

12.02 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED RISE IN PRICES OF FOODGRAINS, SUGAR AND OTHER ESSENTIAL COMMODITIES

SHRI INDRAJIT GUPTA (Alipore):

I call the attention of the Minister of Civil Supplies and Co-operation to the following matter of urgent public importance and request that he may make a statement thereon:

"Reported rise in prices of foodgrains, sugar and other essential commodities throughout the country."

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES AND COOPERATION (SHRI A. C. GEORGE): Sir, I rise to make a statement with reference to the Calling Attention Notice given by S/Shri Indrajit Gupta, Kalyana Sundaram, Bhogendra Jha and S. M. Banerjee and Smt. Parvati Krishna on rise in prices of foodgrains, sugar and other essential commodities.

As the Hon'ble Members are aware, the first and the foremost point included in the 20-Point Programme announced by the Prime Minister last year related to measures for streamlining of arrangements for distribution of essential commodities and for maintenance of price stability. In fact, one of the significant gains of the Emergency was on the price front. In the week immediately preceding the declaration of the Emergency, i.e., week ending 21st June, 1975, the index of wholesale prices stood at 312.9. By the last week of March 1976, this index had declined to 283.1. In other words, there was a reduction in wholesale prices by more than 9 per cent. This trend was also reflected in the consumer price indices. The index for industrial workers declined by over 12 per cent between July 1975 and March, 1976.

Between April and June, there was undoubtedly an increase in all-commodities wholesale price index by about 4.7 per cent. In respect of some essential commodities, this reflected a recovery from a rather low level to which the prices of these commodities had fallen by March, 1976. For instance, Government itself decided that the prices of barley had gone down to unremunerative level and, therefore, a support price of Rs. 65 per quintal was announced. Similarly, the prices of groundnut oil had slumped very low and the S.T.C. was asked to step in and export 5000 tones of oil with a view to helping in firming up the prices.

As Hon'ble Members are aware, during the lean period beginning from May, there is a normal tendency for the prices to move up, specially in the case of kharif crops. This year, the uptrend was accentuated due to delay in the onset of monsoon and deficient rainfall in the earlier part of the rainy season. Speculators and anti-social elements tended to take advantage of this situation and push up the prices.

I may also point out that the increase in the prices has largely been confined to a few commodities like oilseeds, groundnut oil, raw cotton and hides and skins. The prices of a number of other essential commodities such as wheat, maize, several varieties of pulses, spices, soaps and kerosene oil have remained more or less stable or witnessed only a marginal increase. That is why, between April and June, 1976, the consumer price index for industrial workers moved up by only 1.7 per cent. During the same period, the index for agricultural workers also increased only marginally by 0.4 per cent.

I have given above details in order that the recent price situation is seen in the proper perspective and no exaggerated inferences are drawn. At the same time, Government has taken due note of the price rise in the specified commodities mentioned above

and have initiated a number of measures. Some of the important measures are:

Sugar

- (i) Over and above the normal release of levy free sugar, extra 20,000 tonnes of sugar is being released during the current month.
- (ii) The additional supplies are being directed to sensitive areas like major cities and large industrial complexes which act as price setter for prices.

Edible Oils

- (i) To relieve the pressure on indigenous oils, vanaspati manufacturers have been directed to compulsorily use imported oils to the extent of 50 per cent with effect from 15th July, 1976. For this purpose, the industry will be supplied with imported oil of nearly 1.25 lakhs tonnes, consisting of palm, soyabean, rape-seed and Sunflower oils.
- (ii) Further exports of HPS Groundnuts have been banned.
- (iii) The State Governments have been asked to intensify action against hoarding of oil seeds/edible oils. The States have also been asked to reintroduce suitable procedures so as to monitor information on stocks and movement of edible oils.

As a result of various measures, the index of wholesale prices which had been steadily rising from April onwards recorded a fall in the week ending 17th July, 1976. The fall was of the order of 0.7 per cent. This has been followed by a further welcome fall of 1.2 per cent for the week ending 24th July, 1976. This is the week for which, so far, the latest price index is available. It will thus be seen

that the measures taken by Government have begun to have a visible impact.

It may be added that the overall health of the national economy is very sound. The country has witnessed a record production and procurement of foodgrains. There is also a significant growth in industrial production. The overall availability of essential commodities throughout the country is reported to be satisfactory. In this context, the Government has every hope that the overall price situation will continue to be satisfactory. If any unwarranted price increase in respect of any essential commodity is observed, Government will not hesitate to intervene and take necessary remedial action to discipline the prices.

