

(a) whether it is a fact that the Saigon Envoy in Delhi left for Saigon as a mark of protest to the Government of India's invitation to Madame Binh; and

(b) if so, Government's reaction in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH):

(a) The Consul-General of the Republic of Vietnam informed the Government that he proposed to absent himself from India for the duration of Madame Binh's visit to India. It is understood that his Government dis-approved of this action.

(b) Does not arise.

**Proposal for Nuclear Power Generator at Bhakra**

1600. DR. KARNI SINGH: Will the Minister of IRRIGATION AND POWER be pleased to state:

(a) whether Government are aware that the lake's level at Bhakra is 72 feet lower than it was in June last year and that another fall of 19 feet will bring the giant generator to a halt;

(b) whether it is a fact that as an alternative source of power a nuclear generator has been proposed as far back as 1967; and

(c) if so, why the proposal has not been implemented so far?

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER (SHRI SIDDHESHWAR PRASAD): (a) The lake touched the lowest level on 25.6.1970 which was about 77 ft. lower than the level at the same day last year. Thereafter the lake started filling.

(b) Both Uttar Pradesh and Punjab have been pressing for sometime for the establishment of a nuclear power station in their territory.

(c) The Department of Atomic Energy has undertaken alternative studies for 3-4

suitable sites in the Northern Region. The most suitable location for establishing a new nuclear power station in the Northern Region will be decided upon after the detailed studies, as indicated above, are completed.

12.37 hrs.

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**RISE IN PRICES**

श्री अटल बिहारी वाजपेयी (बलरामपुर): अध्यक्ष महोदय, मैं अविलम्बनीय लोक महत्त्व के निम्नलिखित विषय की ओर माननीय वित्त मंत्री का ध्यान दिलाता हूँ और प्रार्थना करता हूँ कि वे इसके सम्बन्ध में अपना वक्तव्य दें—

“साबुन, वनस्पति, औषधियाँ, इस्पात, आदि जैसी विभिन्न अत्यावश्यक वस्तुओं के मूल्य में हाल ही में हुई वृद्धि।”

SHRI S. M. BANERJEE (Kanpur): There was a similar calling attention notice saying that interim relief should be paid immediately because of rise in prices. Has that been allowed or not? That was clubbed along with this.

MR. SPEAKER: Please sit down. Let us hear the statement.

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): Mr. Speaker, Sir, The price of essential commodities affect all sections of the society and particularly the poorer sections. No Government can, therefore, afford to be complacent if prices of these commodities rise sharply. As I mentioned in the Lok Sabha on the 3rd August, Government are concerned about the increase in prices of some of these commodities and are determined to ensure that price stability is restored early.

The prices of most essential commodities have remained stable in recent weeks but due to the short supply of industrial raw materials, there has been some increase in the general price index for wholesale prices. Some price rise during the slack season is

[Shri Y. B. Chavan]

a normal occurrence. However, during the current slack season so far (April 25 to July 18, 1970), the general price index has shown a rise of 2.4 per cent which is substantially smaller than the price rise of 6 per cent recorded in the corresponding period last year. Compared to the prices prevailing a year ago, while the general price index for the week ended July 18, 1970 is higher by 3.5 per cent, the price index for foodgrains has shown a decline of 1.3%. Except for rice which has shown an increase of 1.7%, prices of wheat, jowar, bajra and gram are ruling lower than what they were last year. The pressure on prices in recent months has emanated mainly from a decline in the production levels of commercial crops and particularly oilseeds and raw cotton. A part of the recent pressure on prices is also attributable to seasonal factors.

The hon. members have made a specific mention of recent rise in prices of some essential commodities such as soap, vanaspati, drugs and steel. The factual position in regard to each of these commodities is as follows :

**Soap :** There is an informal arrangement whereby the soap manufacturers in the large-scale sector are required to consult the Department of Chemicals in the Ministry of Petroleum and Chemicals and Mines and Metals before effecting any price revision. The request for any enhancement in the prices is examined by the Government in the light of the oil prices prevailing over a period of time as also the availability of cheaper imported raw materials like tallow, palm oil, etc. The Government was approached for a revision of soap prices in January, 1970 on the ground that the supplies of tallow were inadequate and irregular, and that the ruling prices of indigenous oils had gone up sharply. The industry's request was examined by the Government and it was considered that an increase in prices to the extent of 5 paise per cake of 100 gms. of toilet soap 4 paise per cake of carbolic soap (150 gms.) and 14 paise per kg. of laundry soap would be reasonable. These increases took effect from July 20, 1970, but are subject to further review as soon as it is possible to have a clearer picture regarding the availability of imported tallow and palm oil.

**Vanaspati :-** Prices of vanaspati are being controlled statutorily under the Vegetable Oil Products (Control) Order, 1947. The prices are fixed on a zone-wise basis, there being four zones covering the four geographical regions. Separate prices are notified for the producers, wholesalers and retailers in terms of fixed formula, in which, among other items, weightage is given to the average purchase price of raw oils. With a view to impart a measure of stability, vanaspati prices are ordinarily being continued unchanged over a period of at least two months at a time ; a change in the intervening period is considered only in the event of a very substantial increase or decrease occurring in oil prices. During the current year, prices of vanaspati have so far been revised four times, in each zone, mostly on account of higher prices of groundnut oil ; the latest increase took place on June, 23, 1970.

