

K. C. PANT : Sir, On the 8th August, 1972, at about 12.30 P.M. the convoy, with which the Chief Minister of Nagaland was travelling from Dimapur to Kohima, was ambushed at a place about 5 miles from Kohima. Fortunately, the Chief Minister was not hurt. But, two police constables and a driver were killed by the miscreants. The daughter of the Chief Minister, who was travelling with him, received injuries. She is now reported to be progressing in the hospital and is out of danger. The miscreants made good their escape after the incident.

I am sure that the House will join me in expressing our shock and anguish at this gruesome incident. The State Government has been taking energetic and vigorous steps to put down illegal activities and maintain peace and order. Vigorous efforts are being made to apprehend the culprits. An intensive combing operation has been launched by the State and the Army authorities to trace out the miscreants. The Central Government have been keeping in continuous touch with the Government of Nagaland and have assured the State Government of necessary assistance not only in apprehending the culprits but also in the firm maintenance of peace and the rule of law in Nagaland.

12.08 hrs.

PUNJAB NEW CAPITAL (PERIPHERY)  
CONTROL (CHANDIGARH AMEND-  
MENT) BILL\*

MR. SPEAKER : I have authorised Prof. D. P. Chattopadhyaya to introduce this Bill, which is shown in the name of Shri Uma Shanker Dikshit.

THE MINISTER OF STATE IN THE  
MINISTRY OF HEALTH AND FAMILY  
PLANNING AND IN THE MINISTRY OF  
WORKS AND HOUSING (PROF. D. P.  
CHATTOPADHYAYA) : Sir, I beg to move  
for leave to introduce a Bill further to amend  
the Punjab New Capital (Periphery) Control  
Act, 1952 as in force in the Union Territory  
of Chandigarh

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Punjab New Capital (Periphery) Control Act, 1952 as in force in the Union Territory of Chandigarh."

*The motion was adopted.*

PROF. D. P. CHATTOPADHYAYA :  
Sir, I introduce the Bill.

12.09 hrs.

MOTION RE UNPRECEDENTED RISE  
IN PRICES OF ESSENTIAL COM-  
MODITIES

MR. SPEAKER : Now, we shall take up the motion regarding the prices of essential commodities.

SHRI S M BANERJEE (Kanpur) : On this motion, I have to make a submission, I have written to you already on this matter. Because of the unprecedented rise in the prices of essential commodities, another instalment of interim relief is due to the Central Government employees. So, it is time that the hon. Minister comes forward with a statement on this matter, because the index has already reached 238, and according to any formula, the Central Government employees are entitled to another instalment of interim relief ..

MR. SPEAKER : I did not allow him. Unless I gave my permission, how could he raise it ?

SHRI S M BANERJEE : That statement should also be made.

MR. SPEAKER : I would request the hon. Member not to come forward with this type of motion every day. After all, one a week is enough.

SHRI S. M. BANERJEE : After all, this motion is on rising prices, and since my point is concerned with this, therefore, I am only asking the hon. Minister, to make a statement on it.

MR. SPEAKER : When he speaks, he can mention it.

SHRI S. M. BANERJEE : I do not want to spoil the debate by raising those issues. I only request that since the prices have risen, the hon. Minister may make a statement that the Central Government employees will be entitled to a second instalment of interim relief. This is just a request that I am making. You can direct Shri K. R. Ganesh to make a statement.

MR. SPEAKER : He can make a statement if he wants.

We have allotted five hours for this discussion. Originally, it was three hours, but the Business Advisory Committee has extended it to five hours. If hon. Members want to have more time for consideration of this motion, we can take up the lunch hour also.

SHRI S. M. BANERJEE : Yes, Sir.

SOME HON. MEMBERS : No, no.

MR. SPEAKER : There will be no harm if we sit during lunch hour also...

श्री नवल किशोर शर्मा (दोमा) : मैं समझता हूँ कि जो पांच घण्टे है उनका बटवारा हमारी पार्टी की स्ट्रेन्थ के आधार पर किया गया होगा और हमको उमी हिमाव में समय मिलेगा।

अध्यक्ष महोदय : टाइम जो मिलता है वह प्रोपोजनेट होता है एकाडिग टू दी स्ट्रेन्थ आफ दी पार्टी।

श्री एस० एम० बनर्जी : हम देश के बटवारे के खिलाफ है, समय के बटवारे के हक में कैसे हो सकते हैं। आप बटवारे की बात मत करिये। Let us sit during the lunch hour today and let us have a continuous discussion. I suggest that we may continue the discussion through the lunch hour also.

MR. SPEAKER : I think that five hours will be more than enough.

श्री नवल किशोर शर्मा : लंच आवर में बैठने पर एग्री नहीं करते हैं तो हाउस का टाइम एक्सटेंड किया जा सके तो बहुत अच्छा होगा।

अध्यक्ष महोदय : रोज एक्सटेंड करना ठीक नहीं है।

श्री हुकम चन्द कछवाय (मुरेना) : कल तक चलने दीजिए। क्या फर्क पड़ता है।

अध्यक्ष महोदय : आपको नहीं पड़ता है, मेरे लिए पड़ता है।

श्री इसहाक सभली (अमरोहा) : अगर टाइम बढ़ाना ही है तो 6-20 तक करिये उसके आगे नहीं।

[شمري اسحاق سنبھلی (امروہ) اگر ٹائم بڑھانا ہی ہے تو 6-20 تک کریے اس کے آگے نہیں]

अध्यक्ष महोदय : लंच आवर बैठ जाए तो अच्छा है। सारा गिला खत्म हो जाए। भूख में लड़ाई भी अच्छी होती है।

श्री हुकम चन्द कछवाय : उधर कोई भूखा नहीं है।

THE MINISTER OF PARLIAMEN-TARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) : We can sit during the lunch hour today.

SOME HON. MEMBERS : Let us sit during the lunch hour also.

MR. SPEAKER : Shall we take up the lunch hour also? I think we may take up the lunch hour also, so that we may finish the debate in time. We shall not extend the sitting later than the usual hour of interruption. The utmost that we can do is to take up the lunch hour.

SHRI P. M. MEHTA (Bhavnagar) : I beg to move :

"That this House do consider the unprecedented rise in the prices of essential commodities and the Government's inability to check the rising trend."

The rise in the prices of essential commodities is a matter of serious concern to every Member of this House. The prices of all essential commodities have gone sky-high and in spite of their promise every time,

Government have failed to arrest these rising prices. They have failed to hold the price line. This has hit hard the life of the common man. It has become impossible for him to meet the bare needs of life today.

According to the statement of Government in reply to part of question No. 1065, regarding all-India index of wholesale prices, in respect of food articles, foodgrains have gone up by 15 points, cereals by 11.9 points, wheat by 6.4 points, jowar by 16.1 points, bajra by 47.2 points, maize by 40.2 points, pulses by 25.3 points and gram by 30.6 points.

This is the order of the abnormal rise in the prices of essential commodities. In other commodities the rise has been very considerably high. Sugar price has risen by 28.4 points, fish, eggs and meat by 16.9 points. The average rise comes to between 15 and 17 per cent. This has made the life of the common man very miserable.

The prices of coarse grains have gone very high. These are the staple food of the poor people. Jowar, bajra and maize have recorded an unprecedented rise in prices. The prices of important components of the diet have also gone very high. e.g. pulses by nearly 25 per cent. This has made the life of the common man very miserable.

Who are the people who have become the direct victims of this rise in prices? They are the Government employees, the fixed salary groups, employees of local self governments, teachers of schools, colleges and universities, small businessmen, *gumastas* working in shops and establishments and the huge labour force employed in small factories, small establishments and small business. So, these people with fixed income—the salaried people, the low income-group people and the middle income-group people—are hit by this skyhigh rise in prices.

The Government's plea is that the rise in prices, especially of the foodgrains, is due to seasonal factors. It is not so. This is the only excuse that the Government advances to hide their misdoings of the past. They want to take undue shelter under the plea of seasonal factors. It is not like that. What did the mid-term appraisal of the fourth Plan say? It said that you have failed to attain

the rate of growth according to the target; and agricultural production was also not according to the target fixed by the Government. The Government have failed to achieve the maximum utilisation of the installed capacity of the public undertakings. They have also failed to utilise to the maximum the resources available to the Government, and they have also failed in the distributing system for the nation.

Sir, the Government became over-confident because of the food production, on the agricultural side. But if you scrutinise it properly, it will be observed that it was also lower than the target fixed in the fourth five year Plan. It is said that this upward trend in prices is a global trend; that this is not only in our country but it is a global trend. But it is no use advancing such arguments on the part of the Government who are primarily responsible for creating these conditions.

The economy of this country has considerably deteriorated by the wrong economic policy of this Government. Deficit financing has played a role in rising the prices of essential commodities. A disproportionate supply of money has adversely affected our economy and there has been failure to bring to book the blackmarketers. The pressure of black money is there. In addition to these, low rate of industrial and agricultural growth and the unsatisfactory distribution system are the main factors leading to these conditions. The Government has been saying that the rise in prices is natural and not unusual in a developing economy. It is a misleading argument.

It is essential that an adequate pace should be maintained and there should be co-relation of all the four factors: increase in employment, increase in wages, stabilisation of prices and equal distribution. Government cannot simply say that this is a developing economy and so an upward trend has started. It is failure on the part of the Government to create conditions for increasing the production, pay proportionate wages to the wage earners that has led to this condition. They have thus failed to stabilise the prices. They have adopted harmful economic measures to gain cheap political popularity. Sufficient warnings were given to the people in Government: you are adopting a wrong path, this will not solve the problem but will aggravate it. That warning has turned to be true and the common man is put to more hardships and miseries.

[Shri P. M. Mehta]

The value of the rupee has been eroded by nearly fifty per cent and the salaried people and people in the low and middle-income group find that their income has been eroded by nearly fifty per cent. It has really become very difficult to balance the family budget. When prices of essential commodities rise, naturally it gives an upward push to prices of other commodities and other economic activities in society. School fees go up; fares and freights go up and so on. A common man is not able to maintain the education of his children and meet his social obligations because of the rise in prices not only of essential commodities but all commodities and other economic activities. Therefore, it is very essential that Government should come out with drastic and appropriate action to bring down the price line and stabilise it at a reasonable level, so that the common man can live in a peaceful manner.

Government have attributed the high prices to seasonal factors. This is simply an excuse which has very little to do with the rise in prices. The factors responsible are the failure of the fourth plan, failure to arrest the price line, failure to give more employment and failure to increase proportionately the wages and salaries. When the mid-term appraisal of the fourth plan came up for discussion here, I had said that the situation was alarming. But because of their brute majority, this Government never learn any lesson from the factual position in the country.

MR. SPEAKER : Motion moved :

‘That this House do consider the unprecedented rise in the prices of essential commodities and the Government’s inability to check the rising trend.’

There are two substitute motions by Shri Jyotirmoy Bosu and by Shri Surendra Mohanty. They will be moved now and they will speak when their turn comes.

SHRI JYOTIRMOY BOSU (Diamond Harbour) : I beg to move :

‘That for the original motion, the following be substituted, namely :

‘This House, having considered the unprecedented rise in the prices of essential commodities and the Government’s inability to check the rising trend, is of the opinion that the sea-

sonal factors have nothing to do with present price rise, but Government’s faulty fiscal and monetary policies, heavy dose of deficit financing, unproductive expenditure, heavy burden of indirect taxes, and the refusal to take positive steps to unearth black money through demonetisation and other devices are mainly responsible for the alarming rise of the prices of the essential commodities and notes with regret that even now the Government is refusing to rise to the occasion and take drastic steps to bring down the prices as is evident from the complacent attitude shown by the Prime Minister in her Press Conference on July 12, 1972.’ (1)

SHRI SURIENDRA MOHANTY (Kendrapara) : I beg to move :

‘That for the original motion, the following be substituted, namely :

‘‘This House, having considered the unprecedented rise in the prices of essential commodities and the Government’s inability to check the rising trend, is of the opinion that the Government’s complacency and failure to hold the price line while it was continuing to assert itself, increasing tempo of deficit financing, vast monetary expansion beyond budgeted limits and reckless indulgence in unproductive expenditure has resulted in the present catastrophe which calls for immediate control of the entire distribution system of sugar, edible oils and other essential commodities of daily consumption and release of substantial quantities of foodgrains to the markets from the stocks held by the Food Corporation of India.’’ (2)

SHRI R. D. BHANDARE (Bombay-Central) : Sir, the phenomenal rise in prices has been causing anxiety to the government as well as to the public. Government have analysed and given the reasons for the phenomenal rise in prices. In my view, there is fall in production in both the industrial and agriculture sector. Though we have accepted the mixed economy, in the public sector we have not been able to make satisfactory progress. In fact, in all the industries in the

public sector barring a few ones the production is falling. So, we have started what is called the joint sector? What is the position of the joint sector? In the joint sector, which is a combination of private and public sector, even though the bureaucrats from the public sector and the industrialists from the private sector have combined, they have not been able to meet the needs of the country and give satisfaction to the people.

So far as the private sector is concerned, its main concern is to get more profits. Even though we have been speaking against monopolies, the strength of the monopolies has not been broken or reduced at all. The result is that production in the industrial sector has come down instead of going up.

What is the position in the agricultural sector? We are, and ought to be, proud of the green revolution. In fact, the burden of the song of everybody is that the green revolution has brought many benefits to the Indian people. I agree that to some extent the rich farmers as well as the big landlords have been benefited by the green revolution because of the application of advanced technology, improved seeds and fertilizers. But what is the position of the masses? Before answering that question, I would pose one question. What is the need of the masses? I am not talking of the classes. I am simply talking of the masses. The need of the masses so far as foodgrains are concerned is rice, wheat, jowar, bajra and pulses. What is the position on this front? The Minister of Agriculture was good enough to accept that so far as these fields are concerned, the production has been less, I do not say, it is a failure of the production. There has been less production, except wheat and rice. But I am not very much concerned with wheat and rice. I am concerned specially with coarse foodgrains which are distributed to the masses, that is, bajra and jowar. On that front, there is the failure of production there. The result is that there has been a phenomenal rise in the prices of these food items.

To what extent there has been the rise in prices? As regards foodgrains, on an average, the percentage of rise is 8.4 on 22.7.72 over 24.7.71. I need not deal with the rest of the matters. So far as jowar is concerned, there has been a phenomenal rise in prices to the extent of 17.4 per cent. So far as bajra is

concerned, it is 41.9 per cent. In the case of pulses, it is 26.8 per cent.

Coming to sugar and gur, in the case of sugar, the price rise is 29.1 per cent and in the case of gur, it is 32.6 per cent.

This is the position so far as coarse foodgrains are concerned. I am simply dealing with the aspect as to how the masses, the poor farmers, the agricultural labourers and the workers are affected by the phenomenal rise, the spiralling rise, in prices. With that purpose, I have given these figures.

The prices of essential goods have also gone up. So, my conclusion is that even though we have accepted a planned society, we have not been able to formulate the plan or implement the plan in the interest of the masses. I would like to elaborate so far as the figures of the rise in the cost of living index are concerned. There is constant rise in the cost of living index. Taking the base year as 1949 the cost of living index in 1950 was 101. In 1956, it rose to 105. In 1962, it further rose to 130. In 1963, it rose to 134. 1967—209; 1968—215; 1969—230; 1970—224 and 1971—230. In 1972, it rose to 236.

I have read out these figures. Why is it that as we went on formulating the plans and were trying to implement them, the cost of living index has been going up? The cost of living index is going up. To what extent we can claim that we have been able to formulate and implement the plans for the benefit of the masses? What are the daily earnings of the average worker in view of the rise in the cost of living index? It is surprising to see the daily average of earnings—minimum and maximum. Starting with Andhra Pradesh, the minimum is Rs. 1.50; Assam Rs. 1.50; Bihar Re. 1; Gujarat Rs. 1.60; about Madhya Pradesh and Maharashtra, surprisingly enough—because we are very proud that our State is an industrial State—the daily income in Maharashtra is only 62 Paise and Madhya Pradesh...(Interruption) These figures are from the pocket book supplied to us—Labour Statistics 1972. If these figures are bogus, then I should conclude that all figures must be bogus. There must be some veracity, some reliability; it is no use simply saying that the figures are bogus.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : The figures are right. But the analysis has to be different.

SHRI R. D. BHANDARE : I will go to the extent of saying that the analysis may be wrong. I am simply analysing here the figures of daily wage earner and the minimum income he is getting.

So far as agricultural labour is concerned, what are his daily earnings ? But before I answer that question, let me say what is the number of agricultural labourers in this country. I am reading from the Indian Agricultural Brief, 11th Edition, page 14. The figure given here is 12 60,12,000. This is the figure regarding the number of agricultural labourers. If there are more than 12½ crores of agricultural labourers—25 per cent of the total population—then it is but necessary for us to see as to what are the daily earnings of these agricultural labourers. I hope my analysis will not be wrong here...

SHRI K. R. GANESH : Not here (*Inter-ruption*)

SHRI R. D. BHANDARE : Central zone 84 paise ; eastern zone 152 paise ; southern zone 147 paise ; western zone 140 paise ; northern zone 211 paise because in your side, Sir, Punjab, Haryana and the other side the daily earnings have gone up. The all-India figures are : men 139 paise and women 102 paise per day. But what is the value of the rupee ? It is a very surprising thing that the value of the rupee has gone down. Even though the figures may show that the earnings have gone up, we have to take into account the fact that the value of the rupee has gone down. If the base year 1949 is taken as 100, the value has gone down in 1950 to 99.1. I shall be giving the figures for the year 1964-65. Why is it that for 1964-65 the figures are given ? Ever since I came to this House, I have been insisting and pleading that there ought to be an Agricultural Inquiry Commission. We had in 1955 an Agricultural Inquiry Commission. Then again in 1961-62 we had an Agricultural Inquiry Commission. I think it was because of Pandit Jawaharlal Nehru who was the head of the Government and who, in view of the socialistic ideas he had which he wanted to implement, could go to the extent of appointing an Agri-

cultural Inquiry Commission. But, right from 1962 onwards, there has been no study of the living conditions of the agricultural labourers. Therefore, the value of the earnings has gone down as I said. What is the value of the rupee ? In 1963 it was 70 6 paise, 1968—46.5, 1970—44, 1971—43.5 and then 1972—42 which is the figure given by the Finance Minister himself. So, we must correlate the value of the rupee to the daily earnings of the agricultural labourers and other workers. Therefore, in the interests of the masses how are our policies reflected ? To what extent have our policies benefited the masses and the working classes and especially the poor farmers and labourers ?

Our Government has come forward to say that even though the purchasing power has gone down, they have started a distribution system by opening fair-price shops and rationing. The Agriculture Minister has given the figure—there are 1,25,000 fair-price shops. But, you know how the distribution has been taking place right from 1969. It was 9.6 million tonnes in 1969. Then it was brought down to 8.9 million tonnes in 1970 and only 7.7 million tonnes in 1971. Even the number of fair-price shops and ration shops has gone down from year to year. How many villages are there in our country ? 5,50,000 but what is the number of fair-price shops ? 1,25,000. Yet, we think in terms of helping the poor and needy.

Therefore, I would suggest that in view of the present position and in view of the sufferings of the masses and the working classes and the agricultural labourers, the Plan should be so oriented, so re-drafted as to subserve the interests of the masses and the workers and the agricultural labourers. Therefore, we must have a long-term and a short-term measure. As a part of the long-term plan, I would suggest that all essential commodities which are the necessities of life of the masses should be brought under the public sector. No individual or no private house should be allowed to exploit the suffering of the masses.

Then, again as, a short term measure, I would suggest to the Government that they must start works. It may be called famine works. It may be called relief works. But let the work be started so that at least the poor people who have no capacity to earn or who

cannot earn because of unemployment and under-employment can get some employment and with the help of their earning they can go to the fair-price shops so that they can live on. With these words, I express my anxiety and concern for the rise in prices. Government must come forward to reduce the prices. It is no use saying that we have 9 million tonnes of foodgrains and we can distribute it. After all how many millions are there, how many months to be fed, and to what extent we can distribute? So, all these things should be considered. With these words I have done.

SHRI S. M. BANERJEE (Kanpur): At the very outset I must say that this Government has miserably failed to check rise in prices. On the 15th of this month we are going to celebrate the twenty-fifth Anniversary of our independence. It is a paradox that when we are going to celebrate this 25th Anniversary, the Silver Jubilee of our independence, millions of people are practically facing starvation or undergoing semi-starvation conditions.

In this matter Government should openly admit their failure and take the co-operation of all the political parties and accept suggestions and come to some common understanding.

According to the statement of the Finance Minister made on the floor of the House in response to Calling Attention Notice on 31st July 1972, he admitted that the prices have gone up and it had reached 239 according to the statement. He said that some measures were being taken. I do not want to read the whole thing. The House heard with rapt attention what he had to say in that statement. We are being told through newspapers that drastic steps are being taken. Even the Congress MPs, belonging to the ruling party, in their party meeting, have demanded some drastic steps and my hon. friend Shri Bhandare, has just pointed out that all the essential things required for the common man should be brought under the public sector. But what do we see, Sir?

I read an item from the newspaper of the 10th August, 1972, that is, today.

“Ahmed rules out rationing of foodgrains. The Government’s vacillation over adop-

ting of drastic measures to check rising prices was made clear by Food Minister F. A. Ahmed’s statement at a news conference on Wednesday ruling out rationing this year.”

Against a population of so many millions, against the number of villages of over 5 lakhs there are only 1,30,000 fairprice shops. Prices have gone up in open market beyond imagination. Here is the Food Minister ruling out total rationing or take over of foodgrains. Several suggestions were made to Shri Chavan by hon. Members for taking over the wholesale trade in foodgrains. He replied :

“What is over attitude to the wholesale trade? In principle we have said that we have to take over the wholesale trade.”

They accept this in principle. They accept socialism in principle. They accept democracy in principle. They accept the taking over of the wholesale trade in principle. But when it comes to reality, what is happening? There is no rationing and there is no take-over and no nationalisation of the means of production. That is a sad commentary on the various assurances given by this Government both inside and outside the House.

The other day, with your help, Sir, we got a statement by the hon. Food Minister regarding the distribution and availability of sugar. There also, the question of 40 per cent and 60 per cent was brought in. This Government is swinging between control and decontrol. We expected this Government to behave better than the Prince of Denmark, Hamlet, who was thinking ‘To be or not to be? To take over or not to take over? Control or decontrol?’, I submit that this Government cannot behave like Hamlet at the cost of the entire nation.

We wanted the sugar mills to be taken over. A solemn pledge and a solen assurance was given in this House and also by the Chief Minister of UP in the State Assembly of UP and by the Chief Minister of Bihar in the Bihar Assembly. But what has happened? Shri Annasaheb P. Shinde is here, and I would like to know from him whether it is a fact that the UP Government have sent a draft Bill to the Centre for nationalisation of the sugar mills in UP, and whether it is a fact that it is lying in cold storage. We accused

[Shri S .M. Banerjee]

the UP Government, but when we met the Chief Minister of UP and brought to his notice the scandalous state of affairs going on in the sugar mills and we demanded nationalisation of the sugar mills, he immediately pointed out to us that the ball was in the court of the Central Government and not with them. I would like whether a draft Bill was sent, and if so, what the fact of that Bill is, and whether it is going to see the light of day or not and whether it has been intentionally shelved because of pressure from the sugar mill magnates.

Therefore, my submission is that Government should do something more than give an assurance. I expected that the Planning Minister would have been here, but he has conveniently avoided it. When the entire country is watching our performance on this and they are expecting some very fruitful results and they want to save their children from starvation and they expect Parliament to react and to help the starving millions, I expected that the Prime Minister would also have been here. I do not know whether in the course of the discussion she would be here...

SHRI PILOO MODY (Godhra) : She is not interested.

SHRI S.M. BANERJEE : I know that Shri Annasaheb P. Shinde and Shri K.R. Ganesh are here, and I have been an admirer of their performance. They may be able to debate well, but the country expects something from the Prime Minister also on this issue, because it is the Government which has failed. People have co-operated always. The peasants were asked to produce more, and the green revolution was there. The workers were asked to produce more and there was maximum output, and in every emergency, the people of this country have stood like one man, and they have helped. But in return they expect two hot meals which they have been denied of...

SHRI K. R. GANESH: May I make a clarification? As the hon member knows, this problem was also discussed in the other House. The Prime Minister met the Leaders of the Opposition parties, and there was a threadbare discussion on the various issues that were involved in this problem and Go-

vernment have already initiated certain steps...

SHRI P.K. DEO (Kalahandi) : We are not satisfied.

SHRI K.R. GANESH: I am not saying that hon. Members should be satisfied with this, but I am only giving a factual answer to the point raised by the hon. Member. The Prime Minister is very seriously concerned. She had called the meeting of the Leaders of the Opposition parties to find out the various problems.

As far as the Finance Minister is concerned, he is listening to the debate, and I am taking also extensive notes...

SHRI S.M. BANERJEE : I was referring to the Planning Minister.

SHRI K.R. GANESH : I am not speaking on behalf of the Planning Minister but of the Finance Minister. In fact, he will be replying to the debate. I am mentioning this only to point out that there is seriousness on the part of Government on this very serious problem, and we share the concern of the House, because it is a national problem and there is no escape from a solution of this problem.

13hrs .

SHRI S.M. BANERJEE : I am thankful for the explanation. I have never disputed his status I accept him as the Finance Minister as I accept Shri Shinde as the Food or Agriculture Minister. But if the Prime Minister can afford to listen to our speeches in her room and the Finance Minister also has decided to hear everything in his room, what is the use of discussing a matter like this here? That is not the question. The point is that Parliament is agitated over this matter. There was a call attention motion on the subject which you admitted. Then you kindly allowed a discussion. A statement was also made on sugar on your directive. Now you have allowed a 6-hour discussion on prices here. That is why I expected the Prime Minister to be here at least for some time. I do not say she is callous or indifferent to the problem. But after all, when Parliament is in session, when we are discussing this serious matter, I expected that she would be here.

MR. SPEAKER : He has explained the



position. The Prime Minister normally comes, but sometimes she has other engagements.

**SHRI S.M. BANERJEE :** Let her intervene in the debate.

**SHRI PILOO MODY :** She is not interested. Why does he not take my word for it ?

**SHRI S. M. BANERJEE :** I mentioned about the Planning Minister also. The Planning Commission has chalked out a long term and short-term plan. Is it too much to expect him to be present here during this discussion ?

**MR. SPEAKER :** Let him carry on. He can do only with those who are present.

**SHRI S.M. BANERJEE :** When the Prime Minister met Opposition members, she said there is no question of panic. There is no question of panic. After all, the people are not panicky. It is a question of not getting the essentials of life at reasonable prices. If you go to the market, you will find sugar is being sold at Rs. 6, Rs. 5 a kilogram; Rs. 4.30 per kilogram is the minimum in the open market. All the important things, necessities of life, whether it is vegetable ghee or pulses or jowar or bajra have shot up in price.

What is the remedy ? I am happy that certain godowns have been searched—I am so happy about it. Something has also been found out. In one case, 20 bags were found. But have they been punished ? Not yet. I am really sorry about it. Had there been deterrent and exemplary punishment given to some, I do not think such people would resort to this nefarious practice. We are constrained to say that the black marketing machinery, the machinery of the hoarders and blackmarketeers, has proved once again more powerful than the government machinery. That is why we request that certain effective measures be taken.