SHRI INDRAJIT GUPTA. I do not find anywhere in this quite lengthy statement any expression of concern on the part of the Government. According to them everything is perfectly under control. They are having confidence. There should not be any exaggerated views and panic. Of course, we are against spreading panic and exaggerated views. But on reading the newspapers we find statements made during this inter-session period by Government spokesmen including the Minister of Food & Agriculture, the Minister of Industry and Civil Supplies and so on, which certainly did not give me an impression that they were so complacent, they seemed to be concerned about it. But I am glad my friend from Kerala is brimming over with confidence. It is a good thing. I am not bothered so much about the figure having declined or a rise in that in a particular week or a particular month. Index figures—wholesale or consumer—do move up and come down like that. We are concerned about the emergence or the occurrence of a particular trend at a particular point of time. That is why I wanted the Government to analyse for us properly and tell us as

This was a big argument for taking away the bonus of the workers and introducing the Compulsory Deposit Scheme as far as the workers' D.A. and so on were concerned. All those steps were taken much earlier. That money in the hands of the workers, it was apprehended, will push up the prices. That apprehension was taken care of by changing the bonus law and by introducing the Compulsory Deposit Scheme. After that, the prices had risen. Why? At least on this score, the workers are not to blame—they cannot be blamed. The measures which were taken in respect of them had come into operation long ago. So we want to know if it was a fact or not that from March-end to June-middle, the money supply went up by nearly Rs. 1,000 crores. Also I want to know whether it was a fact or not that in this period, the bank credit to the non-Government commercial sector had risen by Rs. 408 crores and whether it had any bearing or not on the general inflationary position and the price level. I also want to know whether it was a fact or not that the increase in income of the rich sections in the countryside—rich farmers—had put more liquid funds in their hands? And are these not encouraging them to hold back the supplies from the market? Is it a fact or not that the lowering of taxes which Mr. Subramaniam brought about this year on the richer section and the voluntary disclosure scheme has made them much more respectable by putting white money in the hands of the black market operators?

Then, during the inter-session period, though the bonus had been cut, there was removal of restriction of dividends. Is it not a fact that the curbs that were put on the issuing of bonus shares have been removed? All these combined have put large amounts of liquid money in the hands of the corporate sector, of rich people and of the higher income groups including the rich farmers? The undisclosed black money in the country which is still there in the economy is leading to a fresh spurt in speculation, in hoarding and cornering. These developments, I am just pointing out, show that even in the days of emergency how strong and powerful these forces are. He has said something about production in his statement. But I find that in eleven out of fourteen items of listed essential commodities, the production has fallen in the first quarter of this year. Will you please explain this? Who is to blame for that I shall conclude by asking this question whether the Finance Minister would give any second thought or not to this matter? Is this not actually leading to a fall in the purchasing power of the ordinary consumers? Is this not leading to the consumers' capacity going down? Shrinkage in domestic market is also taking place. Industries now complain of recession and unsold stocks and so on. This is leading to shrinkage of domestic market. I do not want to hear from him again that in order to combat the inflationary trend, now the Plan again will have to be pruned. We congratulated him at the time of the budget on the outlay on the plan. But, I

warned him at that time and asked him where from the resources were going to come. He has not told us about that. Now the resources are being left in the hands of the rich people in the corporate sector. You can bring in a supplementary budget again to mop up the excess liquid funds. If you do not do it, then the only alternative left eventually will be to say that regretfully we now have to prune the Plan again in order to avoid inflation. I think they will not go that way.

Regarding sugar, there is one point. There are two paragraphs here in his statement as to what they have done. Just now they have announced the average rise of Rs. 10 per quintal in the levy sugar price for the sugar millowners and the open market price of sugar has gone up to over Rs. 5. Sir, you must be knowing this because you must also have been buying your household things every day. Instead of pumping the sugar into the public distribution system and leaving less sugar for the open market sale, they have now given an extra Rs. 10 per quintal in the levy price to the sugar millowners. I would like to know why when we had made a good start one year ago instead of allowing it to be frittered away we should not have taken some firm policy steps? Why not take over this sugar business since there has been demand for it time and again by all the sections in this House. Why not state trading be done in these essential commodities?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Sir, it has become almost a general debate on the economic situation and not a calling attention limited to the parti-

cular aspect. I want to assure the hon. Member that we are genuinely concerned with the price situation.

MR. SPEAKER: Genuinely concerned with the price situation . . .