**Drugs :** As Honourable Members are aware the Prices of drugs were recently investigated by the Tariff Commission. Following a details study of the Triff Commission's Report, the Government issued the Drugs (Prices Control) Order, 1970 under the Essential Commodities Act, 1955. In terms of this order, selling prices of 17 essential bulk drugs have been fixed and, among other things, a revised formula has been devised for recalculating the prices of all formulations; the medium and large-scale units were required to furnish the revised price lists to the dealers by August 1, 1970. It is estimated that, as a result, the prices of broadly 40 to 45 per cent of the medicines have been reduced, while those for another 40 to 45 per cent have remained unchanged.

**Steel :** Although at present there is no statutory control on steel prices, the prices of the various steel products sold by the main producers are fixed by the Joint Plant Committee of the industry after getting the approval of the Government. There has been no increase in steel prices as announced by the J. P. C. since the beginning of the current year. However, the Government are aware that the open market prices of various categories of steel products are higher than the J.P.C. prices. Measures have already been initiated by the Government to tighten the distribution procedures,

to expand production and to supplement the indigenous availability through additional imports.

I share the anxiety of the Hon. Members on the increase in prices of certain essential commodities. I would like to assure the Hon. House that the Government do not take a complacent view of this matter. We propose to keep under constant review the price level of all commodities and especially those which are subject to the control whether informal or statutory. All efforts are being made to make a continuous assessment of the various aspects of the economic and fiscal policies which have a bearing on the price level.

**श्री अटल बिहारी वाजपेयी :** अध्यक्ष महोदय, मुझे खेद है कि वित्त मंत्रालय ने नये वित्त मंत्री को जो जानकारी दी है वह ठीक नहीं है। सरकारी सूत्रों से प्राप्त सूचनायें वित्त मंत्री के इस कथन का खंडन करेंगी कि अधिकांश आवश्यक वस्तुओं के मूल्यों में वृद्धि नहीं हुई है। यह कमिश्नर की रिपोर्ट है—दिल्ली में जो दाम हैं उनके सम्बन्ध में कमिश्नर ने जो जानकारी एकत्र की है उसमें से कुछ की ओर मैं वित्त मंत्री का ध्यान खींचना चाहता हूँ। उन्होंने स्वीकार किया है कि चावल का दाम नहीं घटा है। नहीं घटा, इतना ही नहीं, चावल का दाम बढ़ा है... (अवधान)... बजट के पहले और बजट के बाद चावल के दाम में वृद्धि हुई है। मक्खन के दाम में 33 फीसदी की वृद्धि हुई है और दूध का दाम 7 फीसदी बढ़ा है। पांच सौ ग्राम चाय का मूल्य 14 से 33 फीसदी तक बढ़ा है, वनस्पति घी में 16 फीसदी की वृद्धि हुई है, सरसों का तेल 26 फीसदी बढ़ा है, कपड़े धोने का साबुन 55 फीसदी बढ़ा है और नहाने के साबुन में 7 फीसदी की वृद्धि हुई है—क्या ये आवश्यक वस्तुयें नहीं हैं? क्या जनसाधारण इनके बिना अपना काम चला सकता है? जब प्रधान मंत्री ने बजट पेश किया था तो उस बजट के साथ एक आर्थिक समीक्षा रखी गई थी जिसमें स्वीकार किया गया था कि गत वर्ष चीजों के दाम 7 फीसदी बढ़े हैं। उसके बाद फुटकर

चीजों के मूल्यों में 15 से 20 फीसदी तक की वृद्धि हुई है। प्रश्न यह है कि सरकार की कोई मूल्य नीति है या नहीं? वित्त मंत्री महोदय के वक्तव्य को सुनने या पढ़ने से यह नहीं मालूम होता कि गवर्नमेंट की कोई प्राइस पालिसी है। इस सम्बन्ध में मैं एक और प्रमाण पेश करना चाहता हूँ कि चौथी योजना भारी-भरकम पोथी है लेकिन उसमें प्राइस पालिसी पर कोई भी चैप्टर नहीं है। इस योजना के साथ एक प्राइस पालिसी का चैप्टर होता था जिसमें पिछले पांच वर्षों में मूल्यों में किस तरह से वृद्धि दिखाई है उसका विश्लेषण करते हुए भविष्य में मूल्यों को नियंत्रित करने के लिए कौन से कदम उठाये जायेंगे, इसका निर्देश किया जाता था लेकिन इस बार योजना आयोग ने अपनी चौथी पंचवर्षीय योजना में से प्राइस पालिसी के चैप्टर को निकाल दिया है। मैं जानना चाहता हूँ जब कभी व्यापारी दाम बढ़ाते हैं तो उन्हें मुनाफाबोर कहा जाता है लेकिन जब सरकार की सहमति से दाम बढ़ाये जाते हैं तो सरकार को किस नाम से सम्बोधित किया जाना चाहिए? वित्त मंत्री महोदय ने अभी कहा कि उन्होंने साबुन के दाम में थोड़ी सी वृद्धि की इजाजत दी है। क्या वित्त मंत्री महोदय को मालूम है कि उस दाम पर साबुन नहीं बिक रहा है, साबुन बेचने वालों ने दाम अधिक बढ़ा दिये हैं? फिर साबुन निर्माताओं के साथ समझौता करने का अर्थ क्या है? वित्त मंत्री ने कहा कि कपड़ा धोने के साबुन का दाम हमने 14 पैसे प्रति किलोग्राम बढ़ाया है। कपड़ा धोने का साबुन वजट के पहले 280 रु० प्रति क्वींटल था, फिर 290 हो गया है और अब उसका दाम 303 रुपए 50 पैसे है। यह वृद्धि 14 पैसे नहीं, उससे ज्यादा है। यही बात स्टील के बारे में, दवाओं के बारे में भी लागू होती है। यह कहा जाता है कि दवाओं के दाम कम कर दिए हैं लेकिन स्थिति यह है कि कम दाम पर दवाइयाँ मिल नहीं रही हैं और कुछ मामलों में दवाओं के दाम कितने कम किये गए हैं उसके बारे में