On behalf of my party, we have given certain suggestions. We have been shouting in this House and outside for days, months and years together that the wholesale trade in foodgrains should be taken over.

**SHRI PILOO MODY :** That will not solve the problem.

**SHRI S.M. BANERJEE :** That will not solve his problem. But it will solve the problem of the country. We are not interested in providing two meals to Shri Piloo Mody, but we are keen about providing them to the millions.

The current price rise was not accidental but the direct result of the stubborn refusal of Government to curb monopolists who control many essentials means of production, specially consumer goods. We wanted that the wholesale trade should be taken over by Government.

What are we going to do to check the inflow of black money into the economy of our country ? According to a rough estimate, black money circulating in the country is to the tune of Rs. 4,000 crores.

**SHRI PILOO MODY :** Rs. 7,000 crores.

**SHRI S.M. BANERJEE :** Rs. 7,000 crores. He knows better than I. Mr. Piloo Mody's information may be correct.

**SHRI PILOO MODY :** In things economics, I know better than you.

**SHRI S.M. BANERJEE :** So, sir, why should we not demonetise currency notes of Rs. 100 and above ? What is the fear in the mind of the Government ? We demonetise, the black money is bound to go. It is high time that currency notes of Rs. 100 and above were demonetised.

Then, illegal forward trading going on is unabated and unchecked. I produced many documents. I am happy that the Ministry of Industrial Development has stopped forward trading in gur. But what about illegal speculative measures which are being indulged in ? So, we demand the distribution of these commodities and cheap cloth through fair price shops, and cooperatives in urban and rural areas.

Then, we demand the nationalisation of sugar and textile mills. Unless the sugar mills are nationalised, the sugar scandal cannot be stopped, and it will go on unabated and unchecked. I have already said that a

[Shri S. M. Banerjee]

Bill is already pending, and when it comes from the Uttar Pradesh Government it should be immediately passed or it should be okayed.

Then, there should be immediate supply of food and other essential commodities through the fair price shops. The number of shops should be increased. There should be a suspension of the collection of taxes and recovery of loans from peasants in the drought-affected areas. You know the extent of misery caused by the drought to the people. Then there should be the introduction of production-oriented work and relief programmes to give employment to agricultural workers and the poor people. Long-term irrigation projects to remove the drought menace for good, should be initiated.

Then, the Reserve Bank should also act. The Reserve Bank and the other nationalised banks are now giving loans, but to whom? To the landlords in the name of collective farming and co-operative farming and to the big business families. That is why we feel that the Reserve Bank and other nationalised banks should adopt a project-oriented and non-speculative credit policy.

In addition, there should be deterrent punishment given to the blackmarketers and hoarders. I hope the Government will take note of this, because the line between hunger and anger has become thinner, and once they meet, then, no power on earth, whether it is this party or that party, will be able to check the same. And the youth of the country will rally round and the starving millions of this country will rise once again in revolution against the powers that be and that will be a very sad day to everyone. That will be bidding good-bye to parliamentary democracy. And if in Parliament, the more we discuss and the more the prices rise, what is the use of having a discussion? The people will be forced to loot the shops and kill the blackmarketers, whether you like it or not.

Another two minutes, and I shall have done. My last point is this. I have demanded that with the rising prices of essential commodities, the cases of the salaried employees and the middle class people who are most affected should also be considered.

What is happening? (*Interruption*) The value of the rupee has gone down to 42 paise.

AN HON. MEMBER : What will happen?

SHRI S. M. BANERJEE : Nothing will happen! Nothing will happen to the MPs; they can take two hot meals anytime they like, but it is the people at large who are suffering. I stand for the salaried people also. A note has been given under your instructions, by the Finance Ministry. Now, my demand about the interim relief to the Central Government employees was that they were entitled to another slab of interim relief on the index reaching 238. What is the reply that they have given? According to the information at present available, though the consumer price index for the month of May, 1972 has reached 238, the 12-monthly average of the index for the period ending May, 1972 stands at 235.66 only, and thus, the time for further review of the position regarding interim relief has not yet been reached. When it was 225, we demanded that the interim relief should be paid at 235. But the Government, I am sorry to say, cheated the Central Government employees and said "You are entitled to increase when it reaches 238." When will the figure for June and July be out? This figure is in relation only to the end of May, 1972, namely, 235.66, that is, 236. What about the figure for June? What about the figure for July? Once the figure rose to 238, the Central Government employees should have been given an additional interim relief. They cannot wait any longer. If the prices are rising as they are, if the purchasing power is becoming less and less and if the value of the rupee has gone down, there is no other way for the Central Government employees but to go on a wage-strike and demand another instalment of interim relief.

Those suggestion which we have given are not given in the heat of the moment. My Party has been pleading with the Government to consider these suggestions and answer our questions. If the Planning Minister feels that there should be some change in the planning, let him come here and make a statement. What are his plans to curb the prices? What are his plans to curb monopoly houses in the country? He should make a statement on these things.

**SHRI B. R. BHAGAT (Shahabad) :** The House and the country are quite naturally concerned and exercised over the unprecedented rise in prices during the last three months. Government have come forward with various measures to deal with this situation. Some are short-term. The focal point of rise is in the food-grains and the Food and Agricultural Minister is giving thought to this matter. The long term aspect is that price rise is a phenomenon which is the result of malfunctioning of the economy and has a snowballing effect over a period. Various basic imbalances in the economy, co-ordinates like production in agriculture and manufactures, monetary aspect and fiscal aspect, saving and investment aspect—all these should be married into a policy. Otherwise it will not be realistic to say that victory over prices had been achieved.

In the more advanced and progressive economies we have not only a price policy but also an income policy. These are integrated. In the short time at my disposal I shall take up the basic issue connected with this.

If we see the cost of living index commoditywise, there has been an all round rise in prices. As on 15.7.1972 the food articles have risen by 25.1 per cent manufactures had risen by 8 per cent. In Industrial raw materials only there has been a fall.

**AN HON. MEMBER :** Liquor prices too.

**SHRI B. R. BHAGAT :** There is a rise of 33 per cent in liquor but I am not bothered about that.

Because of plentiful supply in cotton, jute, and oil seeds the price of industrial raw materials had fallen. The overall increase has been 13.7 per cent. This is an unprecedented increase if you compare our experience over the last decade. The worst years were 1966, 1967 and 1968, when cumulative price rise was about 30 per cent mainly because of fall in grain production. Other factors were responsible for bringing down industrial production as well. Even compared to that, the price rise this year is much more.

A point is made that there is a world-wide phenomenon of inflation. That is true. There is a crisis in currency and monetary situation in the world. But there the price rise is only 3 or 4 or 6 per cent, not 13.6 per cent. First,

the dollar was floated. The result was, American economy gained at the cost of the Japanese, French and others. Now the pound is floating. It may be again to England. But what about developing countries like India? The Minister of State is here and I expect he will have fresh ideas on this. We are losing everywhere. When the dollar was floated, we lost millions of rupees. Again when the pound is floating, we are losing. We have a fixed rate of Rs. 7.28 per dollar. But today in official transactions, the dollar is selling at Rs. 7.55 or Rs. 7.80. For every dollar, we are losing at least 50 cents. Out of our total import of say Rs. 1500 crores, if you leave aside the imports from socialist countries amounting to Rs. 500 to 700 crores, on the remaining Rs. 800 crores we are losing 50 cents for every dollar. But yet the Reserve Bank and the Finance Ministry are sitting over it doing nothing as if it is impossible to do anything! So, apart from the internal inflation, there is inflation that is being imported into the country. We have the best brains in the Reserve Bank and they have nothing to say on this matter! But what about the socialist countries? They have more rational and more scientific system. I know that in the case of East European countries, with every floating of currency, whether it is dollar or pound, their economies make enormous profits. Why can't we do that?

Coming to the internal situation of prices, there are two aspects: demand and supply. The supply side is important mostly in an under-developed economy like ours. It has been said often that because of the delay in the monsoon, the entire economy is thrown out of gear. This should make us pause and think. After 25 years of freedom, after 4 five year plans involving large irrigation and other programmes, is our economy so vulnerable that if the monsoon is delayed by three weeks, there is a crisis? So, that is not the whole story. Even though emphasis is put on this, it is due more to other causes.

What is the reason for the prices of manufactured goods, industrial manufactures, going up year after year for the last four or five years at the rate of 6 to 7 per cent? Of course, this year it is much more. Every year you cannot attribute it to seasonal factors. There are other elements.

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One such element is the fiscal and monetary policy. Despite the claim made by the Finance Minister that he has been trying to hold deficit financing and creation of paper money, it is going up every year. It is true that last year we had external threat and we had to fight a war over and above the enormous burden of looking after 10 million refugees from Bangladesh. So, the Finance Minister came before this House with proposals of additional taxation to the extent of Rs. 200 crores. Despite all that the deficit financing that is taking place is unprecedented. In 1969-70 the extent of deficit financing was only Rs. 58 crores. In 1970-71 it rose to Rs. 365 crores and in 1971-72 to Rs. 380 crores. For the current year I can only make an estimate because firm figures are not available. The expectation is that this year it may be of the order of Rs. 900 crores.

SHRI K. R. GANESH : The only clarification that I can give is that the drought situation, flood situation and various other situations which we are seeing in our country are very much part of the reality which the Indian economy is facing.

SHRI B. R. BHAGAT : I am trying to say that the law of economics is inexorable and these factors have their impact on the price situation. In addition to this deficit financing of Rs. 900 crores, the overdrafts to the States have reached an all-time high figure of Rs. 498 crores. All these are bound to affect the situation.

Having analysed the price situation, the external and internal factors, the fiscal and monetary factors, what are we to do? Certain short term measures have been taken on a war footing and I am quite sure they are going to succeed and they will certainly alleviate the sufferings of the people to a certain extent. I think they have taken a correct decision to route all sales through fair price shops. That will help to protect the interests of the weaker sections. Not only for foodgrains but for articles of mass consumption there should be a public distribution system. It should cover articles like cloth, edible oils, sugar and so on. The scarcity in the case of sugar is purely artificial. It has disappeared from the market. By bringing all these items under the public distribution system we can protect the interests of the

weaker sections. Now even people with an income of Rs. 2,000 in a city like Delhi are finding it difficult to make both ends meet.

SHRI B. V. NAIK (Kanara) : Rs. 2000 per year or per month?

SHRI B. R. BHAGAT : Rs. 2000 per month.

SHRI B. V. NAIK : That is a weaker section.

SHRI B. R. BHAGAT : Of course, weaker section means only people with smaller income. But I say, in cities, even people with Rs. 2000 per month find it difficult to make both ends meet these days. The idea that I want to underline is that all articles of mass consumption should be routed through public distribution agency.

I am saying it because last time, in 1966-67, the same point was made in the House, and from Government side too, that whatever be the situation, whether it is a good situation or a bad situation or a critical situation, the public distribution agency should take care of all the articles of mass consumption for meeting the needs of the masses. But it was given up the moment the situation eased. That should not happen. It should not be a part of any short-term measure. It should be a part of the permanent policy so that the public distribution agency must take care of the entire country in the matter of distribution of articles of mass consumption. This is my submission in regard to short-term measures.

The basic aspect of the situation is this. The hon. Member said that the Planning Minister must come forward and enlighten the House. Unless we take steps to re-set our priorities, we cannot get the results. What is happening? The investment is falling over the last two or three years. The present situation is critical. I can understand, in the industrial sector, the larger houses, rightly, have been curbed so that their investments should come down. But there is no reason why in the small-scale sector, in the middle-scale sector, the investment has not gone up. I was surprised to read the Mid-Term Plan Appraisal. Even in the public sector, the investment is only of the order of about half of what the Plan provides. In the last three

years, the rate of investment in the public sector is about half. Therefore, what is taking place is that the investments are going down not only in those sectors which are priority sectors but also in other sectors.

The savings are going down. The inflation is taking place. The rate of growth is coming down. On the top of it, there is going to be the deficit financing to the tune of Rs. 900 crores. If the economy had registered the growth of 10 per cent, if we had realised our targets of food production, this deficit financing of Rs. 900 crores would not have mattered much. The basic thing is, if you want to ensure the economy against periodic crisis coming up and, again, deflecting us from the path of development, from the path of social change, from achieving our objective of self-reliance and making our economy viable, it is necessary that there should be a change in the priorities in the Plan. Let it be in a manner so that not only we achieve a higher rate of growth but distribution process is also built in the system. Growth with social justice is only a slogan today. It must be achieved. Only through the public distribution agency and the change in the priorities in the Plan, we will be able to deal with this situation, not only this situation but any other situation coming in the future.

**SHRI K. R. GANESH :** He has made a positive speech and a very important speech. The only point which I wish to put before him is that in regard to gigantic investment, inflation, deficit financing and production about which he talked and which are very much correlated, I expected an answer from him.

**SHRI BHAGWAT JHA AZAD (Bhagalpur) :** I will provide the answer.

**SHRI K. R. GANESH :** I am not in confrontation with you.

**SHRI BHAGWAT JHA AZAD :** You asked a question, and I said that I would reply.

**SHRI K. R. GANESH :** Why is he angry ?

**SHRI BHAGWAT JHA AZAD :** He says that I am angry. I pity the Minister and his wisdom.

**SHRI K. R. GANESH :** I asked for the answer from Mr. Bhagat.

**MR. SPEAKER :** Mr. Era Sezhiyan.

The hon. members may not be too long in their speeches. The time is limited and there are a large number of members who want to speak. We have distributed the available time according to the parties and according to the numbers. So we must stick to the time.

**SHRI SEZHIYAN (Kumbakonam) :** Before I come to the subject-matter, I want to say one thing. Though I have got every respect for Mr. Ganesh and for his competency to tackle this question, I want to point out that, in all fairness to the House, in all fairness to the seriousness of the problem that we are discussing today, we had expected the Finance Minister to be present here to listen to the debate and to answer. Also the Prime Minister and the Planning Minister should have been present. It is a pity that they have not paid due attention or respect to this House.

13.31 hrs.

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

**AN HON. MEMBER :** This is lunch time.

**SHRI SEZHIYAN :** Millions of people are not having their lunch due to rise in prices.

We have been discussing the subject of rising prices now and then every year, every session ; in some form or other the problem comes before this House. It appears to be symptomatic of a deep malady that is corroding the economic structure and the economic welfare of the society of this country. I would not say that Government are unaware of this problem. I cannot say that they are ignorant of the trends of rising prices. It can be said to the credit of the ruling Congress party that they have been very categorical in their statement and they have been very clear in their stand. The Congress party has said :

"It is of highest importance to keep prices from rising and to endeavour to reduce them. Many of our difficulties today are

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due to high and rising price level and the economic development has been seriously hampered because of this."

This is a categorical determination shown by the ruling Congress party. When they have said 'today', it does not mean today. It was said in the Congress manifesto in the year 1952. In the year 1952 they had been saying that it was of highest importance to keep the prices down from rising and to endeavour to reduce them! Even in the mid-term election manifesto, in February 1971, the Congress party boldly sought "a clear mandate to control prices and to ensure to the people the supplies of essential commodities at reasonable prices" Therefore, it is not for want of knowledge of the rising prices. I can say that they are aware; they are fully aware at least when elections come and they have to face the people.

Whenever the Minister and the Prime Minister are called upon to answer about the serious crisis of the high rise in prices, some age-old arguments are repeated. One of them is that, as was referred to by Mr. Bhagat, there was delay in the setting in of the monsoon and there was low production. But I would expect the Government to have a plan. Four Five-Year plans have been there, and they are formulating the Fifth Five-Year Plan also. A planned economy worth the name should take into account not only the normal and favourable conditions but also the fluctuations in climatic changes. Sir, India, is after all, a country of sub-continental dimensions. If there is flood in one area, there will be drought in another area and we cannot have continuous bumper crop years. But, for the last five years we had good crop seasons and a slight delay in the onset of monsoon should not upset the entire programme and the economic situation in the country.

Mr Chavan, the other day, while replying to a call attention notice, gave a very stern warning and he said that the Government would certainly take very prompt action against the hoarders and speculators. I accept his sincerity, even as we accepted the sincerity of the Government when Pandit Jawaharlal Nehru said about two decades ago that all the black-marketeers and hoarders would be hanged by the nearest lamp-posts.

SHRI JYOTIRMOY BOSU : They have been given Congress tickets now.

SHRI SEZHIYAN : Sir, in the country the lamp posts have increased, so also the black-marketeers. There seems to be correlation between these two. (*Interruptions*) Instead of hanging them by the rope at the nearest lamp post, they have been garlanded with roses and favoured with other things.

SHRI K. R. GANESH : Sir, we have an Essential Commodities Act and it is the responsibility and within the power of the State Government to use that Act

SHRI JYOTIRMOY BOSU : Wonderful ! Now, you are exonerated.

SHRI K. R. GANESH : I am not exonerating myself. I am only placing the facts.

SHRI SEZHIYAN : Sir, the rise in prices has been caused entirely due to the actions of the Central Government. The State Governments are at the mercy of the Centre. Whenever the prices rise, it is due to your faulty planning, unfulfilled plan targets, infertuous spending, unbridled inflation, mounting burden of indirect taxes, the parallel economy of the black money, defective distribution, etc. All these things I place squarely at the door of the Central Government. The Central Government being the source of the crisis, it is very difficult for the State Government to control it. When you allow an increase in DA to the Central Government staff, the State Governments are put to much burden and they are in an unenviable position because they are not able to provide extra D.A. out of their slender resources.

Sir, whenever the prices rise, there is a warning. But, those who are in authority, the Finance Minister, the Prime Minister and the Food Minister, take a very complacent attitude. When the Prime Minister met the Press on July 12, only a month ago, she told the press, "I am told that the prices have shown some decline and I expect them to come down further." On July 12, she expected and her economic advisers had reported to her that the prices were going down whereas actually the prices were galloping in the market.

It has been reported in the *Times of India*—editorial of 4th August 1972, only about a week earlier that Mr. Shinde had assured the public that the grain prices were declining. Such is their complacency. One more argument is that there has been an inflation and the inflation will have its effect. Because of Bangla Desh and other emergency activities, there have been inflationary expenditures on the part of the Government and therefore, the increase in prices. But I can say to the Finance Minister that there was an analysis conducted by the Government and it has come out in January 1972 much after the Bangla Desh conflict and spending due to that account. They have said that the trend of inflationary pressures was checked at the end of September 1971. Government itself after deep analysis stated that they had controlled the inflationary tendencies in the country. That should not be given as the reason now.

When the price rises it is the low income group and fixed income group that will be the hardest hit in their day-to-day life. The Prime Minister was pleased to say in her Press Conference that "you cannot have higher wages and low prices." I say that "you cannot have low wages and higher prices together." Why do the wage-earners want the higher emoluments, increase in D.A. etc? It is because of the rise in prices. They are being forced to ask for this rise in emoluments to offset the effects of price rise.

The National Commission on Labour was given a task of analysing the condition of labour in respect of their working, wage—earning capacity, etc. etc. That Commission submitted their report in 1969. They have evaluated the wage-earning capacity of the factory worker, especially, the factory worker getting Rs. 200 and less. They found that the 'real earnings' of a factory worker getting less than Rs. 200 per month have risen by about 4.6 per cent only from 1951 to 1964. From the beginning of the first Five-year Plan till the end of the Third Five-year plan there has been only 4.6 per cent increase. He has got so many commitments to fulfil. He has got a growing family. But only an increase of 4.6 per cent has come to him. I will take the case of the Class IV employees of the railways. From the year 1949 to 1968 for two decades the real earning of the Class IV employee in Rail-

ways has gone up by only one per cent. Therefore, there is no use saying that higher wages and low prices do not go together. Whereas his commitments are increasing his family is increasing, the Class IV employee got only one per cent increase and the factory worker got only 4 per cent increase. This is the position. The real wages are not coming up; consumption levels are going down; you cannot give the argument that there should be freeze on wages, without freeze on the price rise.

There is another very handy argument that there is less production and therefore the costs have gone up. I don't say that when production is going down, demand can be fulfilled. But, in Indian economy, even at a time when production went up, prices have not come down, but to the contrary prices have gone up. Take foodgrains for the year 1970. There was a bumper crop, which crossed the 100 million tonnes of foodgrain for the first time. But, for the food articles in November, 1969, the index point was 192. In November, 1970, in one year period, when the bumper crop was crossing the 100 million mark the food price index went up to 211. 19 points rise was recorded in this year when there was a bumper crop. Therefore, don't give the argument that because of low production prices are going up. Even when production was going even when there was a bumper crop, prices have not been put down. The sharpest rise had occurred precisely in the field where there was more production. Our industrial production was sluggish during the past on decade. But the rise in the prices of the manufactured items is not as much as in the case of foodgrains where you had the bumper crop. Therefore, Sir, this argument that is advanced, namely, that because of low production prices have gone up, is not correct. Just now, it has been said that the State Governments have enough powers to control the prices. But it is the Central Government that indulges in heavy indirect taxation. And it is this mounting burden of indirect taxation which has gone a longe a long way in putting up the prices of many of the essential commodities

For example, the consumer articles like cloth, sugar, cement etc have always experienced a very high dose of indirect taxation. When we come to direct taxation, we find that Rs. 500

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crores of income-tax is always left in arrears. But in the case of indirect taxation, it can never be in arrears, because whenever anybody buys an article he is forced to pay the indirect tax and then take the article home.

In the case of cloth, indirect taxation has been 50 to 75 per cent of the ex-factory price in the case of sugar it is 75 per cent, cement between 60 and 70 per cent, steel 50 to 60 per cent, and in the case of rayon it is 50 to 75 per cent. Now the steel prices have also been increased. Steel goes into the making of every consumer article, and, therefore, the increase in steel price is bound to increase the prices of the other consumer articles. So, in the case of vehicles, in the case of transport, in the case of bridges, and in housing schemes and everything else, whenever there is an increase in the price of steel, it is going to contribute to an increase in the cost in respect of all these items.

No answer has been given in regard to the distribution system so far. Government have been promising that they will open more and more consumer co-operative societies. I welcome the idea. But the consumer co-operative system started in 1962, and for a decade it has been working. But with what results? There is one big superbazar here in Delhi. As one paper rightly pointed out the other day, it should indeed be called a super-profit bazar...

**SHRI JAGANNATHRAO JOSHI** (Shajapur): In spite of that, there have been super-losses.

**SHRI SEZHIYAN** : I shall come to that later.

**MR. DEPUTY-SPEAKER** : There is not much time left for that.

**SHRI SEZHIYAN** : The prices of almost all the articles sold in the superbazar are higher than the general market price prevailing outside. That point was brought out in this House last year. The Public Accounts Committee went into the entire question and came to the conclusion that instead of leading the market, the superbazar was being led by the market prices. For example, my wife bought the other day 200 gm. of Bru Coffee at Rs. 10.45 in the Superbazar. When we came

out, we found that its market price was only Rs. 9.85 in other areas. When asked, the Brooke Bond people said that they were selling it to the Superbazar at Rs. 9.20. Instead of setting an example to others, we find that the superbazar is charging very high prices; and yet we find that while they have a capital of Rs. 42 lakhs, they have incurred a loss of Rs. 66 lakhs in spite of all the high prices that they could charge.

The Prime Minister met the Members the other day, and the same advice given by her regarding the price rise in sugar was 'Do not consume sugar'. I hope that this advice does not extend to wheat and other things. I hope she will not say, 'Do not consume wheat do not consume rice'. It is not the consumption which has risen. In fact, the consumption level has not risen at all. When we take the *per capita* consumption of wheat or rice, we find that it has been going down year by year, but the prices are always rising. Therefore, whenever Government come forward to give very pious advice to the poor people, I hope that they will give some effective advice to the profiteers and blackmarketeters who are running a parallel economy with Rs. 3500 or Rs. 5000 or Rs. 8000 crores, it is anybody's guess, of black money. Government should come down very heavily on those people. I lay the entire blame for this increasing price spiral squarely at the doors of the Central Government, because it is their fiscal policies which have ended in this fiasco and the country has been put to such great distress. The poverty-stricken people have been bled because of these price increases whereas big business has been allowed to reap heavy and windfall profits at the same time.

**श्री नरसिंह नारायण पांडे (गोरखपुर) :**  
उपाध्यक्ष महोदय, मैं ऐसा समझता हूँ आज जो कीमतें बढ़ रही हैं उसका कारण केवल केन्द्रीय सरकार ही नहीं है, उसकी नीतियाँ ही नहीं हैं बल्कि उसका कारण और बहुत सी चीजें हैं जिन्हें जब हम जो भारतीय अर्थव्यवस्था है, जिस तरह की अर्थव्यवस्था हमारे देश में चल रही है और जिन तरह से आज सरकार को उसके ऊपर नियंत्रण रखना पड़ता है उसको यदि हम मद्देनजर रखेंगे तो हमें उन मूल कारणों का पता चलेगा। यह बात सही है कि छाद्यान्तों के पाठों में काफी वृद्धि हुई है और



उस वृद्धि का कारण बहुत-सी चीजें बतायी गयीं हैं, कहीं पर कहा गया है कि ज्यादा इन्वेस्टमेंट किया गया, ओवर ड्रापट हुआ, डेफिजिट फाइनेंसिंग हुई और सट्टे बाजार की बात भी कही गयी है। जो आज कीमतों की वृद्धि हुई है इसके ऊपर सरकार ने अपना एक विचार रखा है। मैं एक दूसरा विचार आपके सामने रखना चाहता हूँ। मैं ऐसा मानता हूँ कि जिस तरह की हमारी अर्थ-व्यवस्था चल रही है उस अर्थव्यवस्था में, मिश्रित इकनोमी ही एक ऐसी अर्थव्यवस्था है कि जिसके रहते हुए इस देश में यदि हम चाहे कि चीजों के दाम पर, चाहे खाद्यान्न हो, चाहे इण्डस्ट्रियल गुड्स हो, चाहे कज्यूमर गुड्स हो, उनके ऊपर हम कंट्रोल अपना बंधुश रख सकते हैं तो हमें बहुत ही इसके बारे में गहराई से विचार करना पड़ेगा। मैं ऐसा मानता हूँ कि आज इस अर्थव्यवस्था के रहते हुए इण्डियन इकनोमी में चाहे हम कितनी ही इन्वेस्टमेंट क्यों न करें, हम राइजिंग प्राइसेज की तरफ जायेंगे। वॉचू कमेटी के आचार पर यदि आंकड़े एकत्रित किए जायें तो मालूम होगा कि सात हजार करोड़ रु० के लगभग ब्लैक मनी सर्कुलेशन में है। यह हमारी अर्थव्यवस्था को कहा ले जाएगा हमें सोचना पड़ेगा।

जब हरित क्रांति होती है, देश में खाद्यान्न का उत्पादन बढ़ता है तो कहा जाता है कि बाजार नीचे आएगा। लेकिन जहाँ मौसम खराब हुआ या कोई टैंम्पेरी बात आ गयी उसी समय सट्टे बाजारी, व्यापारी चीजों को ऐसी जगह पर ले जाते हैं जहाँ सरकार को नाना प्रकार के ऐसे रास्ते अविचार करने पड़ते हैं जिससे देश के अन्दर बहुत से लोगों को प्रजातन्त्र में बहुत कुछ कहना पड़ता है कि "आखिर देश की अर्थव्यवस्था कैसे चल रही है।" खाद्यान्न के बारे में जो आंकड़े दिये गये यदि उनको सही माना जाय तो अति-शतोक्ति नहीं होगी कि चीजों के दाम बढ़ें।

**SHRI JAGADISH BHATTACHARYYA (Ghatal) :** On a point of order. There is no quorum in the House.

**MR. DEPUTY-SPEAKER :** Let me have it checked up.

**SHRI JYOTIRMOY BOSU.** The Prime Minister functions in *absentia*. The Ministers are not available, the Finance Minister is not to be seen here. And look at the condition of the M.M. Party. We are much better off on this side.