SHRI C. SUBRAMANIAM: And we are taking all necessary measures for the purpose of bringing this under control, and as I was pointed out by my colleague it has shown results also. The rising trend has now been reversed and for two consecutive weeks—one week it was 0.7 per cent and another week it was 1.2 per cent—a perceptible decrease has been shown. But still as the hon. Member pointed out it is the trend which is rather disturbing—the trend of increasing prices from March till we took the steps. Naturally, the price depends upon the supply position of the goods and the demand which is represented by the money supply. These two will have to be balanced. The hon. Member mentioned a very high figure of Rs. 1,000 crores extra credit having been made available. Yes, it is so, because for the first time we have gone into procurement of the highest order possible and therefore about Rs. 2,400 crores had to be given for the purpose of procurement operation alone, which is a record figure, and naturally this gets reflected. All this was purchased at the support price. The hon. Member might say even the support price should not be paid to the farmers. It is easy to say.

SHRI INDRAJIT GUPTA: It is paid everywhere else except in the case of jute.

SHRI C. SUBRAMANIAM: I will come to jute. The point for consideration is that as a matter of fact there was a hue and cry that the support price operation is not even adequate at this level of about Rs. 2,400 crores and you now have 17.5 million tonnes of wheat, rice and some coarse grains with the Government. Naturally, this amount which has been distributed to the farmers gets reflected as money supply in the whole system. This will have to be taken into account.

Secondly, the hon. Member made a point that apart from this, to the commercial sector there has been an increase. We are looking into this aspect. But the hon. Member should keep this in mind as against 2.5 per cent increase in production in the industry now it has reached a level—particularly during the first part of the calendar year—of 10.5 per cent and I am told that this trend is being kept up. If that be so, can it come out of nothing? Therefore, this higher level of production will have to be financed at least to a certain extent. But still we are very much aware that this should not be taken advantage of by the speculators and hoarders. That was why we had a discussion in May with Reserve Bank with regard to what level of additional money supply could be created to meet the situation; and we have given them the limits within which they should operate and very soon I hope to have another meeting with them to find out how far those limits have been observed and how far the money supply could be curtailed. This is one aspect.

Then the real spurt took place—even though the hon. Member wanted to minimise the importance of it—even now whether it be the Finance Minister or the Government as a whole we have to look to the skies. We depend on the monsoons. When the monsoon was not playing fair, for quite a number of weeks, naturally the speculators came into the picture. This is where I do agree that in spite of all the disclosures etc. that there is still black money available within the system has been proved. That is why we are now again trying to tighten up these measures and seeing that the hoarders and speculators are taken care of. A large number of people have been arrested and put in detention under MISA. It had a very salutary effect, particularly with regard to edible oil and oilseeds.

As regards the pattern of increase, in what commodities this increase had taken place, the hon. member

mentioned that the increase had taken place in foodgrains also. Yes, marginally it has taken place. But that is not the main area where the price index had gone up. It had gone up mainly, first in edible oil, second in the raw material of edible oil, oilseeds—there also it has gone up—and then more than that, cotton, another area where speculation is always rife. It is not always merely the traders who are involved in it. Unfortunately, in this the trade has links with industry also; that is the real trouble. Unless we find a solution to that

SHRI INDRAJIT GUPTA: Has not sugar price gone up?

SHRI C SUBRAMANIAM: I am coming to that.

SHRI INDRAJIT GUPTA: You named only three.

THE MINISTER OF STEEL AND MINES (SHRI CHANDRAJIT YADAV): He is just elaborating.

MR. SPEAKER: He will come to sugar and jute later

SHRI C. SUBRAMANIAM: Therefore, we are looking into the cotton position. It is not as if the producer got a higher price. As a matter of fact, everything had been purchased from the producer. It is a case of transfer from one trader to another, then probably to another trader; this goes on changing hands four or five times, and by that time the price has shot up. That is why now we are taking action to see that the trader could sell only to the mills and not to another trader. These are all various steps which have been taken. These steps could probably have been taken earlier, but we at least woke up a little late and have taken these steps.

As far as sugar is concerned, the hon. member might be aware that production has gone down by 6 lakh

tonnes this year. From 48 lakh tonnes it has gone down to 42. We had at that time a heavy programme of exports also. Taking these things together, naturally the prices went up a little.