[श्री अटल बिहारी वाजपेयी]

निर्माताओं की ओर से दवा विक्रेताओं को कोई सूचना नहीं है। क्या वित्त मंत्रालय का काम केवल दाम कम कर देना ही है या उसका काम यह भी देखना है कि उस दाम पर उपभोक्ता को माल मिलता है या नहीं? मैं मन्त्री महोदय से पूछना चाहता हूँ कि साबुन और वनस्पति तेल में यह तर्क दिया जाता है कि टैलो, चर्बी हम बाहर से मंगाते हैं इसलिए साबुन का दाम बढ़ाना पड़ा और ग्राउन्डनट की कमी हो गई इसलिए हमको वनस्पति का दाम बढ़ाना पड़ा लेकिन क्या मन्त्रालय में, सरकार में कोई ऐसा तन्त्र है, कोई ऐसी मशीनरी है जो इस बात का पता लगाये कि किसी माल पर लागत कितनी आती है, कितना उचित मुनाफा है और किस मूल्य पर वह चीज बेची जानी चाहिए? जब टैलो सस्ते दर पर आ रहा था तब साबुन के दाम कम नहीं किए गए, तब साबुन निर्माताओं ने अपने मुनाफे में कमी नहीं की, लेकिन आज थोड़े से दाम टैलो के बढ़ गए हैं तो उपभोक्ता की जेब काटी जा रही है। वनस्पति के दाम लगातार बढ़ाये जा रहे हैं। मैं कोई आरोप नहीं लगाना चाहता हूँ लेकिन जनता में प्रवाद चल रहा है कि ये दाम राजनीतिक कारणों से बढ़ाये जा रहे हैं। वित्त मन्त्री को इन आरोपों का खंडन करना होगा और आम आदमी को उचित मूल्यों पर आवश्यक वस्तुओं की उपलब्धि का प्रयत्न करना होगा।

मैं मन्त्री महोदय से जानना चाहता हूँ कि क्या केवल चिन्ता प्रकट करनी काफी है? पहले प्रधान मन्त्री कहती थीं कि दाम बढ़ने नहीं दिये जायेंगे लेकिन अभी दाम बढ़ गये। अब कहा जा रहा है कि हम इन को वाच कर रहे हैं। अध्यक्ष महोदय, मुझे ऐसा लगता है कि भले ही चन्हाण साहब गृह मन्त्रालय से वित्त मन्त्रालय में आ गये हों मगर उन की भाषा नहीं बदली है।

The price rise will be arrested. A strict watch will be kept.

यह गृह मन्त्री की भाषा है यह वित्त मन्त्री की भाषा नहीं है। उस वक्तव्य में कोई भी ठोस उपाय नहीं बतलाया गया है। अध्यक्ष महोदय, मैं वित्त मन्त्री जी से पूछना चाहता हूँ कि उचित मूल्य पर चीजें आम आदमी को मिलें इस के सम्बन्ध में वह क्या व्यवस्था कर रहे हैं?

जब वह इनफ़ोरमल कंट्रोल की बात करते हैं तो तेल, वनस्पति आयल तथा साबुन आदि के निर्माताओं के साथ बैठ कर कितना उनका मुनाफा बढ़ाया जाय। क्या इसकी चर्चा करते हैं? मैं जानना चाहता हूँ कि मन्त्रालय में कौन ऐसी मशीनरी है, क्या इसे कोई डिप्टी सैक्रेटरी करता है अथवा अंडर सैक्रेटरी करता है? क्या इसके लिए कोई विशेषज्ञों की समिति नहीं बनाई जा सकती जो तय करे कि उन की लागत कितनी है और उभ पर उन को कितना मुनाफा मिलना चाहिए और उपभोक्ता के लिए कौन सी उचित दर हो सकती है?

SHRI Y.B. CHAVAN : Sir, I was very much interested in hearing the observations of the hon. Member which were quite...

SHRI RABI RAY (Puri) : It is revealing.

SHRI Y.B. CHAVAN : I know. It was a privilege. The point is that I never made a statement that the prices have not risen. I did make a statement that there is an increase in the whole price index as compared to last year. What I said was about certain essential commodities of which I have made a mention. In respect of the foodgrains and particularly Bajra and Jowar the wholesale index was somewhat lower less than last year. I have not made a statement that there is no increase in the overall price level. The price of certain essential commodities have shown a tendency to rise. There is no question of ignoring the realities. Hon. Member mentioned certain increases. I have got the same list. I have never denied that. The increase in the case of rice is there. Increase in the case of vegetables, edible oils and milk is there. In raw cotton there is an increase. In lubricants there is an increase. In fuel and

power there is an increase. I have also said that in jute manufacture there is an increase. In a large number of things there are increases. There is no question of denying that there are increases. (*Interruptions*) It is not necessary to have some Commissioner in Delhi, Calcutta and Bombay. The point is : when we have to take care of the price level, what do we have to do. This is the main question the hon. Member has asked.

**SHRI M. L. SONDHI** (New Delhi) : Give interim relief.

**SHRI Y. B. CHAVAN** : He also said that the Government has no price policy. But to say so would be trying to be blind to what exactly is being done. Price policy does not mean merely an isolated price policy. Price policy of a country depends upon many different policies affecting the general economy. The price level in a country depends upon the level of production in agriculture as well as industry. It depends upon the rate of investment in the country.