**SHRI NAWAL KISHORE SHARMA:** It has been the convention that the question of quorum should not be raised during the lunch hour.

**MR. DEPUTY-SPEAKER :** Order, order.

**SHRIMATI GAYATRI DEVI OF JAIPUR (Jaipur) :** It is very surprising that he should be talking about lunch hour when the country is facing such a shortage of food. That is why the Treasury Benches are empty.

**SHRI PILOO MODY :** Having lunch at the expense of the country.

**MR. DEPUTY SPEAKER :** If the members observe the convention, that is all right. If they do not, I have to go by the Constitution.

Let the bell be rung ..

Now, there is quorum. The hon. Member may continue.

**श्री नरसिंह नारायण पांडे :** मैं निवेदन कर रहा था कि इस बात में कोई अतिशयोक्ति नहीं रह गयी है, माननीय मंत्री जी ने भी स्वीकार किया है और सरकार ने भी इस बात को स्वीकार किया है कि फूड आर्टिकल्स के दाम इन दिनों काफी बढ़े हैं। लेकिन बढ़ने का जो कारण दिया जाता है कि मौसम खराब होने के कारण प्राइसेज बढ़ गयी, तो मौसम के कारण आज प्रोडक्शन कुछ घट सकता है, लेकिन इसका मतलब यह नहीं है जबकि आप के पास 95 लाख टन, जैसा कि आप खुद कहते हैं, हमारे स्टॉक में जमा है, फिर भी चीजों के दाम इतने बढ़ जायें। इसलिए केवल स्टेटमेंट देने से और उसको दस्तेमाल न कर के आप सिन्चुएशन को और प्राइसेज को कंट्रोल नहीं कर पाएंगे।

कभी हरित क्रांति होती है तो हम लोग कहने लगते हैं कि हमारे यहाँ प्रोडक्शन बढ़ गया।

[श्री नरसिंह नारायण पांडे]

अच्छा है प्रोडक्शन बढ़े, इण्डस्ट्रियल गुड्स का, खाद्यान्न का प्रोडक्शन बढ़े, लेकिन उसके साथ-साथ यदि आप उसके वितरण पर कंट्रोल नहीं रखेंगे तो प्रोडक्शन का कोई मतलब नहीं रह सकता है। और इसलिए मैंने कहा कि आज केवल खाद्यान्न के मामले में नहीं, चीनी के मामले में भी हालत खराब हो गयी है। मई के महीने से चीनी के भाव बहुत बढ़ गए हैं। डीकट्रोल के पहले कहा गया 14 लाख टन चीनी हमारे पास बफर स्टॉक पिछले साल का है, और 35 लाख टन इस साल पैदा होगी। 40 लाख टन का हमारा कंजर्वेशन है, और बताया गया कि हमारी पाइप लाइन में चीनी सबसे अधिक रह पायेगी, और हम देश को चीनी के मामले में आत्मनिर्भर करेंगे। बांग्लादेश को भी भेजेंगे, बाहर भी एक्स्पॉर्ट करेंगे, पांच करोड़ रु० तक की हमारी प्लानिंग भी फॉरन एक्सचेंज अर्न करने की। लेकिन अभी जब हमने मिल मालिकों के ऐम्प्लोयर्स का वक्तव्य देखा तो उन्होंने कहा कि दो लाख टन चीनी यदि इम्पोर्ट नहीं की गयी तो चीनी के बढ़ते हुए भाव को नहीं रोका जा सकता। उन्होंने जो अपने वक्तव्य में कहा उसका कंट्राडिक्शन अभी तक कोई नहीं आया। इतना ही नहीं उन्होंने यह भी कहा कि अगर अगले साल चीनी का उत्पादन हम को बढ़ाना है तो उसको बढ़ाने के लिए हमें ऐक्साइज ड्यूटी में छूट मिलनी चाहिए। आज श्रीमन्, जो हमारी नीति चली आ रही है, जो खाद्यान्न के बारे में हमारी नीति है, वह आपके सामने है—आज प्रोडक्शन और डिस्ट्रीब्यूशन में किसी तरह का कोई समन्वय नहीं है, आज हमारे इण्डस्ट्रियल और एग्रीकल्चरल गुड्स में किसी तरह का कोई समन्वय नहीं है, हमें कहीं न कहीं इन चीजों में समन्वय रखना पड़ेगा। सोशलिस्ट कन्ट्रीज में भी मैंने देखा है, प्राइस कमीशन बनाये जाने हैं, क्राप के पहले प्राइस कमीशन सारी क्राप की स्थिति की जांच करता है और एक प्राइम पालिसी निश्चित करता है। हमारे यहाँ अभी बताया गया है कि पिछले 6-7 साल से हमारी कोई प्राइस पालिसी फिक्स नहीं हो सकी। आज मैं कहना चाहता हूँ—हमारे

प्लानिंग मिनिस्टर साहब बैठे हुए हैं—कल ही इन्होंने एक प्रश्न के उत्तर में कहा था—40 से 50 परसेंट तक हमारे यहाँ ऐसे लोग हैं जिनकी आमदनी बड़ी मिनिमम है, जिनकी हालत बड़ी खराब है। आज की तरह से कज्यूमर इण्डेक्स बढ़ता चला जा रहा है, मैं पूछना चाहता हूँ, यदि इसी प्रकार से प्राइस-राईज होती गई तो फिर क्या स्थिति होगी? चीनी के क्षेत्र में हम आत्मनिर्भर हुए, माननीय मंत्री ने इसी सदन में 13 दिसम्बर, 1971 को अपना एक स्टेटमेंट पढ़ा, जिसमें उन्होंने चीनी के क्षेत्र में आत्मनिर्भरता की बात की, मैं उन्हीं के स्टेटमेंट से पढ़ कर सुनाता हूँ—

“Discussions were therefore held with the representatives of the industry both in the joint stock and the co-operative sectors. It was emphasised that in the current situation there was an imperative need to hold the sugar price line and at the same time to ensure payment of a higher caneprice to the growers than the minimum fixed by the Government so that sugar production that has declined in 1969-70 may pick up again in 1972-73.”

श्रीमन्, क्या हुआ? आप का जो प्रोडक्शन का टारगेट था, वह टारगेट 35 लाख टन हो गया, 40 लाख टन से गिर कर और दूसरे साल, आज जिस तरह का झूट है, मैं ऐसा समझता हूँ 30 या 31 लाख टन ही रह जाएगा या जो भी कदम आप प्रपोज करें। लेकिन मैं इस गठन में आज हम बात को कहना चाहता हूँ कि अगर अगले साल के लिए आप 30 की शुगर पालिसी ठीक नहीं रखी तो आप 30 लाख टन भी चीनी पा जायें, मुझे इसमें सन्देह है। अगर आपने केन-प्रोड्यूस को इन्सेन्टिव नहीं दिया, अगर उनके भाव को ठीक करने के लिए आपने कोई पालिसी निर्धारित नहीं की तो आप का प्रोडक्शन काफी कम हो जाएगा, 30 लाख टन चीनी पाना भी मुश्किल हो जाएगा।

14 hrs.

शुगर की आज जो हालत है—मैंने पिछले सेशन में भी कहा था—5 रुपये किसी चीनी बिकेनी, आज देख लीजिए, 4 रुपये किसी चीनी बिक रही है। माननीय मंत्री जी के उक्त वक्तव्य

कहा था कि 2 रुपये किलो से ज्यादा चीनी नहीं बिकने देंगे, लेकिन आज 4 रुपये किलो चीनी बिकने लगी है। मैं उन्हीं के स्टेटमेंट को पढ़ कर सुनाता हूँ—

“Imperative need to hold the sugar price line”

**SHRI JYOTIRMOY BOSU** On a point of order Did that price include the donation to the Congress election fund? (*Interruptions*)

**श्री नरसिंह नारायण पांडे** It is donation to CP (M) fund. मैं आपसे यही निवेदन कर रहा था कि आपने पिछले मंत्र मे यही कहा था कि 2 रुपया किलो चीनी देंगे उसके ऊपर एक्साइज और आक्ट्राय ड्यूटी जो लगेगी, उसको लेकर 2 रुपये कुछ पैसे से ज्यादा चीनी नहीं मिलेगी, लेकिन 4 रुपये किलो से ज्यादा पर चीनी मिलने लगी है और दिवाली तक तो 5 रुपये से कम नहीं मिलेगी। आप का कोई स्टॉक नहीं रह गया है, आप कोई पालिसी नहीं बनला रहे है हमारे पास इतना स्टॉक जमा है, सिर्फ इतना भी नहीं बता पा रहे है।

गुजर मिल औनर्स एसोसिएशन कहती है— 265 रुपये किंबटल पर अगर आप को चीनी खरीदनी है तो मुझसे खरीद लीजिये, मैं आपको खुले आम देने के लिए तैयार हूँ। सेन्ट्रल गवर्नमेंट मे जो फूड विभाग के अधिकारी बैठे हुए हैं, वे गवर्नमेंट पर प्रभाव डालने के लिए बैठे हुए है कि किसी तरह से चीनी 265 रुपये किंबटल मे खरीद ली जाए। मैं आपसे निवेदन करना चाहता हूँ कि गवर्नमेंट आफ इण्डिया को अपनी कोई फूड पालिसी बनानी चाहिये, जो उसकी डिस्ट्रीब्यूशन मशीनरी है, उसको इफेक्टिव बनाना चाहिये, कन्ज्यूमर प्राइसेज को अपने कंट्रोल मे लाना चाहिये, और यह काम चीनी मिलो के राष्ट्रीयकरण किए बगैर अब नहीं हो सकता, वही एक ऐसी नीति है जो चीनी के मामले मे हमारे देश को ब्यारम निभार बना पायगी तथा चीजो का दाम नियंत्रित कर सकेगी।

इन शब्दो के साथ, उपाध्यक्ष महोदय, मैं आप का आभारी हूँ आपने मुझे समय दिया और मैं अपने विचार प्रकट कर सका।

**SHRI JYOTIRMOY BOSU** (Diamond Harbour) Mr Deputy Speaker, may I at the outset make a submission that I require a little time because I wish to quote what the hon Prime Minister has said so many times

**MR DEPUTY SPEAKER** You have been given your party's time

**SHRI JYOTIRMOY BOSU** And also time for my substitute motion

Your presence encourages me so much that sometimes I cannot limit myself

The Congress Party has created an unprecedented crisis in the country. It is the known outcome of the capitalist path of development. This price crisis is only a part of the general crisis that is engulfing us, namely the economic crisis in foreign trade, lower earnings, stagnation in industry, low food crops and simultaneously drum beating about the green revolution, unemployment, black money and erosion of the Indian rupee. They have talked about restrictions on some items which are exported abroad. That will mean less offering for local consumption and further rise in prices. Is that what they have in mind?

I will now come to the magnitude of the price rise. The hon speaker talked about whole-sale price. This morning at 10 O'clock from the Director of the Consumers' Council, I have collected the figures. It is no use carrying coal to New Castle because everybody knows where the shoe pinches. The price of *Dal chana* rose from Rs 1 12 to Rs 1 80. The price of *Dal Moong sabat* rose from Rs 2 10 to Rs 3 20. The price of *Dal Urd* rose from Rs 2 50 to Rs 4 10 and so on. In actual fact, the price rise in the food front at the last retail counter from where the poor house-wife makes the purchases is even up to 150 per cent. About sugar, the House knows the position. The price of basmati rice has gone up to Rs 4 a kilo. Cloth prices have gone up by 50 per cent. I am quoting from the newspaper. When sugar price has gone up, Mrs Gandhi said, stop consuming sugar. Now when the prices of dhosis and saris have gone

[Shri Jyotirmoy Boru]

up so much, what will she say? Stop consuming dhotis and saris and go about in birthday costumes? That is what it comes to.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : Is that parliamentary? I do not think the hon. member meant what he said

MR. DEPUTY-SPEAKER : Don't make it worse.

SHRI JYOTIRMOY BOSU : I am not yielding.

SHRI K. R. GANESH : The only point the Prime Minister made about the situation...

MR. DEPUTY-SPEAKER : Mr. Ganesh will have his right to reply. He may note down all these points and reply at the end. Why interrupt the hon. member and give him more opportunity?

SHRIMATI SUSHILA ROHATGI : He mentioned about birthday costumes.

MR. DEPUTY-SPEAKER : I do not know whether it is parliamentary or not I think there is nothing wrong in it. It will be unparliamentary if you make it too explicit.

SHRI JYOTIRMOY BOSU : Coming to coke, an essential fuel item, at places its price has gone up by 250 per cent. Coming to steel, that is the Government's doing. HISCO was taken over because the man refused to contribute black money to the election fund. I will say that when the occasion comes

It is partly the creation of the government directly and partly the outcome of collaborative action. The building materials have also recorded a rise of not less than 200 to 300 per cent. How are you going to keep to the estimates for the coming plan at the rate that you have taken when the rise has gone beyond your control?

The hon. Prime Minister has made a wonderful speech, where she used some English idioms like front of brass and feet of clay. In her case I would use expressions like, little knowledge is dangerous and empty vessels sound much. She has said :

"While admitting that industrial production was lagging, Prime Minister Indira Gandhi today held out the hope that the economy would regain its momentum. She says it is partly due to seasonal factors such as late start of the monsoon this year..."

What an unmixed untruth!

Now I am going to quote from *Tribune* a very respected paper. It says :

"International Labour Office data reveal that in July 1971 the general price index had risen by 90% in India while the corresponding percentages for some other countries were : Kenya 18.6, Sri Lanka 29.5, Thailand 19.1, Iran 17, Mexico 28.4 and Pakistan 45.1. The figures for the developed countries reflect the same range : Canada 30.2, the USA 32.4, Australia 32.5. The highest price abroad has been in Japan 52.8, but that country's economy stands in a class apart."

There is a wonderful feature article in *The Statesman* which says :

"Soon after the Prime Minister's confident claim at her press conference that prices were falling the official wholesale index crossed the 200 mark and the consumer index registered a 10-point jump...The 'hold the price line' slogan that spouts like a fresh spring from most Ministerial lips is age old. Six years ago, when in the wake of devaluation prices made a similar spectacular spurt (this year prices of food articles are up by 15% according to the wholesale index much more in reality), they were saying the same thing. The only concrete measure that resulted then was the opening of a chain of Snper Bazaars which for various reasons never got beyond the symbolic stage."

Then I come to the *Times of India*. It is not the statement of CPM ; we are only watching. it says :

"The government's plea that the rise in prices, especially of the foodgrains, is due to seasonal factors is being dismissed as 'absurd' by economic experts in close touch with the price situation. As regards foodgrains, it is pointed that the wholesale

prices of wheat were actually lower between April and October last year... These economists are of the view that the sharp rise in the prices... is directly due to the shortfall in production and the progressive weakening of the public distribution system in respect of almost all foodgrains.

For instance, the releases of foodgrains, mainly wheat and rice, by the Central and state Governments for sale through fair price shops have steadily declined from 9.6 million tonnes in 1969 to 8.9 million tonnes in 1970 and further 7.7 million tonnes in 1971."

The Prime Minister talked about developing economies where there will be a certain price rise. She does not know what she is talking about. I hope she is not copying some other economists, like last time when she quietly quoted some Pakistani economists, it is learnt.

I want to ask : is it not a fact that our *Per capita* income is the lowest in the world, only 73 dollars ? What is she talking about when she is comparing our price rise with the position in America ? If there is a price rise in our country, it takes away the entire earning of an average citizen and enough is not left even for a meal.

SHRI K. R. GANESH : 2 per cent less in the United States means a cup of coffee less there. This is a very serious debate. You are reading the *Times of India* to me. Please say something original. I want to learn from you.

SHRI JYOTIRMOY BOSU : I am not quite so brilliant as you are.

This is what is stated in the Third Plan on p. 126. it says :

"There are, on the other hand, factors that tend to moderate these upward pressures. To the extent that there are unused resources that can be drawn upon and in so far as in certain sectors such as agriculture, an increase in production could be secured quickly with comparatively small investment, the expansionary pressures just mentioned may be softened. Then, again some of the investment made earlier add to current output, and as the level of technology and organisational

efficiency improve, relatively large increases in output could be secured without a proportionate increase in costs."

I only wish to draw Mr. Ganesh's attention to it.

I suspected, firstly, Mrs. Gandhi. But I regret to say even her advisers have misled her. There are two varieties, either half-baked type of pundits that she keeps or those who are motivated in their utterances, Today, unfortunately, there is no relation between the feelings they exhibit and the reality. This is done to cheat the Government employees and other employees who claim dearness allowance.

Here is a very useful journal *Economic and Political Weekly* in which there is an article entitled "Bread or Circuses ?" It says :

"...in the week ending June 17, the wholesale price index for foodgrains was a neat 15 per cent higher than what it was a year ago. At the retail level—never mind the lack of official data, you just have to talk to an assortment of non-chic housewives to find—the rise is much steeper."

I would only request Mr. Ganesh to read this wonderful article "Bread or Circuses ?" in the *Economic and Political Weekly* dated July 15, 1972.

They always preach sermons as a preface to each Plan. But the outcome is just the opposite. When there was an increase of 50 points, they kept quiet. But when there is a drop of 2 points in the wholesale price index, they go on drum-beating it.

Before this drought, there was a shortfall of 15 million tonnes in foodgrains production. It is because they are wholly dependent on rainfall. All this myth of green revolution has really shown its teeth. West Bengal alone have lost out of the main paddy crop, 84 per cent of the crop and the other crop by 50 per cent.

This is what the *Economic Survey* for the year 1971-72 says :

"The other important aspect of increasing production of foodgrains impinges upon the monetary sector of the economy inasmuch as the demand for funds for pro-

[Shri Jyotirmoy Bosu]

curement operations has increased sharply. Thus outstanding advances against foodgrains reached the level of Rs. 431 crores towards the end of July, 1971."

This is your publication, the *Economic Survey* for 1971-72.

Then, about deficit financing, between 1960-61 and 1970-71, the increase in money supply was of the order of 140 per cent. As against this, the real national income rose by 4½ per cent. This led to a sharp spurt in prices. The increase in the wholesale prices was to the extent of 81 per cent during the same period. That is about the deficit financing. On deficit financing, there is an article :

"This rose to a colossal Rs. 819 crores which was as much as Rs. 212 crores more than in the previous busy season. In other words, the Government borrowed this much more for what was largely non-productive expenditure from the banks in addition to the three heavy doses of additional taxation administered during the past 12 months or so."

Then I come to indirect taxes. They have been increasing the quantity of indirect taxes year after year. I do not want to tax your mind by taking the time of the House for giving the figures. It is really a disgraceful thing that the Government has not got a clue of the actions they take. Every year, since 1952, the indirect taxation has been increasing by leaps and bounds.

What about the holding power? There is a very interesting feature article written by the gentleman who was the Principal Economic Adviser to the Prime Minister till last month—the gentleman who was the Chairman of the Agricultural Prices Commission, Dr. Ashok Mitra. He has said :

"This is where doubts creep in. How is it that during the past three years even as prices of foodgrains moved up almost inexorably, distribution through ration and fair price shops actually declined? It was 9.6 million tonnes in 1969, 8.9 million tonnes in 1970 and 7.7 million

tonnes in 1971. Obviously there is serious mismatching between the supplies offered through the public distribution system and the demand for foodgrains emanating from the mass of the community. The entire rationale of the public distribution would seem to have turned topsy-turvy in recent years."

About sugar, sugar has become a poison to this country because they are hand in glove with the sugar magnates for reasons known to each and every person in this House. We understand that, while they have exported sugar at a price of 94 paise per kilo, here the man whose *per capita* income is the lowest is paying Rs. 4 per kilo. I will read out one or two things :

"Sugar was sold in foreign markets at an average price of 94 paise per kilo .."

When there was a surplus production of sugar, the import of 5 lakh tonnes of sugar should have been set aside as buffer stock. They have made a mess of the whole thing.

About the value of the rupee, Mr. Sachin Chowdhury, on 12th July 1960, in order to justify devaluation, had said that the Indian rupee as on that date had come down by 80 paise. That means, you were left with only 20 paise in a rupee in your hand. And the Indian rupee today is, in fact, not more than 10 paise. That is what you have done during the last 25 years in this country.

The worst part is the black money. It is said that the total accumulation of black money today is to the tune of Rs. 7500 crores. In this Wanchoo Committee's final report, Dr. Dandekar, an eminent economist, said, "For 1965-66, my estimate of the black income is of the order of Rs. 2350 crores as against Rs. 1216 crores mentioned in the report." Sir, that is what it is.

Let us take the cat out of the bag. The Interim Report submitted by the Wanchoo Committee in the month of November, 12th of November 1970, one year and eight months ago, made specific recommendations. I have got a true copy of the original report and that, I want to lay on the Table of the House, for which I have given a written notice. It says...

AN HON. MEMBER : It may be circulated to members.

SHRI JYOTIRMOY BOSU : I will. "We decided..."

MR. DEPUTY-SPEAKER : I can only say that it can be laid only with my permission.

SHRI JYOTIRMOY BOSU : I will. It says :

"We decided, therefore, to address ourselves to the task of making an interim report on matters which call for urgent remedial action and could not wait until our final report. One subject which we felt needed immediate attention was that of black money as it has been eating into the vitals of the economy."

Sir, they said :

"It is a parallel economy operating on black money, prevalence of on-money payments, speculation and hoarding of essential commodities, profiteering and price rise."

They have gone in detail.

"After careful consideration, we have come to the conclusion that some radical steps will have to be taken immediately if the problem is to be tackled effectively. In this interim report we, therefore, recommend the following three measures :

- (1) demonetisation,
- (2) a ceiling on cash and cash holdings, and
- (3) acquisition of immoveable property in case of underestimation of the purchase consideration."

These are the recommendations for immediate action. But since 1970 November, Mrs. Gandhi had to contest two elections and we know how very cadre based a Party she has got. The cadre is the silver and the silver has been found. What silver? Nobody can give you white silver. This was black money. With your permission, Sir, I lay on the Table,

as I have given you notice, a true copy of the Wancboo Committee's interim report [Placed in Library. See No. LT-3411/72.]

MR. DEPUTY-SPEAKER : Order, please. You hand it over to me for my inspection. There is no question of laying it on the Table.

SHRI JYOTIRMOY BOSU : I have given you notice in writing under Rule 369.

SHRI PILOO MODY : Do you inspect everything that is laid on the Table during the Zero Hour?

SHYI JYOTIRMOY BOSU : Sir, there is a ruling given by Sardar Hukum Singh on 26th February 1965 which clearly says that if it is authenticated, the Member can lay it on the Table. I have given you prior written notice under Rule 369. Hon Members can read it. I lay it on the Table...

MR. DEPUTY-SPEAKER : Order, please. One minute. I will meet your point.

SHRI SEZHIYAN : It is not a secret document.

SHRI R. V. BADE (Khargone) : He has read it in the House

MR. DEPUTY-SPEAKER : That is a different matter. Order, please... (Interruptions) Order, please. Laying it on the Table is different from reading. He can read it from anywhere.

Now, he has quoted Rule 369. He says he has given a notice. I have seen it, only five or six minutes ago. You have given that notice. But I have not had an opportunity to look through the document.

Now, I have to look to the Directions of the Speaker. Direction 118 says very clearly :

"If a private member desires to lay a paper or document on the Table of the House, he shall supply a copy thereof to the Speaker in advance..."

which you have not done... (Interruptions) Order, please.

"...so as to enable him to decide whether

[Mr. Deputy-Speaker]

permission should be given to lay the paper or document on the Table..."

Now, I have not had an opportunity to look into the document. Therefore, I am not allowing you to lay it on the Table. I want you to hand it over to me for my inspection and a decision will be made after that...  
*(Interruptions)*

SHRI JYOTIRMOY BOSU : Arising out of what you have said, Rule 369 which cannot be superseded by a Speaker's Direction, says :

- (1) "A paper or document to be laid on the Table shall be duly authenticated by the Member presenting it.
- (2) All papers and documents laid on the Table shall be considered public."

MR. DEPUTY-SPEAKER : Kindly read Rule 389 for the benefit of the House.

SHRI JYOTIRMOY BOSU : Why, Sir ? It is not convenient for me.

MR. DEPUTY-SPEAKER : Please go to the substance of your debate.

SHRI JYOTIRMOY BOSU : I have laid it on the Table.

MR. DEPUTY-SPEAKER : No, not without my permission.

SHRI JYOTIRMOY BOSU : I am sorry, this rule does not give you the authority ; you cannot act beyond your jurisdiction.

MR. DEPUTY-SPEAKER : In order that there must be a clear understanding I would say this. This Rule 369 only says this, that, when it is laid, it must be authenticated.

SHRI JYOTIRMOY BOSU : I am really surprised that you have taken summary power under Rule 389.

MR. DEPUTY-SPEAKER : Whether a paper is to be laid or not is for the Speaker to decide. Rule 389 says very clearly that where a thing is not put there clearly under the rules, it has to be regulated by the direction of the Speaker. I have read out the

Direction of the Speaker which has been accepted by the House.

I request you : Please go to the substance of your debate and not waste time on this procedural matter.

SHRIMATI SUSHILA ROHATGI : The hon Member was referring to the interim report. Subject to correction, I would say, this report has not yet been made public. If he is referring to the Wanchoo Commission Report, I would say, this is already under the consideration of the Government. Very soon, before the end of this year, Government hopes to bring forward a comprehensive legislation on that...

SHRI JYOTIRMOY BOSU : Arising out of what the hon. Lady member said...

AN HON. MEMBER : Lady Minister.

SHRIMATI SUSHILA ROHATGI : I do not cease to be a Member.

SHRI JYOTIRMOY BOSU : She is still a Member. Arising of what she pointed out just now, may I point out this ? The final report was submitted long after this interim report. You found it very convenient to publish the final report, but you did not do it in respect of the interim report, because there were certain findings which hurt you.

SHRIMATI SUSHILA ROHATGI : That interim report has not been made public. So, my point is correct.

SHRI JYOTIRMOY BOSU : Curbing black money hurts the Government in its political activities. They did not, they could not, comply with the recommendations of the interim report of the Wanchoo Committee. They had kept it as a secret document. They had not published it. Not only that, Sir. They had sent three officers from the Ministry of Finance, which included the Governor of the Reserve Bank, to the Wanchoo Committee to request them : 'Do not give details of the interim report in the final report.' First they made a request, 'Please do not submit the report, withdraw it.' but they declined. When they declined, they were told, 'Please do not give the details of the interim report in the final report'.