The hon. member mentioned about increase in the price of levy sugar. The cost accounts organisation went into it and tried to find out, because many of the mills were becoming sick. They went into the question of the price that should be paid to the sugarcane. The same lobby which wants a higher price to be paid to the cane at the same time wants the price of sugar also to come down; one is contradicting the other. But taking into account the sugarcane price and the ordinary conversion charges etc, they had to fix some price and they did fix the price. But then we did not want the increase to get reflected in the sale price. That is why we have cut down the excise duty from 20 to 15 per cent so that the entire increase is borne by Government rather than passed on to the consumer. Therefore, as far as levy sugar is concerned, there is absolutely no increase in the price. It is the same price as prevailed before.

But as far as the price of open market sugar is concerned, it depends upon availability, not only availability but the seasons also. For example, in Kerala during Onam, there is an increase in demand and there is a slight increase in price. Therefore, the fact that this season, particularly September-October are going to be festival months, will have to be taken into account. Even in his own State, there will be Puja and various other festivals. You cannot say that you should not give sugar for these purposes. That is why, we have today taken the decision that as far as possible, we should release more sugar during these seasons and also in areas where the demand rises, not merely just release it but see that it is deployed in areas where the demand picks up.

Therefore, as far as sugar is concerned, even with regard to the open market prices, the prices have come down. I am sure my hon. colleague would be able to give figures on that. One cannot say that it has come down uniformly everywhere. Particularly in cities like Bombay they are able to manipulate things in such a way as to make prices rise because speculators operate more in such places. That is why we have now drawn up a policy so that critical areas are taken care of, particularly areas like Bombay, Delhi, Calcutta, etc. and various other industrial centres also.

As far as jute is concerned today the problem is not the price of jute; it is a question of stocks moving from the jute mills; that is the problem with which we are faced; some 60,000 bales or tonnes, I do not know, had accumulated and there is no demand outside—jute is dependent upon exports—and internal consumption is limited. So, when exports fall, there is no demand for it. So, the question arises when there is no demand what should be done. I do not think that the hon. Member would say that we should purchase all that, whatever may happen, because it affects West Bengal, one should try to see whether some kind of buffer stock operation could be undertaken even in regard to this. I am sure, on the other side, on the industrial relations side, he will be saying that there should be no lay-off and everybody should be given employment. If that has to be taken into account, naturally, the jute industry will have to be taken care of in a particular way. We are dealing with this situation and we hope to take a decision in the next two or three days. Jute is a commodity by itself; it goes up and down. One year they produce much more than what is required; next year they switch over to rice because in the previous year the price had fallen. I am sure the speaker is much more conversant with the jute situation than I could ever conceive.

of. This is the situation that has come about and the hon. Member naturally brings in his own ideological overtones with regard to various measures which we have undertaken. We have taken some positive measures... (Interruptions) Let us wait and see the results; I am not committed to any ideology as he is.

SHRI INDRAJIT GUPTA: I did not bring in ideology at all.

SHRI C. SUBRAMANIAM: For example, in respect of sugar, they say: take over sugar mills; nationalise them and everything will become all right.

SHRI INDRAJIT GUPTA: That was the demand of your own party members.

SHRI C. SUBRAMANIAM: It may be the demand of anybody I wish that nationalisation was the panacea for everything; as far as I am concerned, if nationalisation would solve the problem I am prepared to nationalise everything including hon. Members. We have to consider what policies should be undertaken.

As far as the corporate sector is concerned, we have not given any concessions to them. On the other hand, the 5 per cent surcharge which they were paying, they had been asked to deposit in IDBI. As far as bonus share is concerned, it does not increase the resources; it is converted into equity and so it is available as a reserve or as equity it does not increase liquidity. On the other hand, if the hon. Member wants this also to be distributed as dividend, it will increase liquidity.

SHRI INDRAJIT GUPTA: But dividend will be paid on those shares.

SHRI C. SUBRAMANIAM: Later on only. If it is not converted into equity now, this will also be distributed as dividend now and there will be more purchasing power available within the 1953 LS-3.

country. Therefore to the best of our ability—Of course I cannot match Inderjit's intelligence and analysis—and to the extent possible we are analysing the situation and are trying to find out the factors which are operating today and take all possible measures for the purpose of controlling the situation.... (Interruptions)

MR. SPEAKER: We have spent more than half an hour on it.

SHRI S. M. BANERJEE (Kanpur): It was a battle of intelligence; we have now to put questions.

MR. SPEAKER: Please be brief.

SHRIMATI PARVATHI KRISHNAN (Coimbatore): I am sorry that the question of ideology had been brought in here. What causes us concern is the fact that in this statement there is no reflection of any serious concern or any urgent or dynamic steps being taken. That is why we have brought up this matter. We have been told of 'remedial action'. They have stated in the statement that "speculators and anti-social elements tended to take advantage of this situation and push up the prices". It shows that the government is aware of what the disease is and where the trouble lies.