**SHRI JAGANNATH RAO JOSHI** (Bhopal) : It depends upon the political stability also.

**SHRI Y. B. CHAVAN** : It depends upon the rate of export from the country. It depends upon many other factors. The price level is not something independent of these important factors. (*Interruptions*) When there is a policy in respect of these important economic sector, it means that the Government has a definite price policy. (*Interruptions*).

**SHRI PILOO MODY** (Godhra) : It is to keep the prices increasing all the time.

**SHRI Y. B. CHAVAN** : It cannot be said that the prices go on increasing or decreasing.

**SHRI PILOO MODY** : Stabilise it.

**SHRI Y. B. CHAVAN** : Our effort must be to stabilise it. I quite agree with it. Now the hon. Member made a mention about the price of soap. He said that the price of soap increases whenever the price of either tallow or indigenous oil increases. It is not so. He asked, whether we have any precise

information. We have got that. We have got the figures for November, 1966, January, 1967, and September 1967. We find that the prices decreased by 70 paise per kg. in case of laundry soap and by Rs. 1.10 per kg. in respect of toilet soap. In November, 1968, however the prices had to be increased. My point is this, whenever there was reason to decrease prices by informal control, the prices were decreased. When it was necessary to increase prices they were also increased.

It is not true to say that the increase of rise in the prices of raw material which is essential is not taken into account. It is always taken into account.

Another point was made whether Government has got any machinery to see whether the prices which are fixed are actually prevailing or not. I don't think it is possible for any administration to guarantee that sort of machinery where at every level we will be able to enforce control. I quite agree that there are some unscrupulous people who are taking advantage of this position.

For example, in the case of steel, my hon. friend said yesterday in the House that there is unconscionable profiteering which has been going on. But I cannot guarantee a total elimination of such tendencies at all levels. What we can do is to create such economic conditions whereby the level of prices will be kept reasonably stable.

The hon. Member, Shri Vajpayee made one point. I did not expect that statement from him. He said that the price rise of vanaspati was done for political reasons. It is not so. I repudiate it just now.

**SHRIMATI TARKESHWARI SINHA** (Barh) : At the time of the presentation of the Budget by the Prime Minister who was then holding the Finance portfolio also, we on this side of the House, pointed out that there have been persistent increase in prices and since the presentation of the Budget also, there have been increases and when this was pointed out, the Prime Minister who was also Finance Minister, assured the House and the country that the prices will not be allowed to be increased by the Government. I would like to give certain figures to show the price increase on various items.

[Shrimati Tarkeshwari Sinha]

In respect of steel, from Rs. 840 to Rs. 850, now the market price is Rs. 1350 to Rs. 1400 per tonne and the hon. Minister can go and see and check whether this is correct or not. The Tatas' and Indian Iron's selling price is Rs. 1,000. There is difference of Rs. 350 or Rs. 400 in each case, in spite of what the Committee said, which prescribed the manner and form of control. I want to know why there should be such difference in the price offered by the recognised companies and the price available in the market.

About groundnut, the price has fallen from Rs. 550 to Rs. 500 per tonne. There is a downgrading in respect of groundnut price, whereas Government has gone on increasing the price of Dalda. The price has been changed 7 times, in these two months. I do not want to level any charge, but this kind of price increases gives one the feeling that some sort of pressure is exercised in all these matters. It simply does not appeal to our commonsense how when the price of groundnut goes down, the price of Dalda should be increased.

13 hrs.

We have seen various reports in the papers that the rising price-line is due to the credit policy and that these have got to be examined, whether it is the credit policy or whether it is the import substitution or the deficit financing or any other factor which is responsible for this price rise. This statement does not indicate the concern of the Government about how much deficit financing has raised the price-line. Is it not a fact that the production has gone down? The hon. Minister makes a mistake when he talks about stability of prices. Stability of prices is all right if the production is maintained. You can allow the prices to increase if the production increases simultaneously. That is called stability of prices. What we are concerned about is static price-line, that is, the prices remaining at that level while production goes down; the result is that the prices increase genuinely because of economic malformation. I would like to know from the hon. Minister how far the downgrading of production, deficit financing and credit policy have affected the price-line. As regards credit policy, the hon. Minister himself had pointed out in his meeting with the officers of the bank that credit expansion had taken place in a very haphazard manner. Credit

expansion is all right if it really builds up the small people, the small artisans and the small producers and small manufacturers. But the hon. Minister himself has stated that credit expansion has taken place in a haphazard way. We want to increase the production. But it is a vicious circle that is going on. On the one hand, increased production has to take place, and on the other, the hon. Minister says that there should be credit squeeze. If there is more credit squeeze, how can production go up? Then, take the case of this indiscriminate import-substitution. Government believes in a paraphernalia of creating an image. Behind the image, all kinds of rot may exist, but the image has to be built up and therefore, they are re-thinking about the prices. That image has been built up in order to show that there is a favourable balance of payments. But the country knows how you have been able to increase the foreign exchange balances so much. I would like to point out that the foreign exchange balances have been increased at the cost of the common man because of the loss in production.....

SHRI M. L. SONDHI : That is correct.

SHRIMATI TARKESHWARI SINHA : I thank Shri M. L. Sondhi for prompting me and for suggesting that I have used the correct phrase. It has been done at the cost of the common man. That is why today import licences are being sold at such high prices, and all that high price has to be paid by the person who purchases those import licences but ultimately it has to come from the pockets of the consumer, and the consumer is paying for that.

The hon. Minister says nothing in his statement about economic policy, about what the trends are and how those trends are to be corrected, and how credit policy, how down-grading of production, deficit financing and import-substitution have all affected the price-line.