This Government is so anxious to cover the blackmarketeers, black-money owners, hoarders, smugglers and profiteers that they cannot raise their fingers against those who are causing a crisis to the country, making life impossible for the common man. This Government needs to be condemned outright. Sir, I have no demands to make because this Government is totally and utterly incapable of taking any measures which can do good to the common man, to the working man.

With these words I close.

**SHRI AMRIT NAHATA (Barmer) :** The unusual price rise that the country is faced with today is causing great concern to all of us. It is an immediate issue. I need not go into the basic economic theories and policies which are not responsible for the price rise, whether a reversal in the policy is warranted or not. Today, right now, the working people of the country are faced with this great problem. And, before I put forward certain proposals for immediate execution, I would ask the Government not to do certain things.

Sir, it is said that some representatives of big business houses have submitted a Memorandum to the Government Demanding certain measures, certain reversal of basic policies to which this Government is committed.

**SHRI PILOO MODY :** To increase production.

**SHRI AMRIT NAHATA :** Whenever certain stresses and strains develop in our economy, whenever the economy passes through some critical periods, these sharks demand their pound of flesh. For example, they demand that the declared policy of Government to convert loans into equity should be denounced and given up. They demand for example that the credit squeeze must be relaxed. For example, they demand that the restrictions on big monopolies must be relaxed. These very big business-houses and monopoly houses are responsible for price rise...

**SHRI PILOO MODY:** Aha, ha ! (*Laughter*)

**SHRI AMRIT NAHATA :** I shall come to that. I shall see who has the last laugh.

If the basic policies of Government are surrendered and there is a reversal of these declared policies, the result would be not increase in production but further decrease in production, not a decline in prices but a further rise in prices.

Take, for example, the case of the manufacturing items. There is a total anarchy that prevails in the manufacturing world. How many soaps does Shri Piloo Mody need for washing his clothes and his body ?

**SHRI PILOO MODY :** More than my hon. friend does.

**SHRI AMRIT NAHATA :** There are 10,000 varieties of them. Does he need all these varieties ? Again, how many tooth-pastes does he need ? How many tooth-brushes does he need ? How many varieties of cloth does he need ? There are one lakh varieties of cloth in this country...

**SHRI PILOO MODY :** Does he want that everybody should be dressed like Mao ?

**SHRI AMRIT NAHATA :** It is this jungle which has been responsible for these continuously rising prices. If each variety is produced on a small scale, then it would cost less. But the Delhi cloth goes to Bombay and the Bombay cloth comes to Delhi and there is cross-transport and ultimately the consumer suffers. Shri Piloo Mody often sheds tears for the consumer...

**AN HON MEMBER :** Crocodile tears.

**SHRI PILOO MODY :** Always.

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI MOHAN DHARIA):** He is shedding crocodile tears always.

**SHRI AMRIT NAHATA :** There is total anarchy in the manufacturing world, as I said earlier. Though the production has gone down, have the profits of the big business houses gone down ? No, they have increased. The profitability has increased and the prices have increased. So, it is at the cost of the consumer that these big business-houses make fabulous profits. In the long run consumer industries will have to be brought under public

[Shri Amrit Nahata]

control. But meanwhile, what prevents the Government from immediately introducing rigid standardisation in the consumer articles of daily use? In Japan, only 10,000 varieties of cloth have been allowed, and no other variety can be produced. Japan is not a socialist country. This is not regimentation ..

SHRI PILOO MODY : What about China ?

SHRI AMRIT NAHATA : It is still less, and the prices have not risen there.

SHRI PILOO MODY : What about the Soviet Union ?

SHRI AMRIT NAHATA : It is still more, but the prices have not risen. It is more than in China but less than in Japan

SHRI PILOO MODY : He should know.

SHRI AMRIT NAHATA : I know it. It is one of the essential things that if the prices have to be pegged, then some element of standardisation should be introduced in the consumer articles of daily necessity

Similarly, I would request Government which is committed to unleashing an economy of austerity in our country to take some concrete measures in that direction. Inflation always leads to ostentation. Inflation always leads to a great deal of concentration of money in a few hands, and it is this money which is spent for ostentatious living, splendour and luxury articles. Though the common necessities of daily life are not available, there is no dearth of luxury articles. There are any number of pressure cookers, refrigerators, air conditioners and all that. Some rigid, stern measures must be taken to curb conspicuous consumption which is primarily responsible for this spurt in prices. Whether it is feasting or whether it is marriage or a consumption of luxury articles, there should be a moratorium on further increase in the production of luxury articles, articles which are non-essential. Instead, whatever capital is available must be diverted to increasing the production of essential articles.

Whether the Wanchoo Commission had proposed demonetisation in their interim report or not, I entirely agree—and it is a known fact.

that one of the major factors responsible for this stupendous rise in prices is the terrific inflation in the economy. Whether it was necessary or not, is a different matter. I personally think it was necessary. Government could not have faced the serious crises we had to face without resorting to some element of inflation. With the Bangla Desh crisis, the war and other factors and the hardships faced by States, it was necessary. But any government which is compelled to resort to inflation immediately follows it up by rigid and strict deflationary measures. One of the most important of such measures would be demonetisation. Either it will draw out the black money or it will freeze it. Thereby consumption of non-essential articles would be curbed, conspicuous consumption would go down.

Moreover, how do our prices behave? They behave in a most erratic manner. There is no rationale behind it.

SHRI JAGANNATHRAO JOSHI : Like the Government.

SHRI AMRIT NAHTA : Like the Jan Sangh. Once it started supporting socialist measures. But the other day when it found that the party was disintegrating, they reversed their stand. They seized upon the Simla agreement and shouted.

SHRI K. R. GANESH : Shri Malhotra has issued a statement criticising the Delhi administration for arresting hoarders.

SHRI AMRIT NAHATA : Yes.

These prices behave in a very sensitive way. They have a runaway tendency. If tobacco is taxed, vegetable prices also go up. When such conditions prevail, a shock treatment should be given. One of the major shock treatments to be administered to prices would be demonetisation. In this psychology of scarcity, shortages and runaway prices, a shock treatment essential in the matter of money supply is demonetisation.

Another shock treatment is also called for. That is a human shock treatment. Let one thousand profiteers, hoarders and black-marketeers be, if not hanged, at least put behind bars.

**SHRI PILOO MODY :** His Government will never do it. They are their supporters.

**SHRI AMRIT NAHATA :** If Government come down on them with a heavy hand, they will shake and tremble in their shoes.

**SHRI PILOO MODY :** What is the use of making such brave statements? Let his Government put at least 10 people behind bars.

**SHRI AMRIT NAHATA :** When five are arrested, the Jan Sangh shouts against the arrests. Today if the Jan Sangh comes out on the side of the profiteers, hoarders and blackmarketeers, it will have no place among the Indian people; it will be buried for ever.

This is the right psychological moment when the Central Government should direct the State to take very rigid and drastic action. The police is so efficient in tracking down anti-national elements, spies and Naxalites. Why cannot it be equally efficient and show the same determination in tracking down and bringing to book hoarders? Once Shri Chavan confessed in this House that economic offences are the most heinous offences. This must be shown in practice, that the Government do realise that economic offences are the most heinous offences and such offenders are given the stringent treatment that the situation demands.

I have one more point to make.

This approach towards the five year Plan must be reconsidered. This approach is highly inflationary. The entire investment that is proposed in the Plan is inflationary, and not productive. Mr. Ganesh raised a very pertinent question: how do we balance and reconcile massive investment and inflation? In our developing economy, massive investment for growth has to be balanced between the long gestation investments and short gestation investments, which means that in the public sector the Government must not only occupy the commanding heights of the economy but must also occupy the lucrative heights of the economy. Those heights which give profits, those sectors of the economy, must also be commanded and once the investment is spread out between the long gestation period and

the short gestation period, I mean the basic key industries which lay the foundation for a sound economy, and also those industries which give immediate results and immediate profits, this massive investment for growth will not lead to inflationary pressures and will not lead to rise in prices.

Lastly, there is one mysterious entity known as the Tariff Commission. When a manufacturer goes to the Tariff Commission and says, "Look, under these circumstances, you must allow us a five per cent rise in the price," the Tariff Commission says, "You do not know your own conditions; you must increase your price not by five per cent but by 10 per cent." The Tariff Commission has been considerably responsible for giving a very long rope not for hanging these blackmarketeers and speculators but for raising the prices. This Tariff Commission must be reconstituted. It must be composed of people who have some sentiment, some responsiveness, some feeling of sympathy for the common man of this country.

If these immediate measures are taken on a war-footing, as it is said, with determination, I am sure immediately we can tide over this period of crisis.

श्री जगन्नाथ राव जोशी (साजापुर) :  
उपाध्यक्ष महोदय, लगातार बढ़ती हुई कीमतों पर यह पहली बार सदन में चर्चा नहीं हो रही है। स्वयं वित्त मंत्री इस बात को स्वीकार करते हैं कि कीमतें बढ़ रही हैं और पिछले दिनों तो बहुत बढ़ी हैं। जबसे अपने देश में नियोजन शुरू हुआ है, हर नियोजन के प्रारम्भ में कहा जाता था कि यह पंचवर्षीय योजना समाप्त होने के बाद कीमतें स्थिर होंगी, कीमतें नीचे आयेगी कहा जाता था—We hold the price line. आज इतने सालों के बाद लगना है—hold the price line. नहीं बल्कि behold the price line. अब यह क्यों होता है? अभी मैंने सम्मानित सदस्य का भाषण सुना, उनका हमारे ऊपर आरोप था कि वह कुछ करना चाहते हैं और जनसंघ करने नहीं देता है। इसलिए मैं सम्मानित सदस्य की जानकारी के लिए कुछ बताना चाहता हूँ। आजादी आते ही सन् 1948 में ही सबसे पहले प्रधान मंत्री श्री जवाहरलाल नेहरू ने घोषणा की थी कि सब आजादी

[श्री जगन्नाथ राव जोशी]

आई हुई है, अब यहां पर कोई ब्लैक-मार्केटिंग करेगा तो he will be hanged by the nearest tree. | यह सन् 1946 की बात है when Jan Sangh did not exist यह मैं नाहाटा जी की जानकारी के लिए दे रहा हूँ। बाद में अन्न मंत्री मुंशी जी को लगा नेहरू जी ने घोषणा की है, पेड़ों पर फांसी लगानी होगी और पेड़ों की कमी होगी इसलिए बनमहोत्सव का कार्यक्रम लेकर जहां तहां पेड़ लगाए गए।... (व्यवधान)... Is there a single hoarder or black-marketeer or smuggler being hanged by the nearest tree? (व्यवधान)... अभी तो मैंने शुरू किया है। (Interruption)

SHRI K R. GANASH : I cannot arrest him also. That is my problem He goes to the High Court ; he goes to the Supreme Court

श्री जगन्नाथ राव जोशी : जो कीमतों की समस्या हैं उनमें आवश्यकता और पूर्ति, यह दो बातें आती हैं। जिन चीजों की जरूरत है उन चीजों का उत्पादन है या नहीं? जिन चीजों की जरूरत है उनको प्राप्त करने की क्षमता है या नहीं—यह दो चीजें हैं।

सिर्फ यह कहने से काम नहीं चलेगा कि जो कोई उत्पादन करता है उसी की कीमत बढ़ती है। पोस्ट आफिस का कार्ड है, मैं जब बचपन में था तब पोस्ट कार्ड एक पैसे में मिलता था, लेकिन आज 10 पैसे में मिलता है। यह पोस्ट मास्टर की ग्लोडिन्ग टेन्डेंसी की वजह से तो कार्ड की कीमत नहीं बढ़ी। अब एक कार्ड बनाने में जो कामच लगता है.....

श्री आर० डी० भंडारे : टैंकेशन दूसरी बात है, और प्राइसेज की दूसरी बात है।

श्री जगन्नाथ राव जोशी : वही मैं कह रहा था कि जो सरकार के हाथों में चीजें हैं उन की जब कीमत बढ़ती है तो उसका भी विचार करना पड़ेगा कि आखिर क्यों कीमत बढ़ गयी।

श्री अच्युत महापात्रा : एक चीज प्राइस होती है, और रेडम दूसरी चीज होती है। आप पोस्टक

रेडम की बात कर रहे हैं। प्राइसेज की बात कीजिए।

श्री जगन्नाथ राव जोशी : तो मैं यही कह रहा हूँ कि आखिर आप पोस्ट कार्ड छापते हैं, किस हिसाब से छापते हैं? (व्यवधान) सरकार जो भी चीज तय करती है वह पूरी नहीं करती। इसलिए मेरा सुझाव है कि आज जो कीमतें बढ़ रही हैं इसके लिए दो उपाय हैं। एक तो दूरगामी है और दूसरा तत्कालिक है जो कि आज करना है और दूसरा आगे चलकर आने वाले दिनों में। मैं मंत्री महोदय से पूछता हूँ कि जब से हमने देश में नियोजन शुरू किया कुछ निश्चित लक्ष्य के हमने शुरू किया। उस लक्ष्य की पूर्ति यदि नहीं होती तो यह देखने का किन का काम है। रीए-प्रेजल कोई आज नहीं हो रहा है, तीसरी योजनाओं का भी रीएप्रेजल हो चुका है, इसना ही नहीं टोटल नैट इन्कम जो देश में बढ़ी है उसका वितरण कैसा हो रहा है, यह देखने के लिए महालनबीस कमेटी नियुक्त की गयी थी। उसकी रिपोर्ट आयी। उस पर कोई अमल हुआ क्या? प्लान का हम रीएप्रेजल करते हैं किन्तु हमारी जो अपेक्षा होती है वैसी उपलब्धि क्यों नहीं होती है यह क्यों नहीं सोचते "यत्नं यदि न सिद्धयाति कोऽत्र दोष"। बोध कहां है यह देखना बहुत आवश्यक है।

लगतार 1966 में हमारी रेल घाटा देती है। आज हम 1972 में पहुंचे, वास्तव में रेल घाटा क्यों दे, इसका कोई अन्वेषण किया? जिस डिब्बे के अन्दर 42 लोगों के बैठने की जगह होती है वहां 42 टिकट के लिए ही तो रेलवे को मुनाफा होना चाहिए। जब कि उसी डिब्बे में 84 आदमी टिकट लेकर बैठते हैं फिर भी घाटा होता है। ऐसा क्यों है, कभी इस बारे में आप ने गम्भीरता से विचार किया है? 1967 से लेकर 1972 तक पांच रेल मंत्री आये, पहले पुनाचा जी रहे, फिर रामसुभग सिंह जी आये, उनके बाद गुलजारी लाल नन्दा जी आए, उसके बाद हनुमन्तैया जी आये और अब पाई साहब हैं, यात्री पांच साल में पांच मंत्री बने किन्तु रेल का मामला बने ही चलता है। Ministers may come and Ministers

may go but the railways will go on for ever of the track. लगातार किराया बढ़ाने जाने हो, यह नहीं देखते हो कि रेल में घाटा क्यों आना है। सरकार के हाथ में यदि कोई मोनोपली कन्मन है तो यह मतलब नहीं है कि उस घाटे को पूरा करने के लिए रेट बढ़ाये। आखिर उगवा अमर कौमन मैन पर ही होता है। अब दूध क्यों महंगा बिकता है? बड़े-बड़े शहरों में ट्रेन से दूध आता है, और जब ट्रेन का किराया बढ़ता है तो दूध भी महंगा हो जाता है, पेट्रोल का रेट महंगा होता है तो मोटरो से जो सब्जी आती है वह भी महंगी होती है। दस गाल पत्रने एक लिटर पेट्रोल का रेट 68 पैसे का मिलता था आज 1 4/8 पैसे का मिलता है। यह जो लगातार बढ़ोतरी होती चली जाती है इसका अमर हर चीज पर पड़ना है क्योंकि एक चीज दूसरे पर निर्भर रहती है। इसलिए दस पर कहीं न कहीं रोक लगानी चाहिए। यह बहुत आवश्यक है।

नियोजन के प्रारम्भ में देश का कर्जा 32 करोड़ था यह कोई नहीं कहना कि कर्जा न करो, लेकिन उसकी कुछ तो सीमा होनी चाहिए। आज वह कर्जा बढ़ने-बढ़ते 10 हजार करोड़ तक पहुँच गया है। कोमन की बान करते हैं, योजना के लिए पैसा कहाँ से आए? बाहर से आए, बाहर से लो। वह लगातार बढ़ता जा रहा है। योजना के लिए पैसा कहाँ से आये नैट मेबिंग से आये। सेबिंग घटती चली जा रही है तो योजना के लिए पैसा टैक्स से आए। टैक्स लगातार बढ़ता जाता है, इन्डायरेक्ट टैक्स बढ़ता चला जाता है तो सामान्य आदमी पर बोझ बढ़ रहा है। इनका खर्च करके भी जो गैप है उसकी पूर्ति नहीं होनी इसलिए डेफिसिट फायनैसिंग आती है। और जैसा भगत जी ने कहा 900 करोड़ चाहिए, और बार-बार हम कहते हैं कि डिपेंडेंस और फोरेन एड जो है इसको कम करेंगे। लेकिन होता इसका उल्टा है। हर साल के आकड़े देखिये बढ़ता जाता है। जिस साल कहते हैं कि कम करेंगे उसी साल चार हजार करोड़ तक बढ़ता है। डेफिसिट फायनैसिंग कम करेंगे, लेकिन कम होने की बजाय बढ़ती है। बोर्रोइंग कम करेंगे, लेकिन बढ़ती है। टेक्सेशन नहीं करेंगे, लेकिन बढ़ती है। हर चीज जो कहते हैं नहीं करेंगे, वह करते हैं।

तो उस का जो नैट रिजल्ट है वह घटेगा कैसे यह हम को बताइये? इसलिए जब तक इसको नहीं रोकेंगे तब तक हालत खराब ही होती जायेगी। क्या इनको कम करने की कोशिश की है यह कैसे होगी। तो वही होगी कि कैपिटल फोरमेशन कैसे होगा, अण्डर डेवलप्ड इकोनामी में हमको करना पड़ेगा। किन्तु यह करते समय केवल जब प्राइसेज पर चले जाने हैं तो प्रधान मंत्री एक समाधान लेनी हैं कि डेवलपिंग इकोनामी में प्राइसेज बढ़ती है। मैं मानता हूँ कि बढ़ती हैं। किन्तु जैसे चक्राण जी ने आकड़े दिये, वह एक तरफा दिये कि रुपये की क्रय शक्ति घट गयी है। और यह कहते समय उन्होंने दूसरे देशों के आकड़े दिए कि जैसे हमारा रुपया घटा है 42 तक जैसे ही जर्मनी का मार्क घटा है, जापान का येन घटा है और इंग्लैंड का पाउण्ड घटा है। किन्तु हमारे रुपये को पिछले 25 साल में दो बार डिवैल्यूएशन का डोज देना पड़ा। जर्मनी ने मार्क फ्लोट किया, जापान ने येन फ्लोट किया, इंग्लैंड ने पाउण्ड फ्लोट किया तो कीमत नीचे आयी। वह इकोनामी को रिफ्लैक्ट करता है। तो चक्राण जी ने यह क्यों नहीं बताया कि पर कैपिटल इनकम अमरीका में क्या है, जर्मनी में क्या है, जापान में क्या है, इंग्लैंड में क्या है? निर्फ यह कहने से काम थोड़ा ही चलेगा कि जो अनिन्फ्लेम हैं यदि वह बढ़ती है, जैसे आज रुपया 42 तक नीचे आया किन्तु यदि लोगों की दुगनी, तिगनी आमदनी हो तो किसी को कोई दिक्कत नहीं होगी। सवाल यही है कि कीमतें यदि बढ़नी हैं तो मतलब यह है कि हमारे पास जो क्षमता है आवश्यक चीजें लेने की वह उतनी क्षमता पूरी नहीं कर सकता।

इन दो बातों पर ध्यान देना बहुत आवश्यक है—एक तो एपीकल्चर प्रोडक्शन है और दूसरा इन्डस्ट्रियल प्रोडक्शन। आज भी देश में सब से बड़ा उद्योग खेती है, इसको स्वीकार कर लेना चाहिए। आज भी 70 प्रतिशत लोग इसी पर निर्भर है। हम ने तीन योजनाओं को देखा और चौथी योजना को देखें तो वितना इन्फ्लैस है। इस उद्योग की तरफ हमने कितना ध्यान दिया है? हमारे शास्त्रकारों ने बताया है कि भूमि को अर्द्ध मात्रका रखनी

[श्री जगन्नाथ राव जोशी]

बाहिए। हमारे ऋषियों ने प्रार्थना की है "काले वर्षतु पर्जन्यः" यह प्रार्थना क्यों की है ?

MR. DEPUTY-SPEAKER : He should try to conclude now

श्री जगन्नाथराव जोशी : : Sir, time has been extended. We have foregone the lunch hour. This is a very important debate. Please give me some more time तो मेरा कहने का मतलब यह है कि जब हमने यह प्रार्थना की है "काले वर्षतु पर्जन्यः" तो इसका मतलब होता है कि देश के अन्दर अकाल में वर्षा नहीं होती। किन्तु जब-जब होनी है पानी का प्रबन्ध खेती के लिए, पानी का प्रबन्ध गाँवों के लिए करने की दृष्टि से जो योजना को अपेक्षित मिलना चाहिए था वह आज नहीं मिला। इसलिए यदि एक महीना की बारिश में देर हो जाती है तो हमारे मारे आँकड़े गलत हो जाते हैं। इन्हीं मन्त्री महोदय ने तीन महीने पहले कहा था कि इस बार हम निर्यात करेंगे। और खटाक से एक महीना वर्षा में देर हो गई तो कहने लगे कि ऐसा लगता है कि निर्यात नहीं कर सकेंगे। अब ऐसा लगता है कि निर्यात तो छोड़ दीजिए, आवश्यकता की पूर्ति भी कर सकते हैं कि नहीं ? इन्टरनेशनल मार्केट में पल्सेज हैं, आयल सीड्स हैं, यह सस्ते हैं तो यह भी मगायेंगे। अब क्या क्या मगायेंगे ?

हमारे मित्र कह रहे थे कि जब तक हर चीज सरकार के हाथ में नहीं आती तब तक हम समस्या का हल नहीं होगा। मैं यह भी माने लेता हूँ, जैसे सुपर बाजार का उदाहरण दिया :

The Super Bazar is known not only for its super profits but it is known for its super losses.

और जैसे ही सुपर बाजार लोस देने लगा तो नाम बदल दिया—अपना बाजार हो गया। यानी घाटा अब होता है तो जनता का हो गया।

15 hrs.

स्टील एक बेसिक उद्योग है। इसको सरकार ने हाथ में लिया। क्या सरकार कह सकती है कि

यह सस्ता मिले ऐसा उत्पादन उसका हम ने किया है ? अभी अखबार में पढ़ा, कैबिनेट से यह तय किया कि 170 करोड़ रुपये स्टील इम्पोर्ट के लिए रिलीज किया, फाटिलाइजर के लिए 200 करोड़ ६० किया। काटन कोरपोरेशन होने के बाद काटन ज्यादा पैदा हो, इसका प्रयत्न होने के बाद भी 100 करोड़ ६० का काटन इम्पोर्ट करके सारी व्यवस्था पूर्ण करना चाहते हैं। यानी आल-रेडी देयर इज ए गैप, जिसके कारण इम्पोर्ट ज्यादा बढ़ायेगे। तो How are you going to meet the ever widening trade gap ? स्टील मिल्स खड़ी करने के बाद भी सरकार सस्ता स्टील उपलब्ध नहीं कर सकती है ऐसा क्यों ? जापान हममें मैगनीज और कच्चा लोहा लेता है और हम से लेकर भी वह अन्तर्गर्तीय बाजार में स्टील सस्ता बेचता है। हमारा स्टील क्यों महगा है ? क्यों नहीं हमने सस्ता करने का प्रयास किया जाना ? सरकार ने अपने हाथ में स्टील कम्पनियों को लिया है। क्यों नहीं सरकार सस्ता स्टील पैदा करके दे सकती है। क्यों नहीं सरकार विश्वाम निर्माण कर सकती है ? आखिर बहुत सी चीजें विश्वाम पर भी होनी हैं। जब युद्ध चलता है तब कीमते नहीं बढ़ती हैं ..

श्री शशि भूषण (दक्षिण-दिल्ली) . बिड़ला जी विश्वाम पैदा कर सकते हैं।

श्री जगन्नाथ राव जोशी दो पैसे की दर से आप बिड़ला जी को बिजली सप्लाई करते हैं जबकि किसान को आप 11-12 पैसे फी यूनिट के हिसाब से सप्लाई करते हैं। तमिलनाडु में उन्होंने बारह पैसा किया तो उमके खिलाफ आपने आन्दोलन किया। ट्रिडालियम को आप क्यों दो पैसे फी यूनिट के हिसाब से देते हैं।

श्री भागवत शा आजाद : वह भी बन्द करना चाहिए।

श्री जगन्नाथराव जोशी . Let us not be hypocrites.

किमानो की बहुत बात की जाती है। लेकिन किदवई जी का फार्मुला क्या था ? उन्होंने गन्ने और शक्कर की कीमतों में समन्वय स्थापित किया

था। उसको आपने क्यों छोड़ दिया। आज आप किटबर्ड जी के फार्मूले को स्वीकार करें तो किसान को गन्ने का मूल्य 18 रुपये और 20 रुपये क्विंटल मिलना चाहिए। लेकिन आप उनको न्यूनतम दाम देते हैं 7 रुपये 37 पैसे क्विंटल। वह घाटे में कैसे नहीं रहेगा? पाँडे जी रामने बँटे हुए हैं। उन्होंने यहाँ सदन में कहा था कि हमारे गाँवों से जो जलाने की लकड़ी होती है वह तेरह रूपए क्विंटल बिकती है। लकड़ी से गन्ना मरना है। यह कौन भी सार्डेंटफिक डबोनोमी है? किसी भी अर्थ-व्यवस्था में गन्ने से लकड़ी मरनी हानी है या गन्ना लकड़ी में मरना होता है और गुड से शक्कर महंगी होती है। लेकिन यहाँ उलटी बात है। यहाँ गन्ने से लकड़ी, शाकर स गड और दूध से पानी मरना है। वर्षान होने की वजह से पानी का पानी नहीं मिलता है। पच्छीम पैसे पानी के एक घडे से लेकर एक रुपया फी घडा तक देना पडता है। हमारे देश से आज भी एक लाख गाँव हैं। वहाँ पानी का पानी नहीं है। वहाँ पानी चाहिए। यह हमारी गलत इकोनामी है।

मैं समझता हूँ कि जब तक नियोजन को आप ग्राम आधार नहीं मानेंगे, ग्राम में योजना का काम शुरू नहीं करेगे, तब तक देश का भला नहीं हो सकेगा। साथ ही साथ खेती में मम्बन्धित उद्योगों को विकेन्द्रित रूप में आपको चालू करना होगा और इन विकेन्द्रित उद्योगों को आपको गाँवों में स्थापित करके गाँव वालों को काम देना होगा। साथ ही साथ देश का एक-एक पैसा आपको देश के हित में खर्च करना होगा। जब तक आप यह सब कुछ नहीं करेगे, कुछ नहीं होगा। तात्कालिक उपाय की दृष्टि से आज सरकार के लिए यह सब करना आवश्यक है।

आप देखें कि 1951 में दस लाख टन शक्कर की पैदावार थी कि जबकि पिछली बार वह पैदावार 42 लाख टन हो गई। 1951 में हमारी खाबादी 40 करोड़ थी जो आज 56 करोड़ है। दस लाख से बढ़कर पैदावार चालीस लाख टन हो गई, यानी चौगुनी हो गई लेकिन पापुलेशन क्षमारी उसनी नहीं बढ़ी। 1947 में देश की खाबादी

36 करोड़ थी और तब अनाज की उपज थी 5 करोड़ 30 लाख टन। आज खाबादी 56 करोड़ है यानी यह डबोडी हो गई है और हमारा जो अनाज का उत्पादन है वह दुगुना हुआ है। उत्पादन 110 मिलियन टन है। तब कमी कैसे पैदा हो जाती है, यह समझ में नहीं आया है। मैं आकड़ों के जाल में नहीं फँसना चाहता हूँ। सीधी सी बात है। जो आवश्यक चीजें हैं उनको खरीदने की क्षमता लोगों में कैसे हो, और उनकी मात्रा में उत्पादन कैसा हो इन दोनों चीजों के बीच आपको समन्वय बिठाना होगा। जो स्थिति पैदा हुई है इसका सामना करने के लिए आपको बफर स्टॉक आफ आल एग्जिज्यूटिव कमिडिटीज करना होगा। सिर्फ अनाज की बात नहीं है। तमाम एग्जिज्यूटिव कमिडिटीज का बफर स्टॉक बनाना होगा और छोटे-मोटे गाँव तक में सस्ती दुकानों से सामान्य आदमी को ये चीजें उपलब्ध हो सकें, ऐसी व्यवस्था आपको करनी होगी। यह कहने में काम नहीं चलेगा कि

Where is the administrative machinery? You are the ruling party. If you are not in a position to administer all these things, better get out.