You keep on reciting the 20 point programme like a *mantram* but the first point in that programme is to keep up the steps taken to bring down the prices. If that is so, why has this sudden trend come up? There is something wrong. Following the same pattern is not going to help. We find the same arguments being repeated as before. The minister said, "we have arrested some people who are speculators." In Tamilnadu, when it was pointed out that there were certain people who were hoarders of edible oils, they were arrested one night but released next day. Whenever such people are arrested, people of a certain ideology, which the minister appreciates, step into

support price had to be raised, because the groundnut oil price had come down to Rs. 3,800 per tonne. There was also a demand for export of groundnut and groundnut oil, and that is why the STC as a last measure was asked to step in. So, at one time, because of the super bumper crop, which was rather unusual, there was a demand from many groundnut producing States that the situation had to be relieved, the quota has to be removed and that the farmer must get a higher remunerative price. Even though in some quarters there is criticism of export, we exported only 2.15 lakh tonnes, which is three per cent of last year's production. This year, as soon as we noticed a tendency for the prices to rise, immediately the Finance Minister convened a conference of all the concerned departments and various measures were taken and on the 16th July results were shown. This is why next week we had a fall in the price index by 0.7 per cent and in the subsequent week by 1.2 per cent. The latest indications are that the prices are still going down.

From this year's experience we have decided that, instead of taking ad hoc measures for a vital item like edible oil we should have a national plan. By September we will have a firm indication of the likely production and we will have an assessment of the requirements. We will also be knowing the requirements of the vanaspati industry and how much we can realise by export of high-priced mustard oil and linseed oil. Taking into account the import possibilities and exports, we will draw up towards September a comprehensive national plan for vegetable oil or edible oil, and this will be a permanent feature instead of being an ad hoc measure. Because of the experience of this year of a few weeks' delay in the monsoon and the super bumper crop in the major groundnut producing areas this situation has arisen. From this experience we have decided to have a national plan. There is no complacency. The only thing is

that we do not want to have a sense of panic. We want to say that the country is confident that it can tackle the situation.

SHRI M. KALYANASUNDARAM: (Tiruchirappalli): Neither the statement, nor the reply given by the Civil Supplies Minister now will give any confidence to the consumer that there will be any serious attempt to stabilise the prices. If the speculators and the hoarders listen to the non-ideological speech of the Finance Minister, they will be amused because he said that he will allow the prices to rise till they reach the level that was prevailing at the time of declaration of emergency. That seems to be the position of the Government

Coming to Tamil Nadu, the real emergency came there only after the removal of DMK from power. Then the prices came down. But what is the position today? The prices have again gone up to the old level. What will be the impression which the people will get? Does the Government exhibit any seriousness in this statement? No, The Civil Supplies Commissioner and the Advisers are repeatedly saying that there is no real scarcity. It is good because it will give some confidence to the people. But that confidence alone will not do. Today no shop sells groundnut oil which is the most popular edible oil for the poorer section of the society. Is this how they are going to protect the weaker sections of society during the emergency, from the clutches of the hoarders? Government is aware that this scarcity and high prices are due to hoarding. In so far as I can speak about Tamil Nadu, I am sure it is due to hoarding and not real scarcity. And why do you attribute this to the small quantity that was allowed to be exported? The statement is a plea for the hoarders and blackmarketeers to justify their conduct.

MR. SPEAKER: In his reply he has stated that only three per cent was exported, but because of the activities of the hoarders and others, the prices

have gone up. He has said the same thing.

SHRI M. KALYANASUNDARAM: If that is so, what is the action?

MR. SPEAKER: The action is the national plan.

SHRI M. KALYANASUNDARAM So, the hoarders can thrive until the national plan is worked out. Don't blame the monsoon, don't blame the lack of a national plan. What are the steps you are going to take immediately to unearth the hoarded stock and give it to the people at the prices fixed by the Government themselves? That is very important with regard to edible oil, particularly groundnut oil.

In rice Government has got ample stocks, which is reassuring, but why should prices go up like this? Immediately after President's rule was proclaimed, in Tamil Nadu rice price came down and rice was available everywhere. Procurement was made at a price lower than what had prevailed during the DMK regime by Rs. 10 per quintal. Now, the position is that the price of rice is rising very much. Again, the reason is that the wholesale traders who were banned immediately after President's rule have been now activated and they are cornering the rice. So, what is the action they are going to take?

Coming to sugar, the levy price has been increased to some extent, but not for all the States. To offset the increase, the excise duty has been reduced on sugar. Both ways the sugar manufacturers have been benefited without relief either to the cane growers or to the consumers. That is my point. So far as Tamil Nadu is concerned, there may be a slight reduction in the levy price, but the cane price there is the lowest in the country. Why don't you at least see that the relief given to the sugar factory owners is shared by the consumers and the cane growers?

Basically, if they persist in the non-ideological policy followed by them, they are not going to solve the problem. The No. 1 item of the 20-point programme will meet with a calamity so long as you follow this policy.

SHRI A. C. GEORGE: The hon. Member has raised two important points, one about groundnut and the other about the rice situation. The figures from all over the country including Tamil Nadu indicate that there was no appreciable increase in the price of foodgrains.

About groundnut oil, the Tamil Nadu Government has already taken various measures to unearth the hoarding and actually Tamil Nadu is the one surplus State in the matter of groundnut, but there was some artificial scarcity created is pointed out here, and the Government there has taken very firm measures, and we are quite confident...

SHRI M. KALYANASUNDARAM: We are not getting oil. Even the Super Bazar does not have groundnut oil. Do you believe me or not? For the past two weeks it has not been available.

SHRI A. C. GEORGE. I was in Madras day before yesterday, nobody told me about it.

We are keeping a complete monitoring of information from all over the country. There are 61 important centres in the country from where we get information every 24 hours. However, since the hon. Member has pointed this out, we are prepared to look into this matter, but this will only create panic that no groundnut oil is available in Tamil Nadu though actually it is a surplus State and is feeding even Maharashtra.

About rice, we have increased the quota to Tamil Nadu and the position is comfortable. If any more remedial measures need to be taken, Government will not lag behind in that.

SHRI BHOGENDRA JHA (Jainagar): The so-called non-committed ideology propounded by the Finance Minister and which is being consistently followed by him, has landed our country in a soup. During the Budget proposals, he said that some concessions were being given to the industries to ensure that the prices of industrial goods would be brought down. When prices came down after Emergency, mostly the prices of agricultural products came down; the prices of industrial goods did not come down. When the prices of agricultural products went down, the poor peasants had to make a distress sale of paddy and later on wheat also—during harvest time. Government went to the market very late; by that time, the vast majority of the toiling kisans had been looted; the rural hoarders, that is, the big producers and the urban hoarders had cornered the stocks of paddy. In regard to wheat also, the same thing happened; I myself visited Gujarat, Punjab, Haryana and Western U.P. and went to several mandis and we saw that the Food Corporation people rejected the wheat brought by the peasants; after waiting for three or four days, the peasants had to sell that to the traders at a much lower price than the support price, and from those traders that very wheat was purchased by the Food Corporation at the support price. When our people resisted, they were arrested; some known Communist leaders of Kurukshetra district, well known leaders and Sikhs, have been charged with opposing the ban on RSS. In my presence, they were arrested, and for the last three or four months, they are in jail; they have not been released even on bail. All this is because they resisted the attempts of the traders and the corrupt officers, and the FCI people and the traders have been sharing it fifty-fifty between them. No benefit has gone to the peasant producers; only the hoarders, big land-owners, who had cornered and are still hoarding, and the urban hoarders, are benefited. I am talking

out of personal experience; I had gone to Punjab and other places and I personally went to the mandis. Here, I would like to know what is the policy of the Government. The peasant producers are being looted doubly; at the time of harvesting, their crops are not taken by the FCI, by the time the FCI enters the market, most of the actual producers had been looted by having been compelled to make distress sale. Afterwards, most of these poor peasants have to purchase these very foodgrains at a much higher price by selling their land. When the price index is prepared, we have to take into account this also I would like to know whether Government has a policy to ensure that the actual peasant producers get the price, at least the support price, which Government claims that it wants to ensure, and whether that price is going to be made stable for the whole year or not. Afterwards, when prices rise, you will blame the monsoon for that. If the monsoon is to be blamed for price rise, then the same monsoon has to be praised for the slight fall in price also—in the second fortnight of July.

I would like to ask a few questions with regard to industrial goods and raw materials—jute, cotton and sugar. The cane prices were not raised. The Finance Minister was very much worried about the cane lobby. The House is almost unanimous on that but, you know, the visible lobby of the sugar mill-owners is very powerful here. I would like to know whether the question of the supply and demand which is a discarded theory of the capitalist economies and which is very much in the mind of our Finance Minister is controlling the Government's understanding also. Then, if there is an abundance of jute and if there is no market outside, then, in that case, may we know whether the prices of finished goods of jute have come down? The prices of raw materials have gone down, the peasants are being looted but have

the prices of finished goods gone down proportionately?

Similarly, when the raw cotton prices have gone down, the Cotton Corporation of India is not given funds ..

MR. SPEAKER. As an argument you can say that but this question is a specific one about foodgrains, sugar and other essential commodities. As an argument you can mention parity of prices but it cannot be a substantive point.

SHRI BROGENDRA JHA. It is not a question of argument. I only want to know whether, when the cotton prices went down and the peasants were looted the prices of textile goods also went down proportionately. Now, the cotton prices have gone up the peasant-producers have already sold their stocks and the hoarders are getting profits and consumers are being looted. Here is the crux of the very uncommitted ideology propounded by the Finance Minister being too much committed but in favour of big hoarders and industrialists. Here is a full-fledged loot of the peasant producers, a full-fledged loot of the consumers and all profits have gone to the hoarders, black-marketeers and mill-owners. This uncommitted ideology is very much committed.

I would like to know in this situation whether throughout the country a single hoarder or a single black-marketeer is being or has been proceeded against under Section 110 Criminal Procedure Code which has provided that they can be charged for bad livelihood.

For the last few years it is in operation and I would like to know if a single individual black-marketeer has been proceeded against even in

any Centrally-administered territory or even in any Union Territory. If not, why then this soft corner for them?

Secondly, I would like to know whether in the context of jute, sugar and cotton when we see that the peasants and consumers both are being looted, the Government will think it appropriate that they should consider nationalising them and undertake the whole responsibility from the end of both consumers and also the producers and to help stabilise the national economy.

Thirdly I would like to know as to what is the policy of the Government to ensure that the prices are stabilised at the pre-emergency level or they are to be brought down to the 1973 level or even 1971 level when you went to the country when we, along with you went to the country and told the entire people in the 1971 Elections that hoarders and black-marketeers will be put down with a firm hand. People are still waiting and they want to know whether we are going to fulfil the promises or not. We want to know what is your policy? Is it to stabilise the prices at their highest level or to bring them down for the benefit of the consumers?

MR. SPEAKER. You answer the three questions.

SHRI A. C. GEORGE. The hon. Member has answers for some of his own question. He raised a valid point about remunerative price to the farmer. As the Finance Minister pointed out quite often it happens that the prices start going up once the agricultural commodities pass on from the hands of the real producer to the trader. That is why in the course of my earlier reply I have pointed out that in a vital agricultural commodity like edible oil seeds, a plan has to be evolved and we are formulating that plan so that we will be knowing the requirements of the country, the approximate or reliable figure of pro-

duction, what may be the import requirements and how much we can export also. ...

SHRI BHOGENDRA JHA: Just to help him. The edible oil prices have gone up by 40 per cent. He is forgetting that.

SHRI A. C. GEORGE: From the latest information from Calcutta market, I find that for the past three weeks it is only in edible oils that a steady trend is noticeable.

SHRI INDRAJIT GUPTA: At what level?

SHRI A. C. GEORGE: Rs. 5.80. ...
(Interruptions)

SHRI BHOGENDRA JHA: It is selling at Rs. 9.50 per kilo in Delhi.

13 hrs.

SHRI A. C. GEORGE: I was mentioning about Calcutta. As the hon. Member would concede, we are taking care of these problems. Edible oil is an important item, an essential item of mass consumption. As I told the House, we are evolving a plan whereby we will be knowing what will be the annual situation, what will be the total requirements, what will be the total picture about demand and production and in regard to export and import also. There is also another thing which I would like to mention that in spite of the stringent measures taken against the blackmarketeers, we have not arrested a single one. I do appreciate the concern expressed by the hon. Member. Government is also equally concerned and I have outlined the steps which have been taken by the Government. I am thankful to the hon. Members for having brought this subject of price situation on the first day's sitting of this House. As I have already stated, we have taken various measures and we will not allow the situation to go out of control and in respect of important commodities like foodgrains and edible oils the greatest care will be taken.

SHRI BHOGENDRA JHA: What is he doing to bring down the price?

MR. SPEAKER: Wait for the national plan.

SHRI BHOGENDRA JHA: Only for the edible oil, not for the other things.

SHRI S. M. BANERJEE (Kanpur): I am talking from personal experience. I go to the market, and purchase all essential commodities. If I go with a statement and say that the price of mustard oil, postman or daida has not been increased, I would be beaten by the people. The price of a two-kilo tin of mustard oil has gone up by Rs. 2/50 per tin, postman by Rs. 1/50 for 2 kilo tin and Daida has also gone up by Rs. 2 per tin. My hon. friend Shri H. K. L. Bhagat invited the manufacturers, wholesalers and retailers on the eve of the anniversary of the emergency and appealed to them to reduce the prices from 5 per cent to 10 per cent. The retailers immediately agreed and reduced upto 10 per cent. Wholesalers also agreed, of course, with some bitterness. But the manufacturers did not agree to do so. The Branch Manager and Branch Accountant of Hindustan Lever did not agree to reduce the price saying that they have already reduced the price. They had the cheek to oppose the Minister's request. Many times I have brought before the House how Hindustan Lever has been making fabulous profit at the cost of the consumers. But their Branch Manager and Branch Accountant said like this that they are not prepared to reduce the price on the plea that they have already reduced the price. But as luck would have it, the Branch Manager and the Branch Accountant were arrested for misappropriation.

He has been arrested. But that has not been published in any of the newspapers. They have also arrested smugglers and hoarders. But the news about the arrest of the Branch Manager of the Hindustan Lever was not at all published in any newspaper. Probably, this news has been censored, because he happens to be the Branch Manager of Hindustan Lever—a multinational Corporation!

*Prices of Foodgrains,
Sugar etc. (C.A.)*

[Shri S. M. Banerjee]

Of course, the price has been reduced by 2 per cent or so. We are only asking the retailers to reduce the price. If you go to the retailers in the market, they will tell you that they have been asked to reduce their price. But, what about the manufacturers? I would like to know from government about this. Of course, Mr. George said that he was doing his best. I know that Shri George goes on making many statements here about the price. He is an energetic person and of course, he is asking the retailers to reduce their prices in Delhi. Will he do the same thing in other places also? And will he ask the manufacturers also to reduce the price on the basis of ascertaining their production cost? I want to know from him what specific action he has taken in this regard.

SHRI A. C. GEORGE: Sir, in the process of bringing down the prices and stabilising the same at a reasonable level, we are not sparing anybody concerned. During the past five or four months, we have held meetings and dialogues with the various manufacturers and during the past two weeks or so, prices on some items have voluntarily come down. The major biscuit manufacturers like Britannia, Parley and Dallma who had got 18 per cent of production had brought down the prices. *(Interruptions)*

SHRI S. M. BANERJEE: He is giving us other examples.

SHRI A. C. GEORGE: We had a meeting with the soap manufacturers who have also reduced their price of soap by 15 paise or 10 paise. We are having a constant dialogue with important manufacturers of this item which are of concern to the ordinary man and it would be our endeavour to continue that process and wherever we find a bit of leeway to reduce the price, we will never be falling in that.

SHRI S. M. BANERJEE: I am here concerned with Hir dustan Level. Whether they have reduced the prices of

soap or not—we are not concerned with others.

SHRI A. C. GEORGE: They have reduced the price of soap by 15 paise or 8 paise.

SHRI S. M. BANERJEE: Several manufacturers have said that they would do that. But, with regard to those who have refused to do it, have they been arrested?

MR. SPEAKER: Obviously he has not been informed about it.

13.04 hrs

RESIGNATIONS BY MEMBERS

MR. SPEAKER: I now ask the House to sit a few minutes more to complete this business.

I have to inform the House that on the 26th May, 1976 I received a letter from Shri. Baburao Jangluji Kale, an elected Member from Jalna constituency of Maharashtra, resigning his seat in Lok Sabha with effect from the 31st May, 1976. On the 27th May, 1976 I accepted his resignation with effect from the 31st May, 1976.

I have also to inform the House that I received a letter dated the 13th July, 1976 from Shri Arjun Shripat Kasture, an elected Member from Khamgaon Constituency of Maharashtra, resigning his seat in Lok Sabha with effect from the 16th July, 1976. On the 14th July, 1976 I accepted his resignation with effect from the 16th July, 1976.

SHRI INDRAJIT GUPTA (Alipore): Sir, have they given any reasons in their letters of resignation?

MR. SPEAKER: Yes. They have given reasons.

SHRI INDRAJIT GUPTA: Are they not to be disclosed?

MR. SPEAKER: I have verified they are genuine and voluntary. As far as I remember they have been elected to the Council there and both of them are in the Council of Ministers.