I would like to ask the hon. Minister whether he is in a position to place before us a kind of White Paper giving all the details, indicating the economic factors which have led to the price-rise and how that price-rise is to be controlled, because this kind of price-rise will create for him a political problem.

In his speech, the hon. Minister may say that the political problem is also an economic problem. Can we take it then that a law and order problem is also an economic problem? Today, the Central Government employees are demanding interim relief. Why should he not give them interim relief? Interim relief to the Central Government employees must be paid, if this kind of price-rise takes place. So, according to our plea, Government must give interim relief to the Central Government employees because they have themselves admitted that there is price-rise.

I would like to know from the hon. Minister what he has to say about the points which I have raised. Let him please reply to every point that I have raised.

**SHRI Y. B. CHAVAN :** The hon. Member has raised many points which are important enough, but I do not know whether they are all relevant to the issue that has been raised through the calling-attention-notice. I shall, however, try to meet the points as far as possible.

As I said earlier in my reply to Shri Atal Bihari Vajpayee's question, the price-level is related to many other things, and unless we try to take many steps in those different sectors, we would not be able to do anything to arrest the price-rise.

The hon. Member referred to credit policy, and if I have understood her aright, she said that credit facilities had been reduced...

**SHRIMATI TARKESHWARI SINHA :**  
Squeezed.

**SHRI Y. B. CHAVAN :** or that there is some sort of squeeze in credit policy. My information is, and I can give figures if necessary, that there has been credit expansion or money expansion. The only thing that has been done as a measure of policy to control the prices is that wherever some speculative elements were working and taking advantage of the credit not for genuine production but for other purposes, certainly the squeeze has been applied, and is being applied and will be applied if necessary. I have no doubt about it. But as far as genuine production needs are concerned, there has been

further expansion of credit facilities. I think I am right about it when I say that it is Rs. 200 crores more, as compared to that in the corresponding period last year.

As for deficit financing, I find from my information here that as far as the governmental part is concerned, the actual out-turn of receipts and expenditure of the Central and State Governments for 1969-70 reveals that it is much smaller than what was anticipated earlier. At the Centre, deficit financing is now estimated at Rs. 58 crores as against the earlier estimate of Rs. 290 crores. This change in position is on account both of higher tax collection and shortfalls in expenditure.

**SHRI RANGA (Srikakulam) :** This is a continuing evil.

**SHRI Y. B. CHAVAN :** It may lead to some other criticism which I am not trying to meet, but the allegations made in regard to this matter that the price rise is because of a certain government policy is not tenable. This is the only point I am making.

These were the major points she made.

**SHRIMATI TARKESHWARI SINHA :**  
About interim relief?

**SHRI Y. B. CHAVAN :** That is a matter to be considered on its own merits.

**SHRI M. L. SONDHI :** He should give it.

**SHRIMATI TARKESHWARI SINHA :**  
As Finance Minister, he is concerned with it.

**SHRI Y. B. CHAVAN :** This was one of the questions which I said were not related to this particular question. This can be asked on the relevant occasion when the concerned Minister will reply.

**THE MINISTER OF STEEL AND HEAVY ENGINEERING (SHRI B. R. BHAGAT) :** May I say about steel to which a reference was made?

**MR. SPEAKER :** No. Why does he want to get himself involved?

**SHRI S. KUNDU (Balasore) :** I was listening very quietly and very patiently to

[Shri S. Kundu]

the hon. Minister while making his statement as well as replying to questions. I must say that his statement is disappointing, because it never analyses the reasons for the price rise. Every time you try to avoid this burning issue, you will only create a mockery of everything. You cannot control prices in this way. The more you avoid this issue and fail to tackle it, the more you will be compelled by forces, by the alliance of the vested interests, monopolists, profiteers and traders to increase prices once every two months. How long can this go on? The price spiralling is going on at such a rate that it is like a wild fire. One day it will burn up everything, the system itself. I warn Government. They will be held responsible if they do not take courage and initiative to check spiralling of prices. If they do not do it today, there will be no time to do it tomorrow.

Every six months this sort of statement is made saying they are reviewing the situation. Ultimately, what is the result? Take vanaspati prices. During the current year, the prices have so far been revised four times. Under some statutory procedure, you are compelled by the monopolists to raise prices.

What about soap? They know very well that in the case of the manufacture of soap by the small scale industry and cottage industry, it is 15 per cent less than the price fixed by the big monopolies. Still Government gives these monopolies licence to import tallow to the tune of crores in foreign exchange and grants expansion. What is Government's policy in regard to the manufacture of consumer goods? What is the cost of the consumer goods? Have Government ever gone into its price structure?

In things like chocolate or even biscuits, the profit is about 45 to 55 per cent. What are Government doing about it? Then again in regard to hosiery and other things which affect the life of the common man, what is Government's policy on prices? The Government have no policy.

What do Government say about the problems which have been raised here? During

the years 1939 to today, the real wage of the workers has gone down by 47 per cent whereas the *per capita* productivity of the worker has gone up more than 60 per cent. This is what the worker has given to the nation. And what have Government given to the worker in return? Increase in direct taxes, increase in prices. This is a burning problem and Government cannot solve it by such statements. During these four or five years the *per capita* consumption of foodgrains has gone down by 3.5 per cent, the *per capita* consumption of edible oils and such other things has gone down by 11 to 17 per cent, while the *per capita* consumption of motor cars has gone up by 27 per cent, of refrigerators by 292 per cent and confectionery by 52 per cent. This is the world in which we are living. There has been a 57 per cent rise in prices because of inflation, printing notes in your press.