मैं कहना चाहता हूँ कि आज जो स्थिति पैदा हो गई है उसका सामना करने के लिए सरकार को रियलिस्टिक बनना होगा। अभी मैं बम्बई से आया वहाँ भूखमरी हुई है भूख से लोग मरे हैं। लेकिन मंत्री जी कहते हैं कि भूख से नहीं मरे। मैं पूछना चाहता हूँ कि जब शीत लहर चलती है या जब गर्मी ज्यादा पडती है और खू चलती है तो लोग नहीं मरते हैं? अगर मरते हैं तो क्या उसकी वजह यह नहीं है कि उनके पास रहने के लिए घर नहीं होते हैं? जैसे ही खाने लायक अन्न न होने की वजह से लोग मरते हैं। यह कहने से काम नहीं चलेगा कि फार बांट आफ न्यूट्रिशन डायट वे मर गए। आखिर वह मरता क्यों है? क्यों नहीं उसको खाना मिलता है। वह कभी इसकी परवाह नहीं करता है कि जो डायट उसको मिलनी है वह न्यूट्रिशन है या नहीं है। उसको तो पेट भरने के लिए कुछ चाहिए। ऊँचे लेवल पर सरकार अन्न संकट को

[श्री जगन्नाथ राव जोशी]

गाली देकर होर्डर्ज को गाली देकर काम नहीं चला सकती है। गवर्नमेंट विल हैव टू बिहैव।

श्री शशि भूषण : अब बिल्ली थैले से बाहर आई है।

श्री जगन्ननाथ राव जोशी : आज जो स्थिति पैदा हो गई उसको वार्ड आफ करने के लिए All essential commodities have to be made available through the fair price shops at the lowest cost to the common man.

यह मशीनरी गवर्नमेंट ने तैयार करनी है। तब जाकर कुछ काम होगा। लांग टर्म साल्यूशन की दृष्टि से केवल री-एप्रैजल करने से काम नहीं चलेगा। हमें एक उत्साही मंत्री योजना के लिए मिले हैं। हमारी उनसे बड़ी आशाएँ थीं। लेकिन बैनिश पावर्टी वाला जो नारा था वह बैनिश मिनिस्टर्ज में तबदील होता जाता है। एक जाता है दूसरा आता है। इसलिए मैं सरकार से कहता हूँ कि उसको कम्प्लेसेंट नहीं होना चाहिए, उसको वाकई में सीरियस होना चाहिए। उसको ऐसे कदम उठाने चाहियें जिनसे देश के सामने जो एक बड़ी समस्या है, भुखमरी की जो सम्भावना पैदा हो गई, वह टल सके, वह दूर हो सके।

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : Mr. Deputy-Speaker, Sir, in answer to the questions raised by the hon. Members opposite, the Finance Minister will reply because this is a very serious debate and we are seriously concerned about this problem.

I have ventured to intervene in this debate because I have been sitting and listening to various speeches that the hon. Members have made. There are certain points raised which I wish to emphasize. We on this side of the House also share the concern which the hon. Members on the other side have shown about the rise in prices. We are also very conscious of the fact that we have made a pledge to the people that prices have to be kept a stable and it is necessary to save the vulnerable sections of society so that there is no erosion of the income that they are having.

There has been unanimity on various facts that have been given. The fact and figures that the hon. Members have placed before this House are drawn from Government documents. The Government itself has given these facts. There is no doubt that there has been rise in prices; there is no doubt that the country is concerned about it and there is no doubt that it is creating hardship so far as the vulnerable sections of the society are concerned.

It may also be necessary to state that for some time, between June, 1970 and May, 1971, there has been some stability in the prices. We have gone through the entire period of last year. It is now for the last two or three months that this problem of rise in prices has come in this accentuated and exaggerated form. For the last two or three months, this has become a very serious problem which is causing a very serious concern.

It also appears that a psychosis that is being created, a climate that is being created, a trend that is being given to the debate, which has some sort of a motivation behind it. Without in any way minimising the seriousness of the price situation, it looks as if that it happens whenever Parliament opens, in every session of Parliament, there is one issue or the other. The Simla Accord issue misfired; it became a damn squib and some issue had to be found on which to concentrate... (Interruptions)

SHRI JAGANNATHRAO JOSHI : Where is the motivation ?

PROF. MADHU DANDAVATE (Rajapur) : Kindly do not attribute any motive. This is a serious debate; it is a serious issue.

SHRI K. R. GANESH : I am not imputing any motive... (Interruption)

SHRI JAGANNATHRAO JOSHI : How can there be any motivation on such a serious issue ? (interruption)

SHRIMATI GAYATRI DEVI OF JAIPUR : I do not understand why he should attribute a motive to this particular debate ? Is it simply because members here felt that this issue should be discussed in this



House—this issue which is the most important concern of the whole country? The Prime Minister and the other Ministers were giving assurances that it was not a severe crisis and that prices would drop. But when prices had risen and all these things happened, we asked for a debate. There is no motive behind this. (Interruption)

SHRI JAGANNATHRAO JOSHI : Why should he unnecessarily bring the Simla Agreement here? (Interruption)

MR. DEPUTY-SPEAKER : I think it is the duty of the Opposition to bring the issues before Parliament and it is for the Government to reply. There is no motive in it. That is how democracy functions, that is how Parliament functions.

SHRI K R GANESH : The Finance Minister, while replying to the House, very definitely indicated that this was a very serious problem. All the words that I have used have said that it is a very serious problem. We are seriously concerned with it. The Prime Minister called a meeting of the leaders of all Opposition parties to find out a solution for it.

When I say that there is motive in it, I am relating it to the kind of debate that this House has seen. If we have a debate in which we say that everything is wrong in this country, that all planning is wrong in this country, the economy of this country has gone wrong. (Interruption) I am trying to give some argument. It is one form of discussing a political question, and it is another form of discussing an economic question. Economic questions are very vital questions. They are related to various factors. There are innumerable factors that bring about an economic situation in which for a particular point of time an exaggerated form of a particular thing comes. My submission is that, as a result of certain drought conditions that were there, as a result of the amount of money that has been pumped during the last one year due to factors that we have discussed in this House—I have the necessary figures to show you (Interruption) an element of deficit financing which Government never envisaged had to be done because the Barga Desh crisis was there, it had to be done because drought conditions were there, it had to be done because flood conditions were there and so

many other conditions were there. It is a result of the shortage of industrial raw materials and various other factors that we have come to a position in which we are. (Interruption) I am making an honest attempt to bring into this debate certain economic realities which we cannot rule out.

Hon. Member of the C.P.M., Shri Jyotirmoy Bosu, ridiculed one statement made by the Prime Minister : 'If there is shortage of sugar, let us see that we consume less sugar,' You can interpret it in anyway. When the Food Minister intervenes in the debate and when he places before you the situation as far as sugarcane production is concerned, as far as sugar policy is concerned, as far as the conditions of sugar mills are concerned, then you will come to the conclusion that there is a position in this country in which either we consume less sugar or we spend our very scarce foreign exchange for getting sugar from outside. It has happened not only in this country. Take any socialist country. Whenever there is a shortage of any basic material, there, it is the responsibility of the leadership of that country. The Prime Minister does not say that we are not going to increase the acreage under sugar-cane. The Prime Minister does not say that we are not going to give an incentive price to the cane-grower which may be the basic question. Certain decisions have been taken.... (Interruption) Your economic theory is obsolete. It does not fit in this country. Let us try to find out something new..

SHRIMATI GAYATRI DEVI OF JAIPUR : Look at the results of your plans.

SHRI PILOO MODY : The Government has been told for the last five years that there is a need for increasing the floor price of sugar but the Government has refused.

SHRIMATI GAYATRI DEVI OF JAIPUR rose.

SHRI K. R. GANESH : Madam, I am not yielding....(Interruption) I have a powerful voice.....

SHRI JAGANNATHRAO JOSHI : For the information of the Minister, I don't take any sugar at all. I am a diabetic patient.

**SHRI K. R. GANESH :** Very good. Therefore, this economy which has stood the Bangla Desh crisis... ..

**SHRIMATI GAYATRI DEVI OF JAIPUR :** Because money came from abroad, may be a little late.

**SHRI K. R. GANESH :** This economy which stood the Bangla Desh crisis. this economy which could bear a deficit financing of Rs. 500 or Rs. 650 crores, this economy which could bear the burden of 10 million refugees...(*Interruptions*) are we, as serious Members of Parliament, serious representatives of people, to conclude that it is within three months the whole collapse has taken place and the whole planning has become wrong and that the entire fiscal and monetary policies that the Government has pursued have gone wrong? Certain immediate problems have come to the fore. Those immediate problems will have to be tackled. To tackle those immediate problems at the highest level, the Prime Minister called a meeting of the Opposition leaders. The Government has been discussing this, Certain very vital decisions have been taken by the Food Ministry not only in terms of public distribution and not only in terms of release of more stocks—already we are releasing some 6 to 7 lakhs tonnes of foodgrains for the vulnerable sections of the society.

Now, these decisions have been taken. These decisions which are going to immediately affect the immediate problem that we are facing will have to be implemented and the necessary machinery has to be created. There is no escape from the problem and I, as Minister, have got no hesitation in saying to the entire House, as far as this side of the House is concerned, that in a backward economy, in a country with 80% concentration of poverty, the poverty of the worst type, of which we are ashamed, there is no way out except to have a viable public distribution system. This is not\*\* a small country, to have a public distribution system of the type of which we are thinking which should be able to cater to lakhs. Now, we have got one lakh of fair price shops which may have to be increased to a million to distribute the essential commodities and it will require a tremendous amount of efficiency of the administrative machinery.

Let us take one problem. Now, the fair-price shops have been criticised. I hold no brief for them. The Super Bazar has been criticised. I hold no brief for the Super Bazar, whatever mistakes there may be. The public distribution system has been criticised. I hold no brief for it.

It has been said that the public undertakings have got unutilised capacity and there is misplacement of resources. These are the very instruments by which a new policy can be built and has to be built and if there is something wrong in them, then we have to see that we take all steps to see that these things are removed because without a viable public distribution system, without even—I am not sure whether the Food Minister will agree with me—procurement and without a distribution system, it will not be possible for us to implement some of these policies.

Now, the point, Sir, is this : The Government is doing its best to see that these instruments, these machansms by which the present immediate problem can be solved, are built.

There is another problem. There are hoardings in this country. We have the Essential Commodities Act. That Act has got to be implemented, has got to be used, by the State Governments. The Delhi Administration has arrested some people. I don't know how many they have arrested. I think I will be expressing the wish of the House when I say that they should arrest more. What the representative of the Jan Sangh has said has come out in today's paper. He said, this arrest is wrong. This is one of the most contradictory policies and one of the most fallacious statements that have ever been said by a political leader who said, because there is no control, because there is no price control or law against hoarding, therefore, this attack or this arrest against grain dealers is wrong. We are living in a democracy; we know the difficulties and the compulsions of democracy; it is not possible to arrest anybody I am in charge of the Income tax Department. I know that there are persons who are evading taxes; it is not possible to catch them, because the very next day they go to the court, they go to the Supreme Court or the High Court. With all the best available talent that we have got, we cannot catch them.

\*\*Expunged as ordered by the Chair—*Vide* Col. 222

I ask the hon. Member : How much of jewellery is there in this country ? We have got to get that out. I want to catch that. I want a system and law by which we can catch that jewellery ..

श्री जगन्नाथ राव जोशी : उपाध्यक्ष महोदय मेरा प्वाइंट आफ आर्डर है। हम समय बर्बाद चल रही है बढ़ती हुई कीमतों को रोकने के लिए, उसमें कोई व्यक्तिगत आरोप करे या व्यक्तिगत बात लाये, क्या आप इसको ठीक समझते हैं। जवाहरान की बात कहना—क्या ठीक है ?

SHRI PILOO MODY : Please ask the Minister to sit down ..

MR DEPUTY SPEAKER : Order, please. He has raised a point of order. He says, we are discussing prices, why does he say something on jewellery I don't know why it pinches him, unless he has jewellery himself.

SHRI PILOO MODY : I know how the Minister has been pinched because his own colleagues are evading taxes. How can he go and catch some of them, even senior to him ?

MR. DEPUTY-SPEAKER : There is no point of order, that is all that I wish to say.

SHRI K. R. GANESH : May I, with your permission, take the House into confidence and say this ? Shri O. P. Behl, Executive Councillor of the Civil Supplies Department of the Delhi Administration has informed me that the prices of the following articles have come down : Sugar by Rs. 10 per quintal ; Wheat Rs. 5 per quintal ; Gram, Rs. 5 per quintal ; Khandasari Rs. 10 per quintal. I congratulate Shri Behl...

AN HON. MEMBER : That has come down after this debate ..

SHRI B. P. MAURYA (Hapur) : After the arrests

SHRI K. R. GANESH : If there are more raids, with our basic adherence to the policies of production and investment, with correct doses of deficit financing, with proper control and squeezing of the money supply and credit from the banks to speculative trade, we could march forward in the direction of realisation of our long-term basic aims. We know how many questions hon. Members asked for reply from the Finance Minister regarding cotton growers, saying, there credit has been squeezed. With all these policies, deterrent action is being taken.

I am quite sure that the Indian economy is sound, and the Indian economy has just stood the test of the Bangla Desh crisis. The Indian economy has been built on solid foundation, and the Indian economy will be able to stand up to the crisis. My intervention in the debate was only in order to bring out some of these basic economic realities of the situation.

SHRI PILOO MODY : He has not said a thing on the subject.

MR. DEPUTY-SPEAKER : There are certain definite rules in this House that we should not refer to any friendly country discourteously. I think that in the context of the critical emerging international situation in South and South-East Asia, this is all the more undesirable. I think the hon. Minister somewhere in his speech made a remark about a friendly country. That is not desirable and it will be expunged.

AN HON. MEMBER : The hon. Minister's remarks are being expunged.

SHRI PILOO MODY : He has not even listened to your ruling. He was so full of noise that he was not even listening to your ruling.

SHRI K. R. GAENSH : I agree, Sir. I never meant it.

MR. DEPUTY-SPEAKER : I am happy.

SHRI SURENDRA MOHANTY (Kendrapara) : Mr. Deputy-Speaker, Sir, it is very difficult to follow Shri K. R. Ganesh after the performance he has just given on the floor of the House. He spoke on everything else from A to Z except on the price situation which has been agitating the minds of not only the Members of this House but also of this whole country. In all fairness and in all humility, I should submit that the Finance Ministers ought to have more sense of responsibility when they come to the House to enlighten us on situation which has bedevilled completely the economic situation of this nation.

The hon. Minister has said much about Bangla Desh. He was taking umbrage under the plea that the situation of Bangla Desh and the conditions and strains that it had imposed on our economy were not anticipated if I have understood him correctly. May I invite his attention to page 5 of the Economic Survey of 1971-72 ? The Economic Survey had warned

[Shri Surendra Mohanty]

the Government in very clear terms in the following words :

"At the end of January, 1972, the general wholesale price index was 4.1 per cent higher than what it was a year ago. While the situation over the year was more or less under control, there cannot be any complacency in the matter, nor can the Government afford to relent in its efforts to hold the price-line. The impact of the war is yet to be fully felt in the economy and the diversion of real resources which the conduct of the war, howsoever brief, has implied cannot sooner or later but add to a certain strain."

If only Shri K. R. Ganesh would care to listen, the White Paper had clearly warned him as late as March, 1972, that the impact of the monetary expansion and inflationary pressures brought in the wake of the Bangla Desh crisis was going to be felt. The Government had been warned to take measures betimes, and I charge this Government that its complacency, its criminal neglect and its collusion with the blackmarketeers has resulted in this economic crisis which does not touch the Minister who live on perquisites but men like us who have to earn their bread by the sweat of their brow.

Now, I come to the Prime Minister. While the prices were rising, and the prices were maintaining an increasing tempo, this was what the Prime Minister had said at her press conference on the 12th July, 1972.

"I am told that the prices have shown some decline and expect them to come down further."

While the price index has crossed the 230-mark, this was what the advisers of the Prime Minister had been advising her, that the prices were coming down. While drought was stalking the land, the Prime Minister was dreaming of the monsoon that had set in. This is the kind of wonderful Disneyland in which the Prime Minister and her advisers are living. This is not *garibi hatao* ; this is *hatao the garib*.

The Prime Minister was much incensed at a question a correspondent had asked her in that press conference about the *garibi hatao*

programme. She is reported to have said that the measures which were being implemented vigorously had begun to show results. What are the results ? Today there is an abnormal increase in price which is unprecedented. The purchasing power of the rupee has come down to less than 40P. This is the implementation of the *garibi hatao* programme. This is the fairy land in which the Prime Minister and her advisers are living, not very much different from the Neros who were fiddling when Rome was burning

SHRI PILOO MODY : It is the Nehrus, not Neros.

SHRI SURENDRA MOHANTY : As I have said, the Government cannot plead that the country had been abruptly overtaken by a crisis in the price situation. The Economic Survey has been consistently continuing to harp on this and urging Government to take measures, restrictive measures, for holding the price line. Will the Finance Minister enlighten the House what measures had been taken ? Why were no measures taken to unearth black money ? Why has speculation not been curbed ? Why have banks been making fantastic advances to merchants, foodgrain dealers, and encouraging speculation thereby ?

Today Shri Ganesh has said that the food prices are certainly coming down. As soon as the debate started, someone gave him a slip of paper from which he quoted and said that the prices have come down

SHRI PILOO MODY : It was a slip on his part.

SHRI SURENDRA MOHANTY : If a mere debate in Parliament has resulted in bringing down prices, may I venture to request to continue this debate for at least a fortnight so that the prices may come down to the 1949 level ?

DR. KAILAS (Bombay South) : Not due to the debate, but due to raids.

SHRI SURENDRA MOHANTY : It is a stunt. How many raids have taken place all over the country ? Because there was a hue and cry, a hullabaloo, they have arrested a few merchants in Connaught Circus. But how many raids have been conducted in Orissa, how many in Bengal, how many in Maharash-

tra, how many in Gujarat ? Government should not take this House for a ride.

**SHRI PILOO MODY :** Prices have come down because of raids ?

**SHRI SURENDRA MOHANTY :** I will bring to notice another, more serious, aspect. There is no co-ordination in the economic affairs of this Government. For instance, the Finance Minister was not invited to the Cabinet discussion that took place about the rising prices.

श्री अमृत नाहाटा : यह हमारे घर की बात है।

**SHRI SURENDRA MOHANTY :**  
घर की बात नहीं है, देश की बात है।

Why was the Finance Minister not invited ? I maintain that the Government lack concern and seriousness in bringing down prices. The various economic affairs Ministers who had met minus the Finance Minister have passed the buck to Planning Commission ; the Planning Commission has passed it back to some advisory committee. And the Neros are fiddling while Rome is burning.

I now bring to the notice of the House another serious matter which has been bedeviling the economic situation of this country. There is no co-ordination in economic matters. The Minister of State in the Ministry of Agriculture, Shri Shinde, I remember, was waxing eloquent over the green revolution, and he was assuring us that today, under his auspices, there had been so much of production that there was no storage space, there was no godown, to hold the foodgrains but the Finance Minister, the other day, in his statement before the House on Price situation said that last year the production had diminished and it might be of the order of two million tonnes. Whom shall we rely upon ? If the Minister of State in the Ministry of Agriculture has been waxing eloquent over the green revolution, and if he is certain that we have got 95 lakh tonnes of foodgrains in the FCI godowns, I should humbly ask him, "Why don't you release 50 per cent of it in the market ? Why have you increased it only from six lakh tonnes to seven lakh tonnes ? Why don't you release 50 per cent of the entire foodgrains

that you are holding in stock, in the markets all over the country ?

**AN HON. MEMBER :** To the fair price shops.

**SHRI SURENDRA MOHANTY :** Yes ; fair price shops. The Food Corporation of India is suffering from a complex, that it had been designed only to give support prices to the farmers. But its primary objective was also to give relief to the consumers. Here is a crisis. If the Food Corporation of India, instead of holding on to its 95 lakh tonnes of foodgrains in its stock, had released 50 per cent of it to the fair price shops— even that is very inadequate—I believe at least a component element of the food prices should have gone down considerably. I would like to know from Shri Shinde why he is holding on to the stock. Is it to feed rats or human beings ?

There is another aspect to which I should come. According to me, there are three factors which have resulted in this crisis. One is Bangladesh, and the monetary expansion that ensued, resulted on this account. It is nobody's intention to say nor is it my intention to say, that we should not have stood by Bangladesh in its crisis. But I would urge that a balance should have been struck between our national interests and international objectives. We cannot sacrifice our national interests for certain illusory international objectives. We cannot make our people go hungry and starving for some objective that may be fulfilled in some long and remote period.

**AN HON. MEMBER :** You are not correct there.

**SHRI SURENDRA MOHANTY :** It is my view.

**SHRI AMRIT NAHATA :** For Bangladesh we will undergo any hardship, and we are prepared to sacrifice.

**SHRI SURENDRA MOHANTY :** I am also prepared for that. If you are prepared, if you are bold enough, say that. Even today, Bangladesh is wanting from you 20 lakh tonnes of foodgrains for her northern areas. Supply them. Be honest about it. This is no time for heroics.

AN HON. MEMBER : We can sacrifice.

SHRI SURENDRA MOHANTY : I know you can say that you can sacrifice while sitting in this chamber. *(Interruption)* Please do not interrupt my speech. So, my submission is that a balance should have been struck between our national interests and our international objectives.

You have exceeded your bank credit by more than Rs. 850 crores. Add to it the deficit financing that we have been indulging in. This economy cannot sustain under the strain of Rs. 1,200 crores of deficit financing. The Reserve Bank, which is not less patriotic than you, has been warning you that the bank credit of Rs. 850 crores that you have taken has resulted in a vast dimension in the monetary expansion which this economy cannot sustain.

Therefore, in conclusion, I maintain that it is the clumsiness on the part of the Government, its reluctance, its callousness towards the real problems and slogan-mongering and the pernicious practice of taking the country on a ride through mere slogans that have resulted today in this crisis which is unprecedented in the economic history of our country.

There are 1,25,000 fair price shops; there should be one million fair price shops. A Government which proclaims that it is going to confront the price situation on a war footing, what does it mean if it is not prepared to open one million fair price shops. In the meantime the Government should also assure the House that prices would not be allowed to increase further; otherwise their *garibi hatao* will mean only *hatao garib* but not the *garibi*.

SHRI BHAGWAT JHA AZAD (Bhagalpur) : I tried to recollect the occasions when this House discussed the Price rise since Independence. Being in this House almost from 1952, I could not say exactly, but more than 15 or 16 times we had discussed the price rise and the Government had showed its concern about the rise in prices. The manifesto of the Congress Party in 1952 and 1957 and the economic survey of the last year had expressed concern over this matter and there were promises and assurances. Everybody knows that without controlling prices it is not possible for a developing country with a pre-

dominantly agricultural economy to have success in the economic front. There are attempts made in this direction. Sometimes radio warnings are given to traders. Sometimes from Bombay some Minister talks of having new techniques of shopping price rise. Somewhere else a leader says that we are setting up a cell to see that essential commodities like sugar and foodgrains will be given at a reasonable price. All the pronouncements are celebrated in the country by the businessmen traders and hoarders gentlemen who are most ungentlemanlike by a rise in the prices.

In 1971-72 budget, we were promised a scaling down in the concentration of wealth and also reduction in the inequalities in income and a fair deal for all sections of society. Taxes were there. Unfortunately the prices of not only those commodities which were taxed but also those which were not taxed rose. An. Hon. Member from the Jan Sangh asks : why will not the price of vegetables rise if there is an increase in the price of petrol ?

We are equally vocal when prices rise but when they try to introduce politics into it by saying that prices must rise even of non-taxed commodities, we boubt if they are really concerned about it. We want to attack the hoarders. Just now he says : what is the use of attacking hoarders ? It becomes difficult for us to come on the national level and discuss. The hon. Member who spoke last put more politics in his speech when he referred to Bangla Desh...*(Interruptions.)* I do go to my constituency quite often and I came back only yesterday and I know the people's feelings there as well as the hon. Member knows. He could not convince people but I could convince people that in spite of our scarcity it was good for us to help the Bangla Desh people. Let us not play that point up...*(Interruptions)* Let us, even now, send some amount to North Bangla Desh where they asked for it. Should this point be debated here ?

There is a price rise and we want to stop it. Government's pronouncements and Government's measures have not succeeded. I understood some hon. Members to say that we are a predominantly agricultural economy and we are a developing economy and we must have such rise in prices. Yes. That is so according to the economics of planning and economics of growth. I agree with that. But the question is : how much ? How much price

rise can be allowed by a developing country with a predominantly agricultural economy like India? Between 1952 and 1962 we had a price rise of 6 per cent and Indian economy reconciled to it. But after 1962 we have an exorbitant rise which is much beyond what a developing country can tolerate excepting for a small period ending upto June, 1971 which the minister quoted. This can be shown by any statistics. Just now a release has been made by ILO saying that the price rise is 90 per cent in India which is the maximum and 18 per cent in Kenya, which is the minimum. In 1969-70 a survey was made in 10 countries about rise in cost of living and India had the unique distinction of leading the list with 79.1 per cent, Japan 66 per cent, France 45 per cent, UK 44.8 per cent, Pakistan 44.1 per cent, USA 33.9 per cent, Canada 28.9 per cent and West Germany 26.3 per cent. West Germany not being predominantly agricultural and being a developed country, 26.3 per cent is all right there. But there are many developing countries where the price rise is much lower than in India. Therefore, the exorbitant price rise in India is not justified by these arguments given by growth economists and planners that we are a developing country with a predominantly agricultural economy.

Now, whom does this affect? Not our friends sitting here, but it affects most the 38.3 per cent of our rural population who get just 50 paise a day, and who spend 60 per cent of their daily income on food, which is the main contributor to the price rise today. This leads to malnutrition and malnutrition leads to destitution. Why has this price rise broken all the frontiers set by the Planning Commission? This is because we have not been able to implement both long-term and short-term measures. It is known that increased output and regulated and equitable distribution are the real answer to the problem of rising prices. What did we do about the short-term measures? In spite of the green revolution and 9 million tonnes of buffer stock, we are today having the biggest rise in food prices. Sugar production fell from 42 to 31 lakh tonnes. But should there be an immediate rise in price? No, because we had a carry-over of 14.50 lakhs, which means we have 45.5 lakh tonnes of sugar in the current year whereas our consumption is only 36 to 37 lakhs. So, we shall still have a carry-over of 7.8 lakh tonnes next year. Why should there be this price rise? Just now the Minister of State was pleading, "I have no power. I can-

not arrest. People go to the Supreme Court." If that is so, why don't you amend the legislation and take more powers? What about the powers you already have under the Essential Commodities Act, the Industries (Development and Regulation) Act and the Monopolies and Restrictive Trade Practices Act? Why are these Acts not being used? We have got more than enough sugar and yet the price has gone up to Rs. 4 a kilo in the External Affairs Hostel Market and Rs. 3.98 in Paharganj, against the controlled price of Rs 1.98. I say these are scarcities created by the traders, hoarders and businessmen who could be dealt with by the government under these three Acts. But while dealing with them, it is noticed that there are so many inhibitions. Let them be put behind the bars rather than give them a joy ride. I read in the papers that in Madhya Pradesh the arrested people were taken in a taxi, and that too without handcuffs. Why this joy ride? The people protested that they were given VIP treatment. That should not happen. So far as short term measures to control the rising prices are concerned, government have enough powers in their hands.

Then, the government cannot stop the rising prices unless they make a fatal attack on the parallel economy. In this country, apart from the organised money market we have another money market called the black money market. I am not saying something new or original. Unless there is a killing attack on that economy, we would not be able to control the prices.

Then there is the supply matching with demand. What do we do? The moment we have got one good harvest, it is declared as a green revolution and we close all fair price shops. We allow *laissez faire*, the law of supply and demand to adjust the prices. The second year there is a failure of the monsoon and we are again in difficulty and there is consequent rise in prices. So, I would say that we have to tolerate the fair price shops in our country for a few more years to come.

Then, the consumer industry should be taken over by the government in the case of essential articles of life. I hope Shri Pijoo Mody will not shout at me when I make this suggestion. The fair price shops have to continue for all time to come, whether the harvest is good or bad because this country

[Shri Bhagwat Jha Azad]

has to live with scarcity in goods for years to come. Now we notice that even in the case of critical industries there is shortfall in production. Instead of a growth rate of 9.3 per cent according to the Plan, we are now having only 3.6 per cent in critical industries. Why should it happen ?

We import cotton and supply it to the mills at controlled prices. But there is no control over the price of cloth. It can shoot up to any height. While we take over the essential consumer industries, we must have the minimum of varieties of goods. Why should we have 1,000 varieties of textiles ? Then, we must stop production of luxury goods.

When Shri Bhagat was speaking, the Minister of State Shri Ganesh stood up and asked about the massive investment, massive expenditure and massive planning. I can answer that question. In a country like ours, even though spending on Bangladesh, December war, drought and flood are essential, there are many items of non-essential non-plan expenditure which should be definitely curtailed.

Secondly, investment must be diverted from luxury goods to essential goods. Even in a developing country like ours, the economy should not allow the prices to rise beyond a reasonable level.

Then, in this country if you want to stop the price rise immediately, here and now, you must have a phased programme for taking over the consumer industries, and open a chain of fair price shops. We must also have a long-term plan of production of agricultural goods, for which irrigation is a must. Last but not least, whenever any release of supply is made from here of either wheat or barley, whether it is to the State of Bihar or Andhra, the supply must be through the Block Development Officer. However good a Prime Minister or good Chief Minister or good Secretary there may be, it is the Block Development Officer and the S.I. who determine how things should be distributed. Let there be a flogging squad to stop all the corruption. Let there be really flogging of them, be it a non-official or an official at the *chowraha*. Then only we can stop this rise in prices.

It is time that both on long-term measures and short-term measures, we must start action here and now. Let us not say that the fifth Plan is killed before it is born. I wish to save the Fifth Plan. Let it be saved ; let it not be killed before it is born.

15.56 hrs.

[SHRI K. N. TIWARY *in the Chair*]

SHRIMATI GAYATRI DEVI OF JAIPUR (Jaipur) : Mr. Chairman, Sir, I have been listening to the debate since it began soon after 12 O'Clock. I have heard many theories as to why the price line has risen to such an unprecedented extent. I have heard many Members giving their solutions to this serious problem. I myself would like to urge the Government to tackle this problem on a war-footing, to coordinate the work of all the different Ministries, so as to bring the prices down in this country.

Many reasons have been given for this rise in prices. But it seems pretty obvious that one of them must be a shortfall in production and the other must be that there is something wrong with the manner of distribution of what is being produced. It seems that we in India have been hoodwinked into thinking that we have reached a green revolution. We were told that only yesterday. We were told that we were not only going to be self-sufficient in foodgrains but that we would soon start to export foodgrains. When Mr. Monsoon decided to come late or decided that it will not come at the right time, we suddenly found ourselves facing the shortage of foodgrains and other essential commodities. That, of course, has dispelled any myth that the Government's policy has brought us to prosperity as far as food is concerned.

16 hrs.

Excuses have been made about Bangladesh, this and that. Other reasons have been given, such as, deficit financing and so on. All these things are part of the reason why the prices have risen. I admit. But there is one basic fact which we tend to ignore and that is this. As far as foodgrains are concerned, the Government has given the excuse of present rise in prices as an element of nature's fault or element's fault. But this is not a new phenomenon in our country. In our country, droughts and floods and all these things are a



regular thing. All these things happen constantly. There is the drought in western Rajasthan. Still our Government says that this is a calamity, a natural calamity. This is not correct. What do we do? Do we do anything on a permanent basis to remedy or to combat these forces of nature? The day before yesterday, the Member of Parliament from Pali while talking about the flood situation put a very relevant question to the Minister. He said, "From the Centre you provide all this money to the States, but do you see how that money is used?" And he gave an example of the money that was allotted for Pali and which was eventually used in Bilwara. He said that a number of dams were built but they had all broken and then asked the most relevant question. He wanted to know from the Minister how many engineers had been suspended. This sort of thing is happening constantly. I myself have visited the relief works in Rajasthan during drought and I saw people sweating in the gruelling sun and getting their dole for the work they were doing. And what kind of work were they doing? They were doing work of a temporary nature, something which was not going to last. A road was being built which might be blown away if a gust of wind came. They were making holes to catch water. It is not a permanent solution. What about tube-wells, what about energising the wells in the rural district? What about rural electrification? If we have to combat these natural elements, then we have to use the modern methods available to man today. We should have rural and irrigation rural electrification. But in this country we are short of all these things. We are short of power. Only yesterday or today I read in the papers that there was going to be a shortfall in power. These are modern things which we must have in our country. At least the ruling Party has realised that ours is basically an agricultural country. That is why, they should give predominance to agriculture. At least modernise our farming methods and bring all these facilities to our rural areas.

I would urge Government to have a little sense of urgency. We talk everything here and when you go home all the things are forgotten. I will give the example of the slow pace at which the Rajasthan Canal is being built. Here is a place that could be the granary of India. I know, the other parts of the country also will claim that they want this and

that. But it is a fact that Rajasthan could become the granary of India. It has faced eight years of drought. If only the Rajasthan Canal had been built, if only railways and roads had been built, things would have been different.

Another thing that I would like to suggest is this. We have, I believe, 80,000 unemployed engineers in our country. Can you not put them on construction of roads? They can build 80,000 miles of roads all over the country. They can make these roads in rural areas so that distribution is facilitated. So, use these unemployed people for this purpose.

I would then come to the question of hoarding and black-marketing about which much has been said already in the House today. I would like an inquiry to be made into the working of the Food Corporation of India because, I believe, there has been a terrible swindling there. Unless there is a proper investigation, we will never get to the truth of the matter. For proper investigation, it is obvious that the Chairman must be removed. I have asked the Government to look into this.

There have been several other scandals that have been hushed up. Unfortunately it only reflects on the Government because today in this House so many people have said that Government is not interested in unearthing black money and black-marketeers because that is their life-line. You should dispel this suspicion that we have in our minds that all your money and all your success is through that money. I am sure you can dispel it by getting rid of those black-marketeers and black money. Let it come out into the open. There is black money, I believe, to the extent of Rs. 7500 crores. That is also responsible to the price rise. I do not want to make any accusation, but I have the experience of seeing in my State MLAs being bought with large sums of money. Where did that money come from? It could not have been anybody's white money.

It could not have been from the Rajasthan. It must have been from some black source. So, unearth it. Be honest, then, we would not be able to accuse you. In this rising prices we are all together. We all want the prices in this country to go down. I think the government also should re-examine all

[Shrimati Gayatri Devi]

its policies especially, related to agriculture if you want to bring down the prices of food-grains, pulses, etc. I think it is today's paper where it is said that the demand for tractors has gone down. It says

"A steep fall is feared in the demand for tractors, pump sets and highly mechanised equipment from next year, when the land ceiling law will be enforced . . .

Another reason which perhaps takes precedence over the land ceiling issue is the policy of the Finance Ministry which has imposed duties on tractors with the disastrous result that the cost of a tractor which was once Rs 25,000 has now increased to Rs 40,000

The Union Government has information that the surplus land after the ceiling is enforced, will be about five to six lakh acres "

I want to know whether the Union Government has ever considered the effect of ceiling on land. Then it is a very good idea—to give land to the landless. I think the very ceiling will defeat its own purpose and production will go down even more because information has come that even those people who have applied for pumps to energise their wells are now cancelling their orders and the demand for tractors is also going down

So, I think the Government policy regarding agriculture should be re-examined and I would once more urge the Treasury Benches, particularly, the Ministers to come together and co-ordinate for this is a very serious problem and it has to be fought on a war footing. Then, I would suggest that fair price shops should be established all over the country immediately. Different people have given different figures of the fair price shops. Each Assembly constituency should have at least 20 of them in proper places.

Secondly, arrange for the despatch and distribution of grains from the surplus areas to the deficit areas.

No 3—Deal severely with the hoarders and black-marketeers.

No 4—This is most important. I would urge the Union Government to persuade the State Governments to give complete relief to the peasants who have taken loans from the Government, who might have taken *Taccavi* loans as they are already in debts. Repayment of loans should be postponed. After all, they have gone through a very bad crisis.

I would also ask the Government to re-examine their policy of putting a ceiling on land which is irrigated by the owners themselves because in some place they are facing a lot of difficulty

Once more, my plea is that the farmer should be given relief this year from repayment of the loans that he has taken

SHRI D D DESAI (Kaira) The subject is prone to create a sense of vehemence and even emotions have been raised. We may examine the anatomy of the price rise and I would like to make a few suggestions how we could rectify the position.

The price rise is associated with production, distribution and consumption. In the direction of production, leaving apart the nature which has played a certain part, we may see whether the Government or we ourselves have been at fault and to what extent we are at fault and if we are at fault what are the remedies that we can offer

In the direction of production there are two issues involved. One is the natural phenomenon and the other one would be associated with our own matters. Nature has directly affected us to a certain extent and we can account for it. But we may also see to what extent we have ourselves increased the cost. The cost factors in the production of various articles should be examined and also the control methods advocated by various members should be examined. Some members mentioned that between 1952-63 our prices were stable and we were following certain set policies upto 1962-63. They also said that the price rise has taken place in greater percentage after 1968-69, due to certain policies. That may be examined. We have also to see the effect that the cost of production has in relation to the remunerative prices we are committed to pay to the farmers and other people connected with actual production. There has been a certain rise on account of certain inputs

which are required for production. These may be unrelated to actual production techniques.

In regard to distribution we have to see that the minimum loss takes place and there is not much difference or gap between the cost of production and the rate at which the consumer gets the goods. Here, we are trying to establish a large number of fair price shops and organise very good purchase methods and distribution methods and probably we would be able to succeed to a certain extent. But the quantum available for distribution cannot be raised because the production itself is also related to the investment part of it. Now, in the case of investment, we have to see that the money that has been employed for production, the producer gets back and he reinvests it, or are we making any alterations in that? If the cost of collection and redistribution of the money and the cost of dislocation and relocation is to be policy of the Government, then there is a certain element of loss and a certain element of inflation. If the producer who himself has earned the money and if he is able to keep part of that money and re-employ or rather apply the money for increasing the production, to that extent, the means of production are locally available and the cost of production can be controlled because of higher production.

We have then the question of consumption. We cannot say that the consumption has not increased. This is essentially due to rise of population and also due to increase in living standards. On both accounts, we have moved up consumption, and to that extent, we have to bear the consequence which goes with it.

There have been certain demands made that certain industries should be under the control of the State; certain people have said that industries should be put under the control of private bodies and so on and so forth. Today, in India, about 87 per cent of production is in the private sector.

We know that large investments have been made also in the public sector. The policy of the Government is to enhance the investment and production in the public sector. The problem with us is that we want high production at low cost to earn enough from the public sector or rather the public sector

should be made to serve the consumer and generate social surpluses in respect of which we have not yet found a satisfactory solution. We know that for larger availabilities if the 87 per cent of production which is today from the private sector, particularly the agricultural sector which provides for as much as Rs 16000 crores of production or rather the national gross product, is indiscriminately disturbed, it is bound to reflect at a later date in certain more difficulties.

AN HON. MEMBER : For example ?

SHRI D. D. DESAI : We have been having certain farms owned by co-operatives, we have certain farms owned by States, we have certain farms owned by private families and certain farms are owned by companies, and certain farms are owned by different sorts of organisations; and, we have been able to judge from these, the figures of optimum output in relation to inputs or investment made.

There has been some talk also regarding inflation, on account of money supply. Apart from the money supply that has been knowingly made, we have not taken notice of the money supply that has gone unnoticed. Any investment or any payment which is not related to return or the goods or service is bound to affect and is in fact the deficit financing or is bound to create inflation. Therefore, today with large overheads and without the means of value analysis or test return on investment or return on what we spend; we are bound to have outgoing money without the corresponding receipt and this may offset our calculation or our relation of purchasing power to available goods. To that extent also, we may look into the matter and see if a solution lies and in which direction.

We have also noticed that some of the Members have suggested, particularly our Marxist friends, that if the whole thing were taken into the State sector, we would be in a better position. But I would like to remind our Marxist friends that the USSR is one of the largest importer of food products after fifty years of revolution. In fact, she recently concluded a contract for three years only for USA wheat alone the extent of nearly Rs. 180 crores annual imports. Of course, Russia is purchasing other food products and India is one of the principal

[Shri D. D. Desai]

pal exporters of food products to that country. Therefore, we may also see whether the prices in the USSR are correspondingly kept low or lower than the prices here in respect of those commodities or articles for which we are seeking to have reduction in prices.

We may also examine whether other countries, where there is relatively a greater amount of freedom or a certain amount of punishment and reward are incorporated in ownership in those areas, have been able to make greater success or not. Particularly I remember, Panditji used to say that 'I have no authority to dismiss even a clerk'. This would naturally mean that a certain amount of punishment is not feasible if a particular system is there, whereas in certain other systems, if a person does good performance his reward and if he goes wrong his punishment are incorporated. To that extent, by selecting a suitable system there may be possibility of maximising the benefits of our investment and also the return on our investment.

We have very large investment outstanding in various sectors. These sectors should all contribute because some inflationary pressure is also on account of the State and people providing their deficit Financing our own calamities is also contributing to this inflation. A certain amount of maldistribution or lack of distribution is also going to affect some pockets. All together, we are finding today that today's situation has produced a certain hardship.

The last item I would like to mention is regarding price relationship and wage. We have seen that wages are tied to the cost of living. Wages are not tied to production. This applies to certain sectors. What happens to the rest of the sectors not covered by corresponding increase in wage or allowance in relation to price increase. To that extent, a discrimination exists.

In other words, if we are talking of price stabilisation; wage to production stabilisation is also an accepted fact. So if we pay the wages unrelated to production and make allowances for price increase, we are accepting the pushing up of prices further, in spiral.

**THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI ANNA SAHEB P. SHINDE)** : When my able senior colleague is to reply to the debate, I should not ordinarily intervene. But a number of hon. Member have referred to items and subjects pertaining to my Ministry. I think it would therefore be appropriate if I take this opportunity to explain some points raised here.

From the beginning, I have been very attentively listening to the speeches made. Some hon Members have made good suggestions. For instance Shri Banerjee referred to anti-hoarding measures I entirely share his views. Some other members have made similarly good points. I will come to these a little later.

But some members have raised a basic doubt regarding our agricultural strategy. Some have asked, what happened to the green revolution. Some have asked : How is it that three weeks' delay in monsoon have brought about all these problems ? I shall explain at length the factual position because I value the support of this House in the production programmes of the Agriculture Ministry.

It has been my experience that this House has been extremely generous in understanding and appreciating the problems of agriculture. At the same time, I do not share the gloomy view expressed by some hon. Members that there is something basically wrong with our approach to the strategy in agriculture. For instance, we must view this problem in a wider perspective. What was the position of this country during the last half a century ? We have been an importing country all through. Records will show that we have been importing from 1915-18 onwards. Then as a result of Partition, very rich, irrigated lands particularly in Punjab went to Pakistan. This affected production of some of our food crops and cash crops like jute. Many people did not believe that India could come up with a very substantial addition to her agricultural production. But what has happened during the last few years has proved conclusively that Indian politicians, Indian administrators and the Indian farmers have the ability to overcome all difficulties on the agricultural front.

Many people have an impression that last year was a very normal year. I appeal to their good sense to ponder a little and recall

what happened last year. I am not only referring to the influx of 10 million refugees whom we fed from our own resources except for some marginal import. Last year was not a normal year in Indian agriculture. There was a very serious drought in Andhra Pradesh. It is the history of this country that whenever there is a serious drought in Andhra Pradesh, the rice economy of the country is in doldrums. It was impossible to manage the rice economy. There was drought in parts of Mysore, Maharashtra and Rajasthan. Added to that, there was a very severe flood situation in Bihar, West Bengal, and east Uttar Pradesh. Please try to look into the facts. These have naturally affected very severely, not only the production of rice, but the production of coarse grain and maize. If we have to judge the success of our agricultural strategy, despite this setback, then, agricultural production, though it has not come up to expectations, has not fallen down substantially. Our level of production used to be 72 million tonnes, 74 million tonnes, 80 million tonnes and 89 million tonnes and so on, like that. We have not yet made the final calculations in consultation with the State Governments as regards the present production, but I think it will not be less by more than two million or three million tonnes. I do not want to rush to a conclusion but the fall in agricultural production was only marginal. Had it not been so, there would have been a very substantial fall in agricultural production and our economy would have been in greater difficulties.

Take the case of procurement of rice. Some Members have asked, "Why did you not anticipate the situation and why did you not prepare yourself"? Is it the suggestion that the Government of India or the Food and Agriculture Ministry did not look into these matters? I wish to submit very humbly that we did anticipate this situation. In fact, despite the severe fall or practically no contribution or only very negligible contribution from Andhra Pradesh to the Central Rice Pool, our total rice procurement has not fallen down. In fact, it is more than last year when it was more or less three million tonnes; it has been marginal.

**SHRI INDRAJIT GUPTA (Alipore) :**  
How much is your buffer-stock in rice and wheat?

**SHRI ANNASAHAB P. SHINDE :** It is 6.5 million tonnes in wheat, 2.5 million tonnes in rice and  $\frac{1}{2}$  a million tonne of coarse grains. This is broadly the position. The point is, we did not relax; even in a bad year when the kharif crop suffered, our procurement of rice is marginally higher than last year. That is the first point.

Secondly, during the last year or earlier, though the food situation was continuously improving, we did not relax. As regards the buffer-stock, our original proposal, which was accepted by the Government of India, was that we shall have a buffer-stock of five million tonnes by the end of the fourth plan, that is, 1974-75. In the Plan itself, the Government of India and my Ministry took the initiative, and we wanted to raise it to a higher level. Last year itself.—I had some humble contribution to make—when we made the suggestion, the Government of India, the Ministry of Finance and the Planning Commission were good enough to accept it, and the level of the buffer-stock was raised. Though our target for the fourth Plan was four million tonnes, it was raised to seven million tonnes last year. What was the reason? We anticipated a bad year and therefore we were preparing ourselves to face a difficult situation.

It would be completely unfair to the Government of India and to my Minister if hon. Members make a suggestion that we were not ready for this. In this background of the last year, several difficulties arose. There was the cyclone in Orissa, and failure of rains in the south, and floods in the north. Despite these, we took a number of measures to add to production. There were many difficulties. That is a different matter. But in that background, this year again, we had an extremely dry summer. Unfortunately, this country is predominantly an agricultural country. What can we do? What can the Government of India do? Today, 47 to 50 per cent our products come from agriculture. There is no other way.

For example, Shri Surendra Mohanty made a little criticism of the Government. I welcome the criticism, and I am not angry with him. But is it the suggestion of Members that even in tropical countries, without rains, agricultural production will not go down? They do not know agriculture. Even in some foreign countries, in sub-tropical climate with rains and where snowfall is the normal feature,

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variations come up. I have visited some of those countries and I have studied world agriculture. There are fluctuations to the tune of 40 per cent in agricultural production in a very bad year even in the most advanced countries of the world. This is not an abnormal phenomenon in India. Our production strategy has stood the test of time. This year it was an extremely dry summer. Shri Indrajit Gupta will tell us how the summer crop was affected in Bengal because of the dry summer. In Bihar also, crops were affected. Had it been only a delay of three weeks we could have overcome the problem. There was a complete break of 25-30 days in the monsoon. Fortunately for the North India, there had been widespread rains. Many persons had become unnecessarily panicky meanwhile. In the southern States there are no rains yet. Even then I see a considerable improvement in the situation compared to the position a week earlier.

This was an abnormal phenomenon this year. I have looked into the weather chart or almost half a century. Such a situation had arisen only in 1906 and this year the situation is worse compared to 1906.

I am not criticising ex-colleagues of mine but in the good old days in a difficult situation like this the immediate thinking was to import from other countries

**SHRI D.N. TIWARY (Gopalganj):** If agriculture has not failed and we have sufficient stocks why have the prices risen ?

**SHRI ANNSAHEB P. SHINDE :** I will come to that. The point I am making is that this Government led by Mrs. Indira Gandhi thinks in altogether different terms. It thinks in terms of standing on its own feet. We attach great value to self-reliance. Somebody asked : why not import pulses if we can give it to the poorer sections of the society ? There is nothing sacrosanct about it ; it is not based on any ideology ; it is a pragmatic decision. Our whole approach is : not to go abegging to other countries simply because we find ourselves in difficulties. On the contrary we have an ambitious production programme to meet this crisis and we shall fight to the end and we shall be in a position to face up to the situation, relying on our own...

(*Interruptions.*) I value your support, without your support it will not be possible for us to take up these programmes.

I was referring to the buffer stocks. To my mind the contingency has arisen now when the buffer stocks should be used. Buffer stocks were constituted for meeting such situations. Unfortunately some people make panicky statements. True, they want to bring to our notice the difficult situation that is facing the country. I must admit that in many States the public distribution system was not functioning properly. Here comes the point raised by Shri Tiwary. He asked : when you have a sizable buffer stock, why should the prices go up ? In many of the States the public distribution arrangements were not adequate or effective. It came to your notice 8 or 9 months ago and at the Chief Minister's Conference we brought it to their notice and asked them immediately to strengthen the public distribution system. That does not mean that it is bad in every place. In West Bengal the system is very good, in Kerala too, even in Maharashtra. But in the country arrangements are not satisfactory and that is why there were certain distortions in the economy even though we had stocks. There was pressure because there was shortfall in the production of essential foodgrains due to failure of the monsoon in some parts and that had its pressure on wheat also. My senior colleague would deal with the general price mechanism, etc. Already there exists a network of 1.25 lakh fairprice shops. Of course, many of them are dormant and they will have to be activated and strengthened. We have requested the State Governments to increase within 1½ or 2 months the number of fairprice shops by 20,000 or 25,000 or whatever the requirement may be and we have assured them reasonable supplies to feed these fairprice shops. Industrial cities are well covered and if fairprice shops are effectively operated, this will protect the fixed income groups the middle class and the working class. There is an impression that most of these shops are concentrated only in cities. That is wrong. Out of 1.25 lakhs, about 80,000 are not rural areas.

My ministry has taken a number of steps. Previously the Food Corporation was selling foodgrains in the open market and naturally it was going to private trade. This was done

when the food situation was very easy and FCI was saddled with more stocks. But when prices started moving up and anti-social elements were taking advantage of it, we have issued firm orders that all these open sales will be stopped and every single grain will be distributed only through the public distribution system. Secondly, out of the 5 or 6 million tonnes that were distributed through the public distribution system, half of it was going to roller flour mills because in many parts of the country *atta* is consumed instead of wheat and this was heavily subsidised to the extent of Rs. 20 to 25 crores. It came to our notice that some of these mills instead of processing this wheat, were selling it in the open market. In Bengal and Maharashtra, there was some control on the end products but in the rest of the country, there was no effective control. Now we have decided that the flour mills will be only processors and they will be paid only the processing charges. All their output will be taken over and distributed through the public distribution system. Orders have been issued and necessary powers have been delegated to the State Governments. Under the Essential commodities Act and the Foodgrains Control Order, State Governments have powers to take effective action against hoarders, anti-social elements and profiteers. Some State Governments have already taken action as in Delhi. In Gujarat also some traders have been arrested. I welcome these steps and I wish other State Governments also follow suit.

**SHRI INDRAJIT GUPTA :** You have given them legal powers to act against hoarders. But have you given them political powers ?

**SHRI ANNASAHEB P. SHINDE :** The climate in the country is such that State Governments will act and the Government of India is strong enough to see that State Governments fall in line. We want enforcement of licensing in foodgrains trade, prevention of hoarding and requisitioning of foodgrains stock as and when necessary. These are our suggestions to the State Governments. The Cabinet Secretariat has convened a meeting tomorrow of the Chief Secretaries, Agriculture Production Commissioners and Food Commissioners to discuss all these matters because I do not think at the policy level there is any difference in approach as far as the political leadership in the States and the Centre are concerned.

**SHRI D.K. PANDA (Bhanjanagar) :** Within what period of time are these measures, which are declared to be stern measures, going to be implemented ?

**SHRI ANNASAHEB P. SHINDE :** The State Governments are expected to act as the situation demands. Not in due course, but immediately, if I may express my personal view in the matter.

My experience of working in the Food Ministry shows that a public sector organisation like the Food Corporation must have a command over a number of essential commodities, as far as agricultural produce is concerned. I think we will be required to take a number of progressive measures. We ourselves think that there is need to re-orient the entire procurement policy. While trying to protect the interests of the producers for a remunerative price, I must say that the public sector organisation is in command of a substantial portion of the production in this country so that as and when any need arises we are in a position to meet the requirements of the poorer sections of the society and the fixed income group. Therefore, it will be the endeavour of the government in future to review the food policy in this direction. May I assure you that we are very seriously considering the various steps in this direction ?

**SHRI SURENDRA MOHANTY :** May I ask a question in a very constructive spirit ? Since there is bound to be a time lag between your pious resolutions and their actual implementation, how are you going to hold the price line in the mean time ?

**SHRI ANNASAHEB P. SHINDE :** As far as foodgrains are concerned, the buffer stocks have to be used judiciously. We are not going to fritter away the buffer stocks. At the same time, we will see that it does not go into the hands of anti-social elements and the public distribution system is strengthened. For that purpose we have decided to release in the month of August 7,45,000 tonnes. If any State Government comes with additional demand, we would see that the reasonable demands of that State are met. We have made an elaborate exercise on this. In the month of September we propose to pump in 9,20,000 tonnes. In October it will be one million tonnes. So, progressively, as the lean months are coming, we shall be

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pumping more foodgrains through the public distribution system. Therefore, so far as the vulnerable sections of society, the fixed income groups and the urban dwellers are concerned, this would help in a big way to make foodgrains available to these sections.

I was referring to the fact that Shri Mohanty made the point that the Food Corporation of the Government of India is not taking care of the interests of the consumers. I am glad that Shri Mohanty is interested in the consumers. He must be aware of the fact that when rice and wheat are supplied to the consumer through the public distribution system, it involves a subsidy of Rs. 132 crores for wheat consumers and Rs. 20 crores for rice consumers.

**SHRI SURENDRA MOHANTY :** Why this discrimination? It is all politics.

**SHRI ANNASAHAB P. SHINDE :** Despite the difficulties of resources and a number of other economic factors, the Government is deliberately following a policy of subsidised foodgrains in the interests of the consumers.

I need not take more time of the House. I would only end with the point that I began with. To meet the present emergency, my Ministry and the Government of India feel that the only solution is to encourage production programmes. Therefore, the Government of India has recently approved a very ambitious production programme and we have been keeping in touch with the State Governments. We have promised the State Governments that for whatever production programme which they take up by harnessing stream water or by putting up lift irrigation system or by having tubewells, if they are immediately related either to saving of kharif crop or rabi crop, all financial assistance will be given by the Government of India provided feasible projects are worked out. This is our whole approach. I personally feel that we must face the situation with confidence. If we face up the situation and, even in a difficult situation, if we continue to maintain our self-reliance in regard to foodgrains, I think, we shall be really a proud country with lot of prestige. I am sure, Mrs. Indira Gandhi's Government is quite strong enough and has the ability to face up to the situation.

**PROF. MADHU DANDAYATE (Rajapur) :** Mr. Chairman, Sir, at the very outset, let me say that the problem of rising prices coupled with the situation of drought is too serious a problem to be exploited for setting our political accounts. Therefore, I am not touching the political issues as there will be enough platforms, enough occasions and enough opportunities when the Opposition and the Treasury Benches can settle their political accounts. But, on this occasion, with the constructive attitude and also with a critical mind, let us try to analyse the economic situation and try to find out what solutions can be worked out to see that the problem of rising prices can be adequately tackled.

While I concede that in a developing process of growth, a certain tendency of rise in prices is inevitable, at the same time, I am not prepared to accept it as a general postulation. The extent of present steep rise in general price level, the changes in wages relative to productivity, the changes in money supply and also the changes in the level of investment, all these things, cannot be explained just on the basis of that general postulation that in a developing economy, whenever there is a growth, we are bound to have rise in prices and all those associated tendencies. But I would like to tackle the problem in a more integrated way. My contention is that the problem of rise in prices can never be treated in isolation and those of us who have a stake in the planned economy development and the corresponding economic policy would always feel that the problem of rise in prices is to be treated in an integrated manner along with a number of problems that are very important.

Take, for instance, our approach to deficit financing, our approach to the pattern of expenditure, our attitude to conspicuous consumption, our attitude to the public distribution system, our entire attitude to constructive ways and means to devise some methodology by which industrial and agricultural production could be stepped up. The most important amongst all is to streamline the entire distribution machinery. And still more important factor, in this present situation, is that since the wage bill is bound to rise, more and more demands are bound to be made by industrial workers and middle-class employees and as a result of that more inflationary pressure is bound to be exerted on our economy, in such a situation, can you



unilaterally always give sermons to the industrial labour and the middle-class employees alone that they must sacrifice in the broader interest of the economy? It is here that the higher echelons of society must be told that specially in times of crisis the spirit of equality of sacrifice is to be accepted by them. Then only, the industrial workers, the agricultural labour, can be told that they have to take up the commensurate responsibility.

16 46 hrs.

[SHRI R. D. BHANDARI *in the Chair*]

In this proper perspective only we have to tackle the problem.

We have been pursuing a certain strategy of economic development, and in this strategy we have been giving priority to the creation of capacity and not so much to utilisation of idle capacity. No doubt this is an inconvenient problem, but as a result of this broad strategy, we find that so many subsidiary problems are created. As a result of the foreign exchange difficulties that are created on a very large scale, we find that the problem of utilisation of idle capacity has also become very difficult. That is why we find that the production has not been able to grow to the level which is desirable, especially in the present crisis when the problem of rising prices has to be tackled. So, all these problems must be taken into account.

Take the problem of deficit financing. Our friend, Mr. Shinde, said, he is an optimist. I am not a pessimist and I am also not an alarmist: I am a realist. I do not want to repeat the figures which Mr. Bhagat and others have given; I do not want to waste the time of the House in quoting all those figures again. At the time of the last Budget I had specifically said that, though the uncovered deficit had been mentioned as Rs. 242 crores, this low deficit—I used that term being a student of physics—this low deficit was only an “optical illusion.” I had said that it took into account all the earlier mini-budgets and therefore apparently it appeared as if the deficit budget was not very alarming. I had sounded a note of warning then that, because of the situation through which we were passing, it was very probable that this deficit financing would grow in great proportions. I am of the opinion—I might be

wrong; but I have consulted a number of experts, not the experts who believe in the theory of *laissez faire* but experts who believe in left-oriented outlook of development of the country—and many of them are of the opinion that probably the deficit financing that would grow would be of the order of Rs. 1,000 crores; Mr. Bhagat said that it would be about Rs. 900 crores, but I feel that it will be of the order of Rs. 1,000 crores. If deficit financing is going to grow to that dimension, then that poses a very big problem. That creates a big inflationary pressure on our economy. As a consequence of that, there will be rise in prices. With every year the deficit financing, as I said earlier, has been growing and, therefore, inflationary pressure has been created. To check that, we will have to stress the production aspect and also the distribution aspect. Here I would say categorically that a very wrong type of problem is posed before all socialists, and the controversy raised is what is the priority: is it for production or for distribution, as if these two problems have to be put into two water-tight compartments. We, socialists, believe that the problems of production and of distribution can never be separated at all. As a Swedish socialist has correctly and categorically said—and with the correct perspective of Asian conditions—the problem of production and the problem of distribution cannot be separated for this reason that if production in the field of agriculture and industry is to be augmented, incentive for production can be offered by an assurance of equitable distribution, and—equitable distribution is as important as production because if the assurance of equitable distribution is given, the working class and the agricultural labour will be able to produce more. Therefore, we will have to stress both production and distribution aspects.

In this connection I might like to point out to you that the Reserve Bank has gone out of its way and has given the warning—in their own style but they have been giving the warning consistently—that our Government is in the habit of borrowing recklessly from the banking system and as a result of that the inflationary pressure has grown. Only some time back you must have read the report of a comment that has been made from Punjab by the Custodian of Central Bank that the very emphasis of our industrial policy

[Prof. Madhu Dandavate]

seems to be going wrong ; no doubt, we cannot take a doctrinaire attitude but we cannot stress at this time only the heavy industries and big industries but more stress will have to be given on consumer goods industries. That is what the Custodian of Central Bank who believes in the general economic policy of the Government has said. There is a lot of substance in it. In the present conditions when prices of commodities are rising, we have to create the necessary conditions. Instead of concentrating on big and heavy industries, more stress must be laid on consumer goods industries and production of consumer goods must be brought under the public sector. The distribution system should be thoroughly streamlined. This is very necessary. The wholesale trade in foodgrains and essential commodities should be completely socialised. My friend Mr Pilo Mody may spurn this because he thinks that anything that is socialised is bad. Unfortunately, in the functioning of the Government, a very wrong type of equation is set up that everything connected with the public sector is inefficient. It is not always so.

Take the case of the transport system. In respect of the motor transport industry, when it was in the private sector, there was complete chaos, there was complete anarchy. Under the State control, certain amount of efficiency has been brought in and the remotest villages which could not be reached by the private transport could be reached by the public transport and therefore let us not identify the public sector with inefficiency. We must, I admit, streamline the public sector.

Shrimati Gayatri Devi of the Swatantra Party hinted that if we are going to have lowering of the land ceiling, in that case, there will be difficulty in raising agricultural production. I would like to say that I do not fully agree with the type of new proposal that has been put forward in regard to land ceiling. I want further radicalisation of ceiling laws. I would like to accept the original recommendations that were made by the high-powered Land Ceiling Committee, but which had been modified by the Congress Working Committee. Of course, that is not a subject that is under discussion at present. But the relevance to the main point is this. Is it the case that if lowering of ceiling is brought about, tractors and tubewells might

become uneconomic proposition with the fragmentation of land ? This argument is to be replied. We should see what remedial measures are to be taken. The Swatantra leader suggested that if there is lowering of ceiling of land in that case there will be no tractors and tube-wells available to small farmers and therefore agricultural production will go down. This problem has to be tackled and we cannot afford to have the lowering of agricultural production : this is what she said.

For this I would like to make a very concrete proposal. When the lowering of ceiling takes place and when there is some amount of fragmentation taking place, it may happen that in marginal cases utilisation of tractors and tube-wells might become uneconomic. Therefore my suggestion is that tractors may be provided to the agriculturists through service cooperatives.

With the lowering of ceiling, it is also necessary that investment in tubewells also should be socialised. If these suggestions of mine are accepted, there will be no danger of agricultural production going down.

One of the arguments that is advanced is that if prices are to be controlled both in industrial sector and the agricultural sector the production has to be stepped up.

MR. CHAIRMAN : You must conclude.

PROF MADHU DANDAVATE : I will conclude. If the inflationary pressures are to be checked merely streamlining the public sector is not sufficient. The non-productive expenditure of the Government which is to the tune of sixty six per cent should be reduced. There should be socialisation of wholesale trade and distribution of consumer goods through the service cooperatives. We should encourage equality of sacrifice especially among the higher echelons of society. Both in respect of industry and agriculture, if only we have an integrated reforms, I am sure, it might be possible for us to check the prices. We can have stabilisation of prices and we will go to a very great extent from the present trend of spiralling of prices ; we will be able to reach a stage when we will be able to give protection to the poor consumer, to the agriculturist and to the industrial worker. Thank you.

17 hrs.

**SHRI DINESH CHANDRA GOSWAMI (Gauhati)** : In spite of the atmosphere of confidence generated by Mr. Shinde's speech, I have not been able to approach this debate with a great measure of enthusiasm. I have the feeling and I think I share the feeling of many of my hon. friends here when I say that we have got very little control over the price mechanism today. Price mechanism to a very great extent is under the control of some unseen forces over which, in spite of our massive majority, we have not been able to play any dominant part. Therefore, if I am speaking with a feeling of despondency, I hope, the House will excuse me and let me hope that the reply of the Finance Minister will generate in me the due sense of confidence which I have at present lost to certain extent.

It is true that there are various factors which contribute to the rise of prices. But, when we say to the common man, look, these are the causes for which prices are rising, it does not generate any comfort in him and he turns round and tells me : Sir, there may be all these causes, but how am I, with my meagre income, to sustain myself, when the prices are spiralling like this ? Therefore, in a Welfare State, in a Welfare Government, the State and the Government has the duty to keep the prices at a responsible level so that the common man with meagre income can sustain himself.

In a growing economy there will be rising prices, but at the same time, it should not be forgotten that correspondingly there is also rise of income ? But unfortunately in our country there is rise of prices, but the benefit of rate of growth has been confined in a few handful of persons ; the income has not been widely distributed ; the money generated has not been equally distributed among the common people. This is the situation in our country. We cannot compare this rise in prices with the rise in prices taking place in the other countries.

It is said that production should increase and we should lay stress on that. May I ask the Government one thing ? Have we taken all comprehensive and all embracing steps in the direction of increasing production ? If you look to the condition of the country for the last few months what do you find ? There is a flood of huge magnitude in one part of the

country and drought in some other parts of the country. These two phenomena are, it appears, beyond the control of the Government. The total loss by flood alone during the last few years amounted to a tune of Rs. 2400 crores. The amount spent for flood control is hardly Rs. 200 crores. The amount spent is not commensurate with the loss sustained by this natural calamity. If we allow these natural calamities to persist, how can we expect the production to rise ? That is the point.

Therefore, the most essential need of the hour is to do a comprehensive planning so that for production, we should not be dependent upon the vagaries of nature but on the other hand we are capable of controlling nature. But unfortunately it is our tragic experience that we are completely dependent upon nature. Dependence upon nature has affected the efficiency of the agriculturist. He has the feeling that whether this crop will be good or bad is not dependent upon his toil, but upon nature over which he has no control. This is the feeling he gets. How can we expect him to put all his energy, all his mind, into it ? If we want to infuse a sense of confidence in the agriculturist, we should see that we can control the vagaries of nature.

Not only for production, but for distribution also we must have some control. Not only consumer goods industries, but industries relating to cash crops, should be brought under the State control. There is a definite purpose in my asking that this recommendation should be implemented. I had occasion to talk to a certain person in the Income-tax Department, and I asked him 'Can you tell me where really this black money has been generated or invested ? After all, this black money has not been kept mainly in cash form. His answer was that to a large extent this black money had been invested on cash crops by the persons who indulged in that type of business. The reason is that in the case of industrial production you can find the amount from the source and try to see whether a person has invested a certain amount of money in certain industries or not. In the case of industrial production, if you go to the factory, you can find out that so much production has been there and if you try to find out the source and locate it you can find out who is dealing with that business, and therefore, the source of investment of black money in these sectors is

[Shri Dinesh Chandra Goswami]

very limited. But you cannot do so in the case of cash crops. I would ask the hon. Minister to ponder over this question. Will he please find out how much money has been invested in jute by persons after the happenings of Bangla Desh? My information is that a very large chunk of black money in the Eastern Region has been invested in jute. If you invest some money in cash crops, there is no way to trace it, and, therefore, the tendency has been for the persons indulging in black money to invest such type of money on cash crops, and to run a parallel economy. Therefore, I have put forward this suggestion that there may be a positive approach on the part of Government not only to bring under their control the entire consumer goods industry but all the industries which deal with cash crops.

**SHRI P. R. SHENOY (Udipi) :** The cost of basic amenities of life has been going up year after year at an average rate of 5 per cent per year over the last 30 years. Everyone wants more money for the community supplies or for services rendered so that he may maintain the standard of life to which he is used or improve it a little bit. The worst victims of this phenomenon are the people who do not belong to any organised sector of society.

The increase in the prices of essential commodities has been steep during the last few months. The rate of increase per year has now become the rate of increase per month. Government propose to solve this problem by increasing production by about 10 to 15 million tonnes during the rabi season and by improving the public distribution system, but so far as the rice-eaters are concerned, I must bring it to the notice of Government that this improvement of the public distribution system will not help the rice-eaters very much for some time to come, owing to certain mistakes committed by the Central and State Governments in the past.

Large subsidies are being given for wheat producers. This year, that is, in 1972-73, a sum of Rs. 100 crores has been provided in the budget for subsidy to wheat-growers. But no such subsidy is given to rice-growers at all. The rice-growers do not get even a paise of subsidy. The hon. Minister referred to Rs. 20 crores or so. I do not know how that

subsidy is given. According to my information, the rice-growers do not get any subsidy in this country, whereas the wheat-producers do get subsidy.

Secondly, whenever the State Governments procure rice, the price that they offer is 60 or 75 per cent of the market rate. The result is that they are not able to procure rice in large quantities and what they procure is not of good quality. In fact, in the Mysore State, the procurement price offered is always about 60 per cent of the market rate. So, the Mysore Government have not been able to procure much rice, and they have been able to procure only rotten rice. So, if the distribution system is improved what are they to distribute in our State? Firstly, they do not have much to distribute. Secondly, what they have to distribute is only rotten or bad quality rice. So at least next year some subsidy may be directed to raise the procurement rate.

There are some inter-State restrictions on the movement of foodgrains, but these are not strictly enforced. Rice is being smuggled from Mysore to Kerala freely. The persons in charge at the checkpoints are very corrupt. The result is that lorry loads of rice are being smuggled from Mysore to Kerala. This has to stop. Either the restrictions on movement should go or if they are in force, they must be strictly enforced.

A suggestion has been made that Government should take over the wholesale trade in foodgrains. It is a good suggestion. It is impossible for honest businessmen to carry on this trade because it has already passed into the hands of anti-social people. So it is better that the State takes over the trade in wholesale trade in foodgrains until we are self-sufficient in foodgrains.

**श्री टी० सोहनलाल (करौलबाग) :** सम्भा-  
पति महोदय, मैं चन्द बातें ही आपके सामने  
रखूंगा क्योंकि और मेरे साथी यहाँ पर बहुत कुछ  
कह चुके हैं। वास्तव में जहाँ तक मंहगाई का  
संबंध है, पिछले बीस सालों में कोई भी ऐसा  
साल नहीं होता होगा जबकि इसके ऊपर वर्षों  
न चलती हो लेकिन मेरी समझ में नहीं आता  
क्या हिन्दुस्तान में विद्वान लोगों की कमी है जो

इस समस्या का हल नहीं हो पाता है। मैं समझता हूँ कमी है और वह कमी यह है कि जो अपोजीशन है वह अगर सही मायनों में सजेस्चन दे, अपने सुझाव दे तो सरकार उनके ऊपर विचार करे और यह समस्या हल हो सके। लेकिन मैंने देखा है कि जब कभी भी यह बात आएगी तो हमारे कम्युनिस्ट भाई सिर्फ सरकारी कर्मचारियों की बात करेंगे, दूसरे लोगों की उनको कोई परवाह ही नहीं है। जब भी यह सवाल आया तो पे-कमीशन विठाया गया और उसी दिन से बनिफ़ ने महंगाई बढ़ाने का चक्कर शुरू कर दिया। नतीजा यह होता है कि अगर 20-25 रुपए एक बलक के बढ़ते हैं तो 25-30 रुपए की महंगाई बढ़ जाती है, बलक को 5 रुपये का नुकसान ही होता है और दूसरी तरफ जो आम जनता है, जो मजदूर है उनको पूछने वाला ही नहीं है कि उनके लिए भी कुछ महंगाई है या नहीं। आज भी हिन्दुस्तान में दो तीन रुपये कमाने वाले जो मजदूर हैं उन्होंने कभी जवान खोलकर नहीं कहा कि हम भूखे मरते हैं, दो टाइम की जगह एक टाइम खाते हैं, चार रोटी की जगह दो रोटी खाते हैं। उनके लिए आपने कभी कुछ नहीं कहा। इभीलिए इस समस्या का हल नहीं हो पाता है। सबसे पहली बात मैं यह बतलाना चाहता हूँ कि दो रुपये रोज कमाने वाला जो मजदूर है वह भी 50 रु० मन का गेहूँ खाये और जो एक हजार कमाने वाला है वह भी 50 रुपये मन का गेहूँ खाये। अगर इस बात को सरकार अच्छी तरह से समझ ले तो मैं समझता हूँ हर साल जो महंगाई के बारे में सोचा जाता है वह सोचना न पड़े।

श्री इसहाक सम्मली (अमरोहा) : सरकार कभी इस बात को नहीं समझेगी जब तक कि कंप्लेंट्स से चन्दा लेती रहेगी। ... (व्यवधान)

[ شری اسحاق سمبلی (امروہا) سرکار کبھی اس بات کو نہیں سمجھے گی جب تک کہ کیپٹلٹوں سے چندہ لیتی رہے گی۔ (دیودھان) ]

श्री टी० सोहनलाल : आपको तब महसूस हुआ जब चाय की बुक्तियां कम हो गईं, चीनी के दाब बढ़ गए, लेकिन अनाज के दामों की चिन्ता

आपको नहीं हुई। आप लोगों ने तो जब कभी कुछ कहा है, सरकारी कर्मचारियों के बारे में ही कहा है। आज भी 60 फीसदी जनता दो रुपया रोज कमा रही है। बिहार के अन्दर मैं गया हूँ और मैंने देखा है कि सरकारी काम करने वाले जो लेबर हैं उनको दो रुपया रोज मिलता है, उनके लिए आपने कभी आवाज नहीं उठाई। ... (व्यवधान) ... आप तो सिर्फ दफ्तर में काम करने वाले कामरेडों की बात करते हैं जिनके साथ बैठकर आप चुस्की लेते हैं। जो मजदूर है श्रॉपडियों में रहने वाले उनको जाकर आप देखिए तब आपको पता लगेगा कि वे किम हालत में रह रहे हैं। मैं कुछ कहना नहीं चाहता था लेकिन चूँकि आपने कहा है इसलिए कदंता हूँ कि आप दिखावटी हैं, आपको क्या पता है कि भूख क्या चीज होती है? आप तो कामरेड बन गए और हाउस में बोल लिए। ... (व्यवधान) ...

आपके सामने मैं दो सजेस्चन्स रखना चाहता हूँ। एक तो जो यहाँ पर मजदूरी मिलती है, अगर एक आदमी एक महीने में सौ रुपए कमाता है तो उसको दस रुपए मन गेहूँ मिलना चाहिए और दूसरी तरफ जो लोग एक हजार या दो हजार महीना कमाते हैं उनको सौ रुपया मन गेहूँ मिलना चाहिए। जब इस प्रकार का अन्तर होगा तो हमारे जो सरकारी कर्मचारी हैं, बड़े-बड़े आफिसर हैं उनको पता लगेगा और उनके ध्यान में आएगा कि इस समस्या को हल किया जाये। इस वक्त गेहूँ पर ज्यादा खर्चा नहीं होता है, खाने की चीजों पर ज्यादा खर्चा नहीं होता है। मैंने देखा है बाहर पार्टियाँ होती हैं, क्लबों में ज्यादा खाते हैं उनको क्या पता है कि घर का सामान क्या भाव आता है। इसलिए मेरा सुझाव है कि गवर्नमेंट इस बात को सांच ले कि जो मजदूर दो रुपया या पांच रुपया रोज कमाते हैं उनको 10-15 रुपया मन गेहूँ मिले और जो हजार रुपया कमाते हैं उनको दो सौ रुपया मन गेहूँ मिले तभी यह समस्या हल होगी वरना हल नहीं होगी। चीनी के दाम बढ़ गए तो शोर मच गया लेकिन गुड़ के दाम जो बढ़े उसके लिए कोई भी नहीं कहता। ... (व्यवधान) ...

[श्री टी० सोहनलाल]

मेरा दूसरा सजेस्चन यह है कि जब यहां पर खाने पीने की चीजों पर सट्टा चलता है तो हमारे मंत्रियों को कोई ऐसा वक्तव्य नहीं देना चाहिए जिसका कि कीमतों पर असर पड़े। मुझे अच्छी तरह से याद है कि हमारे फूड मिनिस्टर ने एक महीना पहले यह वक्तव्य दिया कि हमारे देश में पैदावार इतने टन कम हो गई है जिसका नतीजा यह हुआ कि सट्टे वालों ने मंहगाई बढ़ाने का सिलसिला शुरू कर दिया। मुझे अच्छी तरह से याद है कि किदवई साहब अपने जमाने में बर्कस को अपने यहाँ बुलाते थे। उन्होंने इस मामले पर एक स्टेटमेंट दिया, व्यापारियों को बुलाया और जब व्यापारियों ने बात नहीं मानी तो उन्होंने कह दिया कि जितना चाही ले लो हमारे पास अनाज भरा पड़ा है। नतीजा यह हुआ कि कीमतें कम हो गईं। इसलिए या तो सट्टा बन्द होना चाहिए, वरना मंत्रियों को ऐसे स्टेटमेंट नहीं देना चाहिए। उन्होंने सच्ची बात कही होगी लेकिन सच्ची बात का जो असर हुआ वह तो बुरा हुआ। इसलिए मेरा सुझाव है, मैं बम्हाण साहब से रिक्वेस्ट करूंगा कि मेरी इन बातों पर ध्यान रखा जाये और जो दो-तीन रुपये रोज पाने वाले मजदूर हैं उनको कम कीमत पर अनाज मिल जाये तो इस समस्या का हल हो जाएगा।

MR. CHAIRMAN : Shri Stephen. Not more than five minutes.

SHRI C. M. STEPHEN (Muvattupazha) : Mr. Chairman, Sir, I suppose five minutes will be enough because almost all the aspects of this question have been fairly well thrashed out on the floor of this House. There is no difference of opinion about the urgency of the problem and the compulsions of the situation. With regard to the analysis or the reasons which have brought about this situation, there is also not much difference of opinion.

There is deficit financing on the one hand. There is slump in the production and income on the other hand. Therefore, the inflationary spiral has set in. This is the broad analysis which has resulted in this crisis. One question arises from out of this. If there are

the reasons, and if somehow deficit financing has to be there, can we do without deficit financing? Certainly we cannot do without deficit financing in the developing economy that we are pursuing. The fact that the national income is not able to keep pace with the investment of money that has taken place is also a hard reality that is facing us. Should we resign ourselves to a position of inevitability and helplessness or are we to find out some solution on these problems? It is important because the price-spiral is not merely momentary, it has been dogging us. From 1962 onwards we find that it had been a constant feature, year after year. With 1960 as the base year, we find that the price of foodgrains had reached the index 239.

Now it is conceded that the prices have got to be maintained if our plans are to succeed. Conceding that there is to be deficit financing and that national production may not keep pace with money supply and also conceding that if planning is to succeed, prices have to be maintained, what is the strategy to be adopted?

Some drastic steps have got to be taken. I fully subscribe to the view that the production and distribution of essential commodities must be taken over by the public sector. I do not find any other alternative to that.

Then comes the question of hoarding. It is no use blaming the retailer alone. The trouble is with the wholesaler and this has to be tackled. My friend Shri Ganesh has been saying that he lacks power to handle him properly. I do not entirely agree with him. Under the Maintenance of Public Safety Act and other Acts, there are enough powers to proceed heavily against the hoarding elements in this country. Those powers should be used; otherwise prices cannot be maintained.

Now, with regard to sugar, I am unable to understand their strategy. They take sixty per cent and release forty per cent for market sale. What is the difficulty in taking over the entire production and controlling the whole thing? In the past three months sugar releases had been declining. The price in the market has gone up. What is the justification for having two levels of prices—fair price and open market price? In the open market it is three times the fair price. What is the justification?

There is only one solution : guaranteeing to the consumer at least his minimum needs at fair prices. Otherwise, the poor man becomes the victim. That means additional taxation, irrespective of the capacity to pay. The burden falls heavily on the lower strata. Bad consequences follow and the economy is caught in a whirlpool. This has got to be tackled. Otherwise, the entire planning comes to a complete standstill. An inflationary rise upto 3 per cent can be tolerated, but to speak of *garibi hatao* with an inflationary rise of 7 or 8 per cent is to make a mockery of that slogan. So, this has to be dealt with on a war footing and stern measures have to be taken against the hoarders.

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) :** Sir, though I cannot claim to have heard the full debate because I had some other committee meetings equally important to attend, I have heard enough speeches to know the trend of the discussion and though I have not heard the speeches of some important hon members, I have got the points they have made. I am participating in this debate not with a view to participate in the debate, because there is nothing to be debated about as far as prices are concerned. We all are agreed that there is a rather unusually steep rise in prices and it is affecting the lives of the common people. It is the concern of the Government ; it is the concern of all political parties ; it is a national concern. So, there is no question of any debate as such on it. The question is, how to fight this problem effectively so that we can bring about some good results in the shortest possible time.

I entirely agree with Prof. Dandavate that this is not in any sense a political question to be divided on party lines. Of course, there was some interesting discussion on the causes of the price rise. In the statement I made in this House and in the answers I gave to questions put to me, I have tried to give explanations. Price rise is a problem which cannot be explained away by one single factor. Not only in India, but in any other country, the price condition is the result of many economic factors. Mainly it is the factor of production. It is also the result of fiscal policies of government, the administrative and financial disciplines we introduce, the awareness and organised participation by the people in the problems of the country,

the behaviour of the classes which control trade and commerce and so on. The price condition is the result of complex forces working in the economy at different times.

Many members have mentioned about deficit financing. I have never claimed that there would not be any deficit financing because I have myself provided for deficit financing in both the budgets I have presented.

Some hon Members have said that the Finance Minister had claimed that he will control deficit financing. Whatever I said was in relation to the question of overdrafts by States. We wanted and we certainly are taking steps to see that the State Governments bring about financial discipline which is necessary for the country.

Deficit financing can be avoided by many factors. One way is to reduce non-plan expenditure. Secondly, we have to increase our services by non inflationary methods. Here I would like to say what we have done during the last three years, namely, 1969-70 to 1971-72 for raising resources. It will be very interesting information because when we get information in a cumulative form it possibly makes an impact. Shri Bhagat rightly made a mention to the deficit financing that we had resorted to last year, because last year the deficit financing by both the States and the Centre exceeded Rs. 700 crores. It is a fact of life. He also knows why he had to do it. At that time we could not have given the excuse of deficit financing for not incurring those items of expenditure. It is true that all those expenses were non-plan expenditure. But what is a non-plan expenditure in that sense ? Defence expenditure is a non-plan expenditure. So also is assistance for natural calamities and relief of Bangladesh refugees. We had to incur that expenditure. The only thing that we could do was to make efforts to raise resources, and that is exactly what we have done.

Since 1969-70 the additional resources mobilisation undertaken by the Central Government upto 1971-72 exclusive of special levies for relief of Bangladesh refugees is estimated to yield Rs. 2,900 crores net of the State share, as against the original plan target of Rs. 2,100 crores for the entire Fourth Plan period. It is said that we are not taking proper care of the financial policies of this

[Shri Yeshwantrao Chavan]

country. I would say that it was the boldest effort that was made for raising resources for this country. Because, the problems before the country were very acute and they were not merely economic problems. Suddenly we had to face problems which eroded the economy of the country. In 1971 we all applauded what we did politically. But we had to pay the economic price for it. All the accumulated problems that we had to deal with in 1970-71 and 1971-72, are having their delayed effect now. I am not explaining away the rise in prices; I am not justifying the rise in prices but I am simply stating how it has taken place.

Sometimes people tend to forget what had happened earlier. Shri Shinde very ably explained the position of last year. Some hon. Members were saying that we had nearly four or five years of good monsoon, good crops, then how is it that we are having this deficit this year. Possibly, their memory is short. I know the position in three big States, the States from which I come and Mysore and Andhra. For the last three or four years there has been famine in some areas of Maharashtra especially in the entire eastern region, and neighbouring States. Also what has happened in U.P., Bihar and West Bengal? Everyone knows about it. The Brahmaputra is taking its usual toll every year.

If you see the figures, the real pressure on the prices is coming mainly from food articles and allied articles. If you go commodity-wise, you will find that the largest pressure on the rise in prices is from coarse grains, bajra and jowar, etc. In some cases, it is 25 per cent; in some cases, it is 28 per cent; in other cases, it is more than 30 per cent; and in some cases, it is even 40 per cent. I am not merely giving the figures to explain away the things. This is not the spirit in which I am saying.

It is not true to say that for four or five years, you had everything at your disposal and that you have not done well. Certainly, we have learnt a lesson. We have large buffer-stocks of wheat and rice. That means, we accepted the scheme of public procurement. But merely having public procurement is not enough. Along with public procurement, there should be a well-established system of public distribution. Unless there is a well-

established system of public distribution, the aim of public procurement may not be fulfilled. This is what has happened. I must admit it.

The steps that we will have to take is to see that the public distribution system along with the public procurement system must go hand in hand. Unless this is done, I think, we can repeat our experience again and again. This is one big lesson that we have learnt.

Mr. Shinde has very emphatically told the House that we have decided to have the public distribution system. This is a very important decision that the Government has taken. We will have to bring the States in line in this particular matter and see that the public distribution system functions properly.

Some hon. Member did make a criticism and I concede that there is some truth in it that not all the fair price shops, about 1,25,000 shops, are working well. They are mostly in urban areas. Somebody said that they are dormant. The most important point is that it is not enough to have the public distribution system in urban areas. The public distribution system must work effectively in those areas where the people have no purchasing power or where they are more vulnerable. Unless the public distribution system functions effectively and efficiently at that level, we cannot claim that we have got a public distribution system. Therefore, the most important method of fighting the price rise in this country is to resort to effective public distribution system.

We shall be on trial in this matter. We cannot say that we have taken a decision and, therefore, our responsibility is over. Ultimately, the test of a decision is in its implementation. The public distribution system means trying to distribute things which are in short supply, all essential goods which are in short supply. It will have to take coarse cloth with it; it will have to take sugar with it; it will have to take edible oil with it. When we talk about the public distribution system, it is not merely the distribution system for wheat. We will have to see that the public distribution system works effectively. But, certainly, it will take time. I cannot say that the whole thing will be done immediately.

Now, we are accepting this idea of public procurement more and more. It is very good



for increasing the production in the country. This is the basic strategy of agriculture. If I understand correctly—my colleague the Agriculture Minister will correct me if I am wrong—the basic agricultural strategy is to encourage the production by at least giving some minimum guarantee of prices to producers, at the same time not sacrificing the interests of the consumers. Both the things will have to be kept in mind. Some people say when we talk about minimum price for the producers, “You talk on behalf of the kulaks’ lobby”. That has become a fashionable phrase nowadays to use against agriculturists. I quite agree that, along with the producers’ interests, the consumers’ interests also will have to be treated as equally important and of paramount interest. But this is a strategy that will help us. Therefore, we are going in the field of public procurement more and more.

Now we have got the Cotton Corporation of India, for example. This Corporation is meant to go in that direction. Only yesterday I had gone to inaugurate a cotton purchase scheme in my State. It is giving a guarantee of certain reasonable price to cotton producers so that if we increase the production of cotton in this country, we will not be required to depend upon imports—because we lose there very valuable foreign exchange.

In the last year, there was a complaint, there was decrease in coarse cloth in the country. Do you know the reason for that? It was because we had to import the shortfall of the cotton production in this country of those varieties which are only suitable for production of fine and super-fine cloth. In this country the indigenous production which really speaking is useful for the production of coarse cloth was not there. It was also very costly. So, ultimately, we have accepted this policy of public procurement more and more. We will have to see that in the case of these commodities the public procurement policy must go hand in hand with the public distribution system. This is the major point.

**AN HON. MEMBER :** Cotton prices have come down.

**SHRI YESHWANTRAO CHAVAN :** What you said is right. It is the only thing that has come down in the entire commodity price index. The minus figure is near cotton.

Even there if we find a price rise, it is because the coarse cloth is in short supply; last year there was less production; and this is having its impact now. The price of this year is of the cloth produced in the course of the last few months.

**SHRI RAJA KULKARNI (Bombay-North-East) :** What about the role of the Food Corporation?

**SHRI YESHWANTRAO CHAVAN :** The role of the Food Corporation was already dealt with by my colleague. You were not here. There may be some deficiencies here and there. I do not say that it is working very perfectly, and that is not the claim made by my colleague also.

**SHRI S. M. BANERJEE :** There are very serious charges. Kindly investigate.

**SHRI YESHWANTRAO CHAVAN :** You have discussed this matter here. A statement was made by the Minister of Food and Agriculture on the floor of the House. I need not go into this matter. Let us go into the fundamentals. We are now discussing policy matters, policy decisions, that are necessary to meet the situation. If you go into individual and particular matters, then it will be a diversion of discussion. (*Interruption*)

**SHRI S. M. BANERJEE :** You have mentioned about the role of the Food Corporation.

**SHRI YESHWANTRAO CHAVAN :** I was not merely discussing the role of the Food Corporation; I was discussing the role of public procurement. Public procurement is a new concept that we have accepted to give a new boost to our economy, particularly in the field of agricultural production. I said, merely resorting to public procurement is not going to be enough unless it is linked up at all levels with the system of public distribution. This is the important lesson that we have learnt and this is the lesson that we have to follow. This is one of the major decisions of the Government of India. It was asked: what is your programme to fight rise in prices? I would like to say that this is our position which is going to have its impact; if you have some patience for a few weeks more, you will see the result of this system. And this is my

[Shri Yeshwantrao Chavan]

own feeling. Prices, again, is a matter which has something to do with psychology. As I told you, if hon. members had read my Economic Review of this year and the last year, I have given a warning—possibly people sometimes forget it—that whatever we have done and whatever deficit financing we have indulged in, the effect of it will be felt. I have said that. Please go back and re-read it. Sometimes, it triggers some trouble. It triggers explosion. This rise in prices, delay in the rains, fear of drought and as, some members said, some speculation that this year production of foodgrains will be less—psychologically, there are anti-social elements who must have taken advantage of these. It is quite possible.

The other thing to which an hon. Member made a mention is that we will utilise not only the legal powers but the political sanction behind it to see that these hoarders are taken proper care of. This is a decision about which I would request the hon. Members to give their full co-operation, because, only today I have heard some people making a complaint, "Why are you resorting to raids, etc?". Well, we have to do that. We will have to continue to do that because if at all we have to make an impact on the prices, the psychological atmosphere must also be created.

For that, I must make a mention that there must be absolute public participation in the matter. I have many times mentioned that. Some sort of consumers' consciousness and pressure of public opinion will have to be constantly there and in a vast country like India, unless there is that conscious public opinion functioning at all levels, this thing cannot be solved.

SHRI S. M. BANERJEE : There is a price-resistance movement. The hoarders can be persuaded to de-hoard the whole thing provided there is support from the Government.

SHRI YESHWANTRAO CHAVAN : What you have said is a good, concrete suggestion for the first ..

AN HON. MEMBER : He is laying a trap.

SHRI YESHWANTRAO CHAVAN : He is not laying a trap because we can certainly

come out of anybody's trap. It is not a question of that (*Interruptions*) He is entering a trap, you mean? That is a different matter.

SHRI S. M. BANERJEE : So many people have entered the trap. I don't want.

SHRI YESHWANTRAO CHAVAN : So, this was the question, about the distribution system.

I mentioned about fiscal policies and raising of resources. Fiscal policies, certainly, mean credit at proper time. I would like to tell this hon. House that for the last whole year as far as the credit facilities for these sensitive commodities are concerned, the banks are very selective. The Reserve Bank's policy and the nationalised Banks' policy has been very selective in this matter. We have been constantly watching the situation. When there was some trouble about edible oils in Gujarat, for instance, we immediately took steps and put necessary control over the supply of credit. Those things are taken care of.

Now, the most important part of it again is that in order to give employment we have to start works in rural areas. This requires additional supply of money and naturally, unless there is proportionate rise in the commodities that they require and the services that they require, there is a sort of imbalance between the supply and demand of goods which may result in raising the prices further.

SHRI VIKRAM MAHAJAN (Kangra) : Why not put them on productive work?

SHRI YESHWANTRAO CHAVAN : I quite agree. I entirely agree with you that without productive efforts, the employment will be meaningless. It is quite right. There is no doubt about it. But you better think in terms of your own areas where there is drought and when you have to give employment to the people, you sometimes come and tell us, "First give them relief and then job." Recently, we had troubles in Bihar for example in Bhagalpur, and Santhal Parganas there was some sort of food riots. The reason was not lack of food. The reason was, according to me, lack of purchasing power.

Ultimately, the price factor will have to

be taken note of by resorting to an aggressive production programme. Unless we have got a production programme, unless we have got a savings programme we cannot expect results. I would like to tell the hon. Members that as far as savings are concerned, if we take one index of it, that is, deposit mobilisation in the banks, the deposit mobilisation in the nationalised banks, I would say, comparatively for the last three years, this was a record year for deposit mobilisation—so the saving is there. Certainly, the Government by raising loans, the State Governments and the Central Government can certainly mobilise resources which will be a sort of constraint on the money supply to that extent. This is also one of the important fiscal policies.

So, I would not like to go into the details. But, some of these important fiscal policies I am mentioning are the steps which we will have to take. But the most important thing I was mentioning was about production. The Agriculture Ministry, I must say, have great imagination in formulating the policy. Again, the test is going to be in the implementation of it. As Finance Minister, I can assure you, this House and the Agriculture Ministry, again that wherever there will be a production programme, a production strategy, whether it is deficit financing or no deficit financing, they will not be short of money. I can certainly give that assurance. If deficit financing is meant for production, I do not take it as deficit financing. I do not know what the economists feel about it...

SOME HON. MEMBERS : It is not.

SHRI YESHWANRAO CHAVAN : Therefore, about this strategy of taking advantage of the late monsoon, we can certainly take advantage of it for the late *Kharif* crop. The point of fact is that the climatic seasons seem to be changing as change seems to be the rule of life today. Possibly we will have to change our techniques of 100 years ago.

सावन, अषाढ़ में गर्मी की प्रवृत्ति बदली हुई है। अब तो भादों कार्तिक में काम करना शुरू करना पड़ेगा।

श्री एल० एम. बबर्जी : ऐसा न हो कि सावन में झूला झूलते रह जाएँ।

श्री यशवंतराव चव्हाण : अब तो झूला के दिन चले गए, अब तो दूसरा झूला है।

Therefore, Sir, now the plan is this. Wherever there is water supply, we supply them engines, we supply them power pumps, we supply them fertilisers, we supply them pesticides and seeds. This is the programme and I may say, this is a most imaginative programme. I know that responsibilities have been fixed. Certain charges are entrusted to individual officers in the States and this is being done and there is going to be a close, continuous watch of coordination as to how the States are functioning. When we say, let us fight it on a war-footing, this is exactly what we are doing here. This is certainly a production programme and a distribution programme which we will fight on a war-footing.

SHRI JYOTIRMOY BOSU : You get more black-money and more contribution. This is really wonderful...

SHRI YESHWANTRAO CHAVAN : I think you have got the right of reply...

SHRI JYOTIRMOY BOSU : Really wonderful, Mr. Chavan, I am enchanted.

SHRI YESHWANTRAO CHAVAN : I am glad.

SHRI JYOTIRMOY BOSU : After reading the interim report, the high regard which I have already for you, has increased manifold.

SHRI YESHWANTRAO CHAVAN : I am very glad that at least for some time I could enchant this gentleman.

DR. KAILAS : Twenty rupees notes have gone out of circulation, people are afraid that demonetisation of hundred rupee notes will be done.

SHRI YESHWANTRAO CHAVAN : He has said it many times and I have replied to him many times.

SHRI JYOTIRMOY BOSU : Then, why did you not publish it ?

SHRI YESHWANTRAO CHAVAN : I have told you what is there in it.

SHRI JYOTIRMOY BOSU : When ?

SHRI YESHWANTRAO CHAVAN : Many times.

SHRI JYOTIRMOY BOSU : Mr. Chavan, please don't try to sell unmixed untruth like this.

SHRI YESHWANTRAO CHAVAN : I have told many times in this honourable House that in the interim report, they had made a recommendation of demonetisation which we have not accepted.

SHRI JYOTIRMOY BOSU : After I had hammered it out. Let the records be examined.

SHRI YESHWANTRAO CHAVAN : All right, if he wants to take credit for it, let him do take credit for it ..

SHRI JYOTIRMOY BOSU : I am only talking about the discredit that comes on him ..

SHRI YESHWANTRAO CHAVAN : If he wants to take credit for petty matters, I shall not fight over it...

SHRI JYOTIRMOY BOSU : Only Rs. 7,500 crores is a petty matter for him. but to me it is a very big matter ..

SHRI YESHWANTRAO CHAVAN : I am not saying that it is a petty matter. It is certainly a serious matter...

SHRI JYOTIRMOY BOSU : \*\*

MR CHAIRMAN ; That is not proper ..

SHRI JYOTIRMOY BOSU : \*\*

SHRI C. M. STEPHEN : He should be asked to withdraw the statement...

SHRI JYOTIRMOY BOSU : \*\*

DR KAILAS : He cannot be allowed to make that kind of statement.

SHRI C. M. STEPHEN : This must be expunged.

MR. CHAIRMAN : Without any advance notice, he shou'd not make such remarks.

SHRI JYOTIRMOY BOSU : There is nothing unparliamentary and nothing derogatory in what I have said. It is all complimentary...

MR CHAIRMAN · I am not allowing that. I have not allowed him to speak It will not be apart of the record. If anybody speaks without my permission, what he speaks will not be a part of the record.

SHRI JYOTIRMOY BOSU : Do not drag a big issue. Under what rules are you doing it, Sir ?

MR. CHAIRMAN : Because he spoke without my permission.

SHRI JYOTIRMOY BOSU : I am asking you under what rules you are doing it.

MR CHAIRMAN : First, he should take my permission and then only speak.

SHRI JYOTIRMOY BOSU : \*\*

SHRI YESHWANTRAO CHAVAN : This question of black money has been discussed here many times, and black money is a problem...

SHRI BHAGWAT JHA AZAD : We have also said that. We have also raised this problem.

SHRI YESHWANTRAO CHAVAN : We shall have to deal with it. I have said that many times. Merely talking about demonetisation itself is not going to solve the problem. If and when it is to be done, I have said that already that it is not to be announced like this. When it is done, it has to be done and it will have to be done in the manner in which it should be done.

**SHRI JYOTIRMOY BOSU :** Through you, Sir, may I ask of the hon. Minister one question ?

**SHRI YESHWANTRAO CHAVAN :** I am not yielding.

**MR. CHAIRMAN :** If the hon. Minister yields, I have no objection. Since he is not yielding, the hon. Member may please sit down. Let him not disturb the proceedings.

**SHRI JYOTIRMOY BOSU :** Please allow me to make reference to one point. . .

**MR. CHAIRMAN :** The hon. Minister is not yielding ..

**SHRI JYOTIRMOY BOSU :** Please allow me to make efforts to make him yield.

**SHRI YESHWANTRAO CHAVAN :** I think Shri Jyotirmoy Bosu has the right of reply. So, let him not interrupt me now...

**SHRI JYOTIRMOY BOSU :** I have no right of reply. May I ask the hon Finance Minister...*(Interruptions)*.

**MR. CHAIRMAN :** Let the hon Member resume his seat. The hon. Minister is not yielding. So, I am not allowing the hon. Member.

**SHRI JYOTIRMOY BOSU :** On a point of order...Kindly make the hon. Minister sit down. I am on a point of order.

**MR. CHAIRMAN :** Is the hon. Minister yielding ?

**SHRI YESHWANTRAO CHAVAN :** No, Sir. I thought that you were listening to his point of order.

**MR. CHAIRMAN :** Under what rule is he raising his point of order ?

**SHRI JYOTIRMOY BOSU :** Under rule 257.

**SHRI R. D. BHANDARE :** He must be pulled up for quoting a wrong rule.

**SHRI JYOTIRMOY BOSU :** Under rule 376. I would ask only one thing. Shri Yeshwantrao Chavan is a very dear colleague of ours in the House, and we have been crossing swords since 1967, and yet we have a regard for each other. I have regard for him, and he has also regard for me. Let Shri Yeshwantrao Chavan tell me of any instance when I have been disregarding to him. I am only asking him a very simple question, and I expect an answer from him to that question...

**SHRI BHAGWAT JHA AZAD :** He is misleading the Chair by quoting a wrong rule.

**MR. CHAIRMAN :** I may tell one thing to the hon. Member...

**SHRI JYOTIRMOY BOSU :** I find that the hon. Minister has yielded and he has sat down...

**SHRI YESHWANTRAO CHAVAN :** I have not yielded. I thought Sir that you were listening to the point of order.

**SHRI JYOTIRMOY BOSU :** Please allow me to put one question. I would ask one question of the hon. Minister through you, Sir. I am asking why the Government has not published the interim report of the Wanchoo Commission.

18 hrs.

**MR. CHAIRMAN :** No, no; he is not yielding. Suppose the hon. member is speaking and does not yield to an interruption, how can I allow another member to interrupt him.

**SHRI JYOTIRMOY BOSU :** Will you please allow me to make an effort to make him yield ?

**MR. CHAIRMAN :** No *(Interruptions)*.

**SHRI JYOTIRMOY BOSU :** \*\*

**MR. CHAIRMAN :** What he has said will not be recorded.

**SHRI YESHWANTRAO CHAVAN :** I have no quarrel personally with him.

SHRI JYOTIRMOY BOSU : Then reply to my question. Why did you not publish the interim report ?

SHRI YESHWANTRAO CHAVAN : So the problem, really speaking.....

SHRI JYOTIRMOY BOSU : Why did you not publish the interim report ?

MR. CHAIRMAN : Please resume your seat.

SHRI JYOTIRMOY BOSU : You may name me, if you like. He has to reply to my question.

MR. CHAIRMAN : I am not asking him to reply. Please take your seat.

SHRI JYOTIRMOY BOSU : No. I insist that the Government should reply.

MR. CHAIRMAN : You will have to obey the Chair. Please take your seat.

SHRI JYOTIRMOY BOSU : Please do not exert yourself physically. I do not want you to fall sick. But I shall continue to insist that Shri Chavan replies to my question as to why they did not publish the report.

MR. CHAIRMAN : No.

SHRI JYOTIRMOY BOSU : \*\*

MR. CHAIRMAN : What he has said will not be recorded. Because the hon Minister is not yielding, I am not allowing it.

SHRI SEZHIYAN *rose*—

SHRI S. M. BANERJEE : On a point of order.

MR. CHAIRMAN : Has the hon. Minister yielded ?

SHRI YESHWANTRAO CHAVAN : I am replying. There is nothing to hide about it. I do not want him to have an impression created that he is a martyr, he has raised a very important point and we have something

to hide about it. We have nothing to hide about it. I will say why we have not published the interim report. An interim report by nature is such that it can be published before the main report is published. Now when the main report is published, the interim report as such has lost its value (*Interruptions*).

MR. CHAIRMAN . Let him finish his answer.

SHRI YESHWANTRAO CHAVAN : I have not completed. He wanted to know the reasons for it. At the same, time really speaking, we have acted on what was important in the interim report. The major recommendations in the interim report were, first, that certain amendments to tax law should be made so that under-estimation of properties could be dealt with. That Bill is before the hon. House. The other recommendation was about demonetisation. Why we did not want to publish the interim report was because the demonetisation recommendation is not something to be bandied about. This is commonsense, and if the commonsense view does not appeal to him, what can I do about it ?

SHRI JYOTIRMOY BOSU : He has misled the House...

MR. CHAIRMAN : Let him finish.

SHRI YESHWANTRAO CHAVAN : The hon. Member has got many ways of havinging documents or calling them documents which are not documents. I cannot say. That is not my concern. I do not want to enter into arguments with him. He can certainly do what he likes, if the Chairman allows him to utilise this House for any purposes he likes. (*Interruption*)

SHRI JYOTIRMOY BOSU : The hon. Chairman agreed. He knows it. But you do not.

MR. CHAIRMAN : Order please. Let the Minister finish his speech.

SHRI YESHWANTRAO CHAVAN : Again, we are being diverted from the price question. (*Interruption*) The black money

problem is a continuous problem and a very important problem. You cannot say that suddenly this particular price rise has come up because of black money. Black money has created many social, economic and political problems in this country which we have to face, and for that matter, we are taking a series of steps. As I told you, the Wanchoo Committee's full report on black money is before the country and has been laid on the Table of the House. We can certainly have a discussion. I had a debate in the Consultative Committee about this matter. In fact, it has been listed; we are going to discuss it here also. We are examining the suggestions made by them. We will come before the House for necessary legislation. What is there to be hidden about it?

SOME HON MEMBERS *rose*—

SHRI JYOTIRMOY BOSU: I do not wish to cause harm to you physically.

MR. CHAIRMAN: Nobody can do any harm physically to me. Why are you getting up? Let the Minister finish.

SHRI JYOTIRMOY BOSU: Under Direction 115, I wish to say that he is misleading the House, and I want to show what this Committee has said. It said ..

MR. CHAIRMAN: I am not allowing you.

SHRI JYOTIRMOY BOSU: I will go on insisting that the interim report was not published and he has not replied to it. (*Interruption*)

MR. CHAIRMAN: Order, please. Please sit down.

SHRI JYOTIRMOY BOSU: If you do not give me the opportunity to express myself and say that he is misleading the House...

MR. CHAIRMAN: Let him reply. He is not yielding. (*Interruption*)

SHRI JYOTIRMOY BOSU: Sir, I want to say...

MR. CHAIRMAN: You cannot obstruct the proceedings.

SHRI JYOTIRMOY BOSU: I am afraid it is my sacred duty to go on pointing out...

MR. CHAIRMAN: Please do not compel me.

SHRI JYOTIRMOY BOSU: You allow me to read it out.

MR. CHAIRMAN: I am not allowing it.

SHRI JYOTIRMOY BOSU: Then I would not allow the House to proceed.

MR. CHAIRMAN: The hon. Member, Mr. Jyotirmoy Bosu, is telling openly that he is not going to allow the proceedings to go on peacefully. So, he should be named. (*Interruption*)

SEVERAL HON. MEMBERS *rose*—

SHRI JYOTIRMOY BOSU: Let the hon. Minister clearly say...

MR. CHAIRMAN: Many Members of the Opposition are sitting. I ask them, is he doing the proper thing. I am doing so, because tomorrow, the Opposition Members will come forward and say that it was not the proper thing that was done by the Chair. I am asking them to exercise their influence on him. I have requested the hