give these commodities to them at the subsidised rates. The Members of the House should, therefore, pay attention towards the basic causes responsible for the price rise. Now, there is need to change the Centre-State relations, so that the Central Government might be able to ensure availability of goods on the one hand and set right the distribution system thereof on the other hand. For this purpose, certain powers will have to be conferred upon the Centre. So far as the question of accelarating the pace of work is concerned, our Hon. Prime Minister had sent a 12—point programme to various States. The Central Government can send directives only. They had sent a directive about the places where the fair price shops are to be opened. They had sent, a directive to open one fair price shop for a population of every two thousand but no State Government have implemented it. The result is that the blackmarketeers and hoarders are Carrying on their activities unchecked.

[Shri Ram Pyare Panika]

I would like to tell Mr. Madhu Dandavate that if the State Governments had exercised effective control on the public distribution system, there would not have been any price rise. The Central Government are adopting all possible measures. You might be aware that the Finance Minister had called a meeting of the Income-tax Officers recently in which he had emphasised the need to observe strictness in the recovery of taxes. These meetings were held in big cities and recovery targets were fixed for them. Similarly, strict action is being taken in respect of customs officers also. In order to raise their morale, our Finance Minister has announced the grant of rewards to them. The Central Government have tried to take all possible measures which were within their power. You should keep a watch on the Government's activities and point out shortcomings, if any.

The hon. Finance Minister has himself admitted that the price rise is a matter of concern not only for him but for the Members of the House and for other people also. But we shall have to find the basic causes of price rise. The prices of basic items like petroleum, cement, steel etc. have slightly increased and this increase has affected other items also. It is really a matter of concern. But the activities of hoarders and the inactivity of the State Governments in not increasing the number of the fair price shops is a matter of greater concern.

In the A.I.C.C. meeting, the Finance Minister had said that we offered prayers to lord Rama every morning. Although he did not open any school or *Panchayat Ghar* or constructed any road, yet we chant his name with great reverence because he had killed the demons. Similarly, the Central Government should also act against the blackmarketeers, hoarders and those State Governments, which are not following their directives.

[English]

DR. DATTA SAMANT (Bombay South Central) : Sir, after the last budget the wholesale price index and rates of the consumers items have gone up. The commodities which the average man is using, namely, household commodities number

about 200 like foodgrains, chillies, sugar, oils, vegetables, etc. I think officially it has gone up by 10 to 20 per cent. Although we are sufficient in foodgrains, that is, 150 million tonnes and a little short by 3 million tonnes and inspite of processing a lot of wheat. The rates of foodgrain items and all the household items are going up in the country. May be the hon. Minister is honest in figures given on this chart but we cannot show it to the public. Anyone who goes to purchase any item will find that the rates have definitely gone up. The inflation rate is 8.9% May be in Bombay it is more because there is buyers' market.

Further, Sir, this 10 to 20% is in the cities and towns and if you go to the villages it will be double. Small selling people take more advantage of the shortage. Therefore, the poorman of the country is definitely suffering. Diwali and Dussehra festivals are coming. I urge upon the Government to take immediate steps. If steps are not taken then the prices of average commodities will go to such a height that the average man will be disturbed, especially the poor people in the villages. Sir, my senior colleague, Prof. Dandavate has already talked about deficit financing. At that time I repeatedly raised this question in the House. Our Minister may be honest and he might be thinking that by giving so much concession to the industrialists and traders, there would be more production. But I repeatedly ask in all my speeches, as to whether these people are going to behave. I think it is our experience that whatever social responsibilities which our Finance Minister has given to these industrialists and traders, they have miserably failed. They have continued their original tradition of hoarding and black-marketing. The figure of inflation which the Minister has given as 3.5 per cent out of which 60 per cent because of blackmarketing and hoarding. These are the people who are responsible for this. I am glad that many of the Congress friends have told that there must be some punishment and some restriction for these people. Now, we are giving concession even to the textile owners. But I think they are not going to behave, and black money is going to increase. They have not used the concessions given to them for increasing productivity, but they used it for black-marketing. Therefore, the Essential Commodities Act should be strictly imple-

mented. In spite of a rise of about 10 to 20 per cent in the prices of essential commodities, have you ever arrested a single hoarder or a black-marketeer in this country? I want that figure. Have you implemented your National Security Act for any of these people? I think that they are allowed just to go on. My workers go on strike and every time ten to twenty of small leaders are always in jail because of this National Security Act. Forty workers of mine who participated in the textile strike are in jail under this National Security Act, while those people who are making crores of rupees, cheating Government and the public and indulging in hoarding and black-marketing are just left free. For this, you cannot blame the black-marketeers alone. Government is also partly responsible. You increased the freight charges of the railways. You increased the petrol prices. By this, you are going to collect about 15,00 crores of rupees.

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : Dr. Datta Samant has put the case in correct priority ;

DR. DATTA SAMANT : I think the Government have slightly raised the prices of petroleum or the railway fares. But those people who are coming in between, they are making them three or four times more.

PROF. MADHU DANDAVATE : He is right. For hoarders Government is indirectly responsible. For other things, they are directly responsible.

DR. DATTA SAMANT : Another thing I would like to mention is about administrative policies. As far as sugar distribution is concerned, I think the Government has no policy as such and whatever policy is there, it is not implemented. As regards steel, imports were allowed and there is a recession again. Steel prices have gone up, cement prices are going up and I do not think that we are self-sufficient even in sugar, which is selling at about Rs. 8/- per kilo. The prices of oil, paper and aluminium which are all used by common people, have gone up substantially. There is a 30 per cent increase in the electricity charges.

You have allowed to export fruits and vegetables. I have no objection. But by allowing the export, the one who cultivates, i.e. the farmer is not benefited and only the middleman has benefited. Government is responsible for all these things.

I will give one or two suggestions and conclude. We must thank our non-resident Indians who are sending money to this country which is not accounted for. I think about Rs. 6000 crores are coming into the country. This is a good reserve for us. Thanks to Mr. Reagan, dollar price has gone up in the last one year and export to America has gone up by about 20 per cent. As regards my suggestions, consumer resistance movement in our country should be strongly encouraged. I will give one example, in Bombay. A TV serial 'Rajani' is showing how the common woman is being exploited by auto-rickshaws, taxis and gas dealers. These people are saying that consumers are getting wise because of this programme. Why not use our TV and Radio more and more for such type of publicity for consumer resistance movement?

[Translation]

\*SHRI G. S. BASAVARAJU (Tumkur): Mr. Chairman, Sir, many hon. Members including Prof. Madhu Dandavate have ventilated their views about the rising trend of prices of many essential commodities. I would like to reiterate that this trend would continue and it may even become worse if the State Governments and the Central Governments do not come forward to the rescue of the poor farmers who are the back bone of the economy of our country. It is first and foremost duty of the State and Central Government to endeavour their best for the emancipation of farmers.

There is a hue and cry about the rise in price of sugar. During 1982-83 we had huge quantity of sugar in the country but there was none to buy this. Nobody offered a respectable price to sugar. The farmers throughout the country were upset and some of them burnt their standing crop of sugarcane. This was the miserable condition of sugarcane growers at that time.

\*The speech was originally delivered in Kannada,

[Shri G. S. Basavaraju]

Therefore, the farmers got rid of sugarcane cultivation. In 1983-84 there was shortage of sugar and the price of sugar shot up sharply. If you pay remunerative price to sugarcane we can produce any quantity of sugar in our country. Our farmers have that capacity. If the price of sugarcane is below Rs. 352 per Tonne and. If there is no encouragement for sugarcane growers, the sugar factories go on closing one after another. Naturally the price of sugar also goes up. To bring a grinding halt to such fluctuations in the price of sugar, a good remunerative price is the only solution. Therefore, I urge upon the hon. Food and Civil Supplies Minister Shri Rao Birendra Singh to look into this matter seriously and to come to the help of sugarcane growers.

The prices of vegetables, fruits, pulses etc. are also not encouraging to the farmers. For vegetables the farmer is not getting even two rupees per kilogram. His expenditure of input is going up. But he is not rewarded for his sweat. In 1960 the cost of the plough point of the poor farmer was only Rs. 2 but today it is being sold at the rate of Rs. 25. The price of manures and all other items of input are costly. But for the produce of the farmer the rate remains the same. Therefore, today the farmers in our country are agitated and dejected. If the farmers get proper prices and encouragement I am sure that our farmers are capable of producing large quantity of agricultural products, so that we can export than.

Prof. Dandavate was referring to the price of sugar. The price of sugar may be Rs. 8 per k.g. sugar is not a very essential commodity but why don't prof. Dandavate look into the prices of edible oils, Ragi, Jowar, wheat, rice and such essential commodities. These commodities are sold at considerably lower rates throughout the country. I am a farmer. I have first hand experience of agriculture. In addition I was the Chairman of APMC for nine years. I know the conditions of farmers very well. I want to inform Shri Dandavate that the price of meat has gone up because most of the vegetarians are switching over to non-vegetarian food. I categorically deny that there is inflation. There is no inflation in

our country. A Government employee who was getting salary of Rs. 500 in 1960 is getting Rs. 3000/- today. On the otherhand the farmer who was paying Rs. 65/- in 1960 per bag of fertilizer now he has to pay Rs. 160/- today for the same bag of fertilizer. The farmer has to pay more for his clothes, transportation, medicine etc. But for his produce there is no good return. This practice should come to an end immediately. Our farmers should get their due share. They should get remunerative rates for their produce.

Middlemen, business men are deriving the maximum benefit. Unfortunately the cooperative sector is not functioning properly. Therefore, the Government should open more fair price depots and make them work efficiently. Remunerative rates should be fixed in advance for agricultural commodities. At the same time the Government should take stern action against black marketers and hoarders who are eating away the major chunk of our nation's wealth.

Our Finance Minister Shri V.P. Singh is here and I hope he and Shri Rao Birendra Singh would take firm steps in this regard and help the poor farmers of this country. I am sure if this step is taken the consumers also would get the benefit and the prices would be stabilised.

[English]

SHRI NARAYAN CHOUBEY (Minnapore) : When you are debating on price rise, a part of Orissa is starving. People are dying of starvation. Mothers are selling their children. People are fleeing from their houses, and at this juncture, we are glad that our government is exporting wheat to a foreign country, when a part of my country is starving.

Day before yesterday and today I moved from place to place. I could not get a piece of bread from Delhi, not from Bihar, not from Bengal, not from Andhra ; bread has vanished from all shops. When this is the situation, my Minister, Shri Vishwanath Pratap Singh has given some figures and given some graph. This graph shows that the increase in prices is not so high and the inflation is not so high as papers and

other people are saying. It reminds me of a story. In Bangladesh the City of Dacca there people are called coach men. They are humorous people. One man from Calcutta went to Dacca and asked a coach man to take him to Lakshmi Bazar. The coach man said, "Yes, Sir, I will take you." Then that Babu asked, "How much will you charge?" The coach man said, "I will take Rs. 5%." Then the Babu said in whisper, "I cannot pay so much. I will pay you only Re. 1." Then the coach man said, "Babu speaks in whisper because if the horse hears it, he will start laughing." So, these figures given will make the entire nation laugh, and the entire House is united with me in saying that the prices, daily prices are galloping high.

We have got three lions in the Cabinet. Lion means *singhs*. One is Shri Vishwanath Pratap Singh Pratap of Vishwanath Mahadev. Then there is Rao Birendra Singh. He is also *singh*. Then we have Baba Buta Singh. We have got three lions and they are giving figures. They are roaring. Prices are going high, but they are roaring. Sab Jhut Hai, our Hato.

(Interruptions)

There is a report in the *Times of India* dated 26.7.1985 which says—

"A family of five which used to manage the family....."

(Interruptions)

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : Choubeyji, it is the same machinery on which Prof. Dandavate relied, and the figures given by him were relating to that period.

SHRI NARAYAN CHOUBEY : Sir, two blacks do not make one white.

PROF. MADHU DANDAVATE : Who are the two blacks ?

SHRI NARAYAN CHOUBEY : I do not know. Both were bourgeois Governments, whether it was the Congress or any other Government, I cannot say.

(Interruptions)

PROF. MADHU DANDAVATE : At least you should concede that in colour he is white than me.

SHRIMATI GEETA MUKHERJEE : Conceded.

SHRI NARAYAN CHOUBEY : This report in the *Times of India* says,

"A family of five which used to manage family expenses by Rs. 1,500/- per month are to find an extra Rs. 150/- per month due to price rise from March, 1985."

MR. CHAIRMAN : Mr. Choubey, your time is over.

SHRI NARAYAN CHOUBEY : I do not want to mention item by item. But I beg to submit Sir, the Citizens Council of Delhi has made a survey of the wholesale prices. That survey has indicated the following increase in the wholesale prices. The wholesale prices on the 1st July and 19th July are given as follows :

	July 1st	July 19th
Gram	Rs. 480 per quintal	Rs. 520 per quintal
Sugar	Rs. 550 per quintal	Rs. 750 per quintal
Mustard oil	Rs. 160 per tin	Rs. 190 per tin

Even in Calcutta, which is one of the cheapest metropolies in India, the prices are going up. When the situation is like that, the hon. Finance Minister does not take care of these things and he continues to say that the price rise is not so high as the papers say.

THE MINISTER OF FOOD AND CIVIL SUPPLIES (RAO BIRENDRA SINGH) : What is the retail price of wheat in Calcutta as compared to the issue price of the F.C.I. ?

SHRI NARAYAN CHOUBEY : Retail price of wheat ? It is Rs. 1.85/-.

SHRIMATI GEETA MUKHERJEE : Fair price shops are selling at Rs. 2/-.

MR. CHAIRMAN : You conclude now,

SHRI NARAYAN CHOUBEY : You please give me some a more time.

MR. CHAIRMAN : I have given you more time already.

AN HON. MEMBER : We do not get any wheat in the ration shops, at least in Calcutta.

I want to make a few suggestions.

MR. CHAIRMAN : No more time please. How can it be ? I have already given you more time. I have given you double the time.

SHI NARAYAN CHOUBEY : Sir, one minute more.

MR. CHAIRMAN : All right.

SHRI NARAYAN CHOUBEY : I thank the Congress workers who are fighting against the policy of the Government from inside. I thank them. (*Interruption*) : make a suggestion to the Government. I hope he will look into it. The hon. Finance Minister must curb the black money. He must enter the wholesale market and end monopoly of private traders there. He must arrange to supply the fourteen essential commodities through the public distribution system. He must take severe measures. A lot has been said about others, but the maximum suffering is undergone by the agricultural labourers. You must arrange food for them at subsidised rate.

MR. CHAIRMAN : Now, you resume your seat.

SHRI NARAYAN CHOUBEY : The prices have been going up.....

MR. CHAIRMAN : I am calling the next member.

SHRI NARAYAN CHOUBEY : The people will not keep quiet. The people will be on the move against this policy.

MR. CHAIRMAN : Shrimati Basava Rajeswari.

[*Translation*]

\*SHRIMATI BASAVA RAJESWARI (Bellary) : Mr. Chairman, Sir, several members have already expressed their views about fluctuations in the prices of various essential commodities. Therefore, I do not want to go into greater details but confine myself to some vital factors.

There is an increasing trend in the prices of vegetables, pulses, sugar, fruits and some other commodities. But there is not much increase in the rates of Jowar, Ragi, Rice, wheat etc. But other items like cement, iron, petrol, manures, wood have become too costly. The farmers are the worst hit at the present situation.

To face the present situation of fluctuating trend of prices there are two ways of approach. The first one is finding temporary solutions and the second a permanent solution.

Supply-Demand management, strengthening of public distribution system and curbing hoarding come under the first category. There was shortage of sugar and the Government imported it. In the same way the Government is taking up various steps to tackle the problems with regard to supply of commodities. There are certain drawbacks in the public distribution system. The cooperative sector is not functioning properly. There is misuse of commodities. Some proper arrangement has to be made by the Government and the public distribution system should be set right.

The most dangerous thing in our society is hoarding. These hoarders must be identified and severe punishment should be given to them. Adulteration is rampant throughout the country. Water is added to kerosene oil. Small stones are mixed with rice, pulses and sugar are also adulterated. Even medicines and life saving drugs are not spared from adulteration.

Now, secondly I would like to deal with permanent solutions. Today farmers are not taking any interest in growing sugarcane, Remunerative price is not being given to sugarcane and naturally there will be shor-

\*The Speech was originally delivered in Kannada.

tage of sugar. The sugarcane factory owners are cheating farmers. If this trend continues a time will come when there will be no sugar at all. To solve this problem adequate and remunerative price is the only solution. The farmers deserve all encouragement and hence the hon. Minister should come forward to help them. Incentives must be given to the farmers who produce oil seeds, pulses, vegetables, fruits etc. They should get manures at subsidised rates.

Many States have urged upon the Central Government to clear the various projects in this regard in the 7th five year plan. The Centre should clear these projects immediately. It should provide the States with substantial irrigation facilities in addition to financial help. After helping the States in the above said manner the Centre can ask the States to produce more and more oil seeds and pulses accordingly. Then we cannot only get the required quantity of various commodities like oil-seeds, pulses, cereals, fruits etc. but also they can be exported. Thereby we can avoid import and avert the recurring drain on valuable foreign exchange expended in importing them. The centre has to plan for the whole country about its requirements. Then it has to ask different States to grow different crops according to the geographical condition prevailing and various facilities available in respective States. They can get the statistics and prepare a comprehensive plan. The Centre should announce the remunerative prices in advance. For example in Japan certain rates are fixed for purchasing such commodities. Then they have a good system of distribution also. Why don't we also streamline methods of purchasing and distributing this commodity. If this is done I am sure that the farmers, consumers and the country as a whole would get the benefit. I hope the hon. Minister would do the needful in this matter. I thank you Sir, and with these words I conclude my speech.

**SHRI MOOL CHAND DAGA (Pali) :** The Union Minister should either say that the prices have not increased or should admit that the State authorities are not working properly and that the activities of the black-marketeers, profiteers and hoarders are on the increase. I would like to ask that if there is no fear of the Government

machinery; then whose fault is this? The worst thing is that all the Government officers are hand in glove with the profiteers. For how long this unholy alliance would continue? How can the Essential Commodities Act be effective when all the Government officers are in connivance with the profiteers and hoarders?

**AN HON. MEMBER :** Exclude 20 per cent out of them.

**SHRI MOOL CHAND DAGA :** You point out even a single name. What is happening in the country these days? For example, take the incident which took place yesterday. Expenditure on police has increased but the number of anti-social elements has also increased. Administrative expenditure is also increasing day by day. The prices are increasing despite the appointment of Inspectors, Supply Officers and District Supply Officers. All repeat the same thing that a committee would be set up at the State level. I would like to know about the Ministers and M. P.s who were Members of this State Committee and who looked after this job honestly. It is said that committees would be set up at the taluka level and district level. Where are these committees? These are on paper only. I would like to know what is the issue price and what is the administrative expenditure. You say that prices have increased to such an extent. I would like to know whether kerosene oil is made available to the people in the far off places or rural areas at the issue price? You should tell honestly the difference between the issue price and the price stated by you here. You say that this price is issue price plus administrative expenditure. Who fixes it? Being in the ruling party we have increased our expenses and as a result, the people say that we are living like princes and we are also not honest. Previously, this expenditure was Rs. 900 crores. Now, it has gone up to Rs. 7000 crores. This expenditure includes the expenditure on official vehicles and big bungalows. The profiteers have come to know that these are leading a luxurious life. The poor in the country are suffering a lot due to this nexus between corrupt politicians, corrupt capitalists and corrupt employees. The fact is that our character makes no impact on them.....  
(*Interruption*) Mr. Choubey, no purpose

[Shri Mool Chand Daga]

will be served by shouting (*Interrxptions*) Rao Birendra Singh had said that wheat, rice and Janata cloth would be supplied but it is not being supplied (*Interruption*). If you ring the bell, the fate of 20 crore people will be affected. We would not be affected in any way. We have got all the facilities. Arrangements should be made to provide controlled items to the 20 crore poor people. After all, for whom these controlled items are meant? Who is affected by the price rise? Does it affect those who live in big bungalows or in Vasant Vihar or in other big cities or those who live in the villages and are poor workers? Workers from Rajasthan have come here to earn their livelihood, but they are not issued any ration card. Just have a look on the condition of thousands of workers, who come here to earn their livelihood. Why do you ring the bell? For whom this discussion is meant? The hon. Minister knows how to prepare a good graph and we shall accept his contention also. But the question is that essential commodities should be made available to people under the 20-Point Programme. You say that exercise books and tubes will be made available. I would submit that you should make available at least wheat and controlled cloth. When the mills did not produce Janata Cloth, you asked the N.T.C. and then the powerloom owners to produce this cloth. The condition is that some shops do not have wheat and others do not have cloth. Kerosene oil is not available in the villages. The hon. Finance Minister is aware of everything, still he must visit some villages sometime and see for himself the conditions prevalent there and then prepare the Budget. In our area the Enforcement Officer, the Holidays Inspector and Weights and Measures Officer get a fixed amount in the form of illegal gratification per month. You are unable to check this practice also.

**THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) :** Mr. Daga, why do you say this thing about your area that Officers get certain fixed amount of illegal gratification per month?

[*English*]

MR. CHAIRMAN : Please conclude.

PROF. MADHU DANDAVATE : Please allow him more time. Very few Congressmen talk like that.

[*Translation*]

SHRI MOOL CHAND DAGA : I shall not be able to conclude my speech in two minutes.

[*English*]

MR. CHAIRMAN : If you are not finishing, you can speak tomorrow. Please finish in two minutes.

[*Translation*]

SHRI MOOL CHAND DAGA : How will it be possible in two minutes. There are three types of consumers—firstly, the skilled labour and those who are earning well, secondly, those who work under N.R.E.P. and R.L.G.E.P. and earn their livelihood and, thirdly, the consumers which we would like to be. Out of these three types of consumers, two types of consumers have not been affected. Only those have been affected, who depend upon the Government for their livelihood. Have we made announcement to the effect that under the 20-Point Programme, which is a national programme, we shall supply foodgrains, cheap cloth, soap, etc. to these people through mobile vans and have we been able to fulfil this promise? The question is that they are not getting these things. Our young Prime Minister recently visited adivasi areas and he found that a shop was opened there on that very day. I would, therefore, like to say that the criterion for price rise should not be judged on the basis of the prices prevailing in Delhi. It should be judged on the basis of the prices at which things are available in the villages. I would like to say that this criterion is not proper. The administration will have to take preventive measures for this, expenditure will have to be curtailed and black marketing will have to be checked. It will be possible to achieve something only if some bold steps are taken and dishonest persons are put behind the bars.