The price index figure which you are showing is 20 per cent below the actual level, and the correctness of your figure has been challenged by various people. You make a sample survey and fix the index, and then when you finally arrive at the figure you again take the average. Both the calculations are wrong by 10 per cent.

Government servants have been agitating about this interim relief.

SHRI M. L. SONDHAI : This is the most important issue.

SHRI S. KUNDU : Recently 50,000 workers belonging to the All India Railwaymen's Federation staged a demonstration. Only two-rupee increase in dearness allowance is given in every two years to the Government employee. They have been demanding interim relief, and the Government has only said that the Pay Commission will decide it. But the Pay Commission will take five or six years to decide. The workers will not take it lying down. If any thing happens Government will be responsible because the Government compelled the workers to precipitate action. In a country where the feudalist and capitalist elements have combined to ruin the common man, it is only the toiling



and poor masses who, through their organised action, can compel the Government to take some steps in their favour. Otherwise, this Government will go on increasing the price for the monopolists four or five times in a year.

The point that Mr. Vajpayee raised is very relevant. What is your price policy? It is your policy that when the cost of manufacture of penicillin is 30 paise and you sell it at Rs. 3 per unit in the public sector? The FCI which gets crores of rupees from the banks gives it to millowners to procure rice. You have increased interest on credit 10 per cent, but the traders pass on this back to the consumers or poor people. The poor peasants are robbed and they have to part with their food-grains at a cheap price at the time of production.

So, I would like the hon. Minister to answer my question.

**SHRI Y. B. CHAVAN :** The hon. Member made a very impressive speech, but I did not get any question. Even then, I would like to answer him because I had expected a better treatment from him. We are not discussing some excitable question. The price matter is certainly connected with the lives of the people. One can get concerned, but when we are considering some basic reasons for the price level, I think it is necessary to apply an analytical mind.

His main criticism was that there was no analysis of the reasons for the price rise. On the contrary, I have indicated, pointed out and emphasized the reasons for the price increase. I have tried to give some analysis of it. Firstly, I have stated that particular commodities which are very important for industrial production like cotton *kapas* and oilseeds like groundnut etc., are in short supply and therefore there is a rise in the prices. The answer to that would be either to increase the production in the next season or try to compensate the short supply by importing those particular items, which is being done.

The hon. Member asked why prices were raised four times in a year in the case of soap. I gave figures that during 1966-57 four times they were decreased also. The only point that I was making was that price rise or price fall depends upon the prices of the raw materials like tallow or palm oil or other oils.

The hon. Member tried to make fun by saying that there is decrease in *per capita* consumption of certain items and at the same time a rise in the *per capita* consumption in the case of the refrigerators, motor cars etc. I do not know what is wrong about it, because we do want more and more people to have them. They are also now becoming, as a matter of fact, essential commodities of life. How can we say that it is not so?

**SHRI S. KUNDU :** Then, under the Essential Commodities Act you fix the prices for them.

**SHRI Y. B. CHAVAN :** They have become a necessity for the lower middle class also. So, I do not agree with the hon. Member on this point.

He has also repeated the point made by Mr. Vajpayee and Mrs. Tarkeshwari Sinha about interim relief to Government servants. It is a very important point, but I do not think that at this stage I can say anything.

**SHRI S. M. BANERJEE :** On a point of order. That is exactly what I was saying and you stopped me. Kindly allow me to develop my point of order.

There were two Calling Attention notices. One was about the interim relief arising out of the rise in prices; and another was this. We thought that either both would be clubbed together or you would admit both. Every Member of this House has said that an increase should be given to the Central Government employees. Either the Minister should make a statement on that now, or let him make another statement. You should ask him to do so. That is the point of order.

**SHRI M. L. SONDHI :** On a point of clarification. He said the relevant Minister would talk about the Pay Commission and interim relief. Who is the relevant Minister?

**MR. SPEAKER :** The relevant Minister for this motion is Mr. Chavan. About the other things, we will consider later on.

**श्री कंवर लाल गुप्त (दिल्ली शहर) :** अभी मंत्री महोदय ने जोर दे कर कहा है कि सरकार

[श्री कंवर लाल गुप्त]

की प्राइस पालिसी है। इस प्राइस पालिसी का अगर कोई व्यावहारिक अर्थ साधारण आदमी समझता है तो वह यही है कि पिछले दस साल से ऐसा होता आया है कि आज सुबह किसी चीज की कीमत इतनी है तो अगली सुबह वह जरूर बढ़नी चाहिए। आप देखिये कि 1961-62 से ले कर 1967-70 तक होलसेल प्राइसिस जो हैं वे साढ़े 71 परसेंट बढ़ गई हैं। मैं चाहता हूँ कि आप इसको चैक करें। जो रुपये की कीमत 1961-62 में थी उसके मुकाबले में अब वह केवल 58 पैसे रह गई है। अगर इसी प्रकार से और इसी तेजी से कीमतें बढ़ती गईं तो 1975 में जो कीमत आज रुपये की है, उसकी आधी कीमत ही रुपये की रह जाएगी, पचास पैसे ही रह जाएगी।

साधारण जनता पर इसका बहुत घातक प्रभाव पड़ रहा है। इस बारे में राष्ट्रपति श्री गिरि ने कहा है :

“social stability of the country is closely linked with price stability”

यह बिल्कुल ठीक है। इस का एक मुख्य कारण यह है कि एक साल में मनी सप्लाई 630 करोड़ रुपये बढ़ गई है। यह एक रिकार्ड है। इस के अलावा जो पैसा लगता है, वह कनजमेशन परपजिज के लिये दिया जाता है, ज्यादातर प्रोडक्शन परपजिज के लिए नहीं दिया जाता है। सरकार के प्लानिंग कमीशन के एक मेम्बर, श्री वेंकटरामन्, ने इस सम्बन्ध में यह राय जाहिर की है :

“The rise of more than 7 per cent in the wholesale price index during the first five months of this year has been attributed to the nationalisation of banks. The banks are reported to have advanced money more for consumption purposes rather than for productive purposes.”

पंच-वर्षीय योजना में यह प्रोविजन किया गया है कि एक साल में ज्यादा से ज्यादा 2 परसेंट प्राइस राइज होना चाहिए, जब कि पिछले साल 9 परसेंट हुआ और इस साल अब

तक 7½ परसेंट हो गया है। इस तरह तो सारा प्लान अपसेट हो जायेगा। हमारे देश में आज 20 परसेंट ऐसे लोग हैं, जिन को खाने-पीने की चीजें नेशनल मिनिमम से बहुत कम मिलती हैं। अगर यही हालत रही, तो अगले तीन चार सालों में वह संख्या बढ़ कर 25 परसेंट हो जायेगी। प्राइस राइज से गरीब आदमी ही पिस्तता है। अमीर आदमियों, लैंड-लाइज और पैसे वालों को इस से लाभ होगा, जिनकी सरपरस्ती यह सरकार करती है।

अगर जेनेरल प्राइस इन्डेक्स 4 या 5 परसेंट बढ़ता है, तो उसकी तरफ भी ध्यान दिया जाना चाहिए, लेकिन सरकार को सब से पहले यह देखना चाहिए कि कामन मैन के इस्तेमाल की चीजों के दाम बिल्कुल न बढ़ें। अगर एक-आध परसेंट बढ़ें, तो कोई बात नहीं, लेकिन वे 8, 10, 15 या 20 परसेंट बढ़ जाते हैं। क्या सरकार यह गारण्टी देगी कि कम से कम सर्व-साधारण जनता के इस्तेमाल की चीजों के भाव एक साल में इतने राइज न हों, और अगर वे बढ़ें, तो क्या वह इस्तीफा देने का ड्रास्टिक कदम उठायेगी ?

हर एक देश में ऐसा होता है कि जब टेक्स का रेट बढ़ता है, तो प्राइसिज गिरती हैं और सेविंग बढ़ती है। लेकिन हमारे यहाँ हमेशा उल्टा होता है। जैसे ही टेक्स इन्क्रीज होता है, वैसे ही प्राइसिज इन्क्रीज होती हैं और सेविंग कम होती है। क्या मंत्री महोदय इस बारे में एनक्वायरी करायेंगे ?

क्या सरकार कोई ऐसा कमीशन बिठायेगी, जो यह मालूम करे कि पिछले बीस सालों में हर साल बढ़ाये जाने वाले टेक्सेशन, मनी सप्लाई और इन्ट्रेस्ट रेट का प्राइसिज पर क्या अमर पड़ा है, जिससे सरकार को कुछ गाइडेंस मिल सके कि किस तरीके से सरकार की इकानोमिक पालिसीज उसके लिए जिम्मेदार हैं। हो सकता है कि कभी टैलो या काटन वगैरह का प्रोडक्शन कम हुआ हो, लेकिन सरकार की इकानोमिक पालिसीज इतनी गलत हैं, जिन के कारण

लगातार प्राइस इनफ्लेज हो रहा है। शायद 1968-69 के एक साल को छोड़ कर लगातार प्राइस राइज हो रहा है।

क्या सरकार सेविंगज को बढ़ाने के लिए कनजम्प्शन पर कोई इस तरह की सीलिंग लगायेगी कि कोई परिवार अगर दो हजार रुपये प्रति-मास से ज्यादा खर्च करता है, तो उस पर हेवी टैक्स लगाया जाये? इस वक्त इम्पोर्ट लाइसेंस ब्लैक मार्केट में बिकते हैं। क्या सरकार उन को आकशन करने की किसी स्कीम पर विचार करेगी?

**SHRI Y. B. CHAVAN :** The hon. Member has certainly made some good suggestions which can be considered. His main point was that money expansion is mainly responsible for the present situation and he quoted our hon. colleague, a member of the Planning Commission, Shri Venkatraman. I have not got the precise statement that he has made but if he has said what he is quoted to have said, then I beg to differ from Shri Venkatraman in this matter. Because, money expansion is certainly there. But there are one or two more reasons for it. As I said, there is growing economic activity. When the economic activity is expanding, naturally there will be more money expansion. But this time, after nationalisation, we tried to approach and reach the neglected poorer sectors of our society. Naturally, there was bound to be some sort of money expansion. This type of money expansion because of expanding economic activity or reaching the poorer sections is not dangerous. What is dangerous is the exploitation of money expansion for unproductive purposes where there is more scope for speculation, where it is used to control more factories and more companies. Some sort of check is necessary in such cases and that has certainly to be looked into. It is for this very purpose that the Reserve Bank has started from the month of January this year to apply a squeeze on credit of this type, more rate of interest, more margin etc. These steps have been taken. Therefore, there is a complaint from certain sectors about squeeze on credit, as we have just now heard. As you are talking of money ex-

pansion, some people are talking about squeeze on credit. This squeeze on credit on such elements is absolutely necessary and essential, as far as I am concerned.

The hon. Member asked me whether I can give any guarantee. Nobody can give any guarantee. Then the hon. Member wants resignation from us. We are not going to oblige him on that.

As I have said in my statement, it will be our duty to see that the poorer sections of the society are not put to any difficulty. So, as far as essential commodities are concerned, we have to be very watchful to see that the prices remain stable as reasonably as possible.

Then he asked about the effect of taxation and whether we are prepared to entrust this matter to a commission. I do not think any commission is necessary for this purpose. This matter is constantly being reviewed by the Finance Ministry every day.

**SHRI KANWAR LAL GUPTA :** What about the ceiling on consumption?

**SHRI Y. B. CHAVAN :** I began with the statement that he has made some very interesting suggestions. This was one of them.

**श्री प्रकाशवीर शास्त्री (हापुड़) :** आय की दृष्टि से उपभोक्ताओं की तीन श्रेणियाँ हैं। जहाँ तक उच्च श्रेणी का संबंध है, उस पर इस महंगाई का कोई विशेष प्रभाव नहीं हो सकता है जो श्रेणियाँ इस समय महंगाई से प्रभावित हैं, वे हैं निम्न और मध्यम श्रेणियाँ। जहाँ तक निम्न श्रेणी का संबंध है, वह भी किसी प्रकार से परिस्थितिवशात् अपना समय निकाल लेती है। लेकिन इस महंगाई से अगर कोई सब से अधिक परेशान है, तो वह मध्यम श्रेणी है। मध्यम श्रेणी की परिभाषा मैं यह करता हूँ कि जिसकी जेब नर्म हो और दिमाग गम हो, जो कपड़े सफ़ेद पहनती हो और पेट जिसका खाली हो, वह मध्यम श्रेणी है। मैं यह जानना चाहता हूँ कि जिस प्रकार महंगाई बराबर बढ़ती चली जा रही है, लोगों की क्रय-

[श्री प्रकाशवीर शास्त्री]

शक्ति भी उसी अनुपात से बढ़े, क्या वित्त मंत्रालय इस दिशा में कोई विचार कर रहा है।

बजट के समय सरकार ने यह आश्वासन दिया था कि महंगाई धीरे-धीरे कम होगी और वह नहीं बढ़ेगी। उसके बावजूद महंगाई बराबर बढ़ रही है। मैं यह जानना चाहता हूँ कि क्या सरकार की योजना में कोई कमी है, जिस के कारण वह अपना आश्वासन पूरा नहीं कर पाई है या उस समय जो आश्वासन दिया गया था, सरकार को उसे पूरा करने की आशा नहीं थी और उसने केवल लोगों को प्रसन्न करने के लिए वह आश्वासन दे दिया था। वह आश्वासन व्यावहारिक नहीं, अव्यावहारिक है। दोनों में से कौन सी बात है ?

तीसरी बात—जो चव्हाण साहब ने यह कहा कि कोई भी गवर्नमेंट इस बात का नियंत्रण नहीं कर सकती, मैं आप को बताना चाहता हूँ, दुनिया के साम्यवादी देशों के अन्दर भी और पूँजीवादी देशों के अन्दर भी इस प्रकार की व्यवस्था है कि जो मूल्यों के ऊपर नियंत्रण करते हैं। इंग्लैंड और अमरिका में तो इस प्रकार के बोर्ड हैं कि जो मूल्य नियन्त्रण बोर्ड कहलाते हैं और अभी कुछ दिन पहले मैं ईरान में था। मैंने देखा, वहाँ रोटी बाजार में बिकती है। एक व्यापारी ने रोटी के भाव पर एक पाई की वृद्धि की। एक सप्ताह के बाद गवर्नमेंट को पता चला तो उसकी दूकान भी बन्द हुई, उसको सजा भी मिली और उस को कठिनाइयों का सामना करना पड़ा। तो मैं जानना चाहता हूँ कि इसी प्रकार का मूल्य नियंत्रण बोर्ड भारत में भी लागू करेंगे कि जो इस प्रकार की जानकारी लेते रहें कि मूल्य इस प्रकार से बढ़े नहीं और सामान्य उपभोक्ता को किसी तरह से भी कठिनाई में पड़ना न पड़े ? यह मेरे तीन प्रश्न हैं।

SHRI Y. B. CHAVAN : As far as the middle-class people are concerned, what he says is right. I agree that the impact of the price rise is normally felt at its most by the

middle-class people because their income is fixed and, therefore, certainly, they get the worst part of it. I entirely agree there.

The hon. Member made the point about the assurance of the Prime Minister that she gave at the time of the Budget session. It was a genuine assurance. Naturally, she had in mind particularly the tax efforts that were being undertaken in the course of the budget, i.e., whether they are going to have some sort of an inflationary tendency or give a further push to the price level. As I mentioned the other day, when I was replying to a question on the subject and I gave certain statistics also, as far as the tax proposals as such are concerned, they did not have much impact on the price rise.

SHRI ATAL BIHARI VAJPAYEE : The Prime Minister made a general statement.

SHRI Y. B. CHAVAN : I did say that. It did contain a general statement. But one factor that she had in mind must have been also this. I am only stating a fact, as I understand it.

Then, the hon. Member, Shri Prakash Vir Shastri, made a specific suggestion as to whether we are going to have some sort of a Price Control Board as other countries have it. I am not condemning anything, but the countries having Price Control Boards are also suffering from the same malady of inflation. Take U. K. or U. S. A. They are suffering more from inflation and the price rise. Therefore, a Price Control Board is not the solution to that. The real solution to the problem lies in these five to six sectors are to be carefully planned and checked, that is, the agricultural production, the procurement of foodgrains, the export policy, the credit policy and the investment policy. These are some of the things, if we balance them well and go according to our Plan, prices will take care of themselves.

13.33 hrs.

PAPERS LAID ON THE TABLE

NOTIFICATIONS UNDER NAVY ACT, 1957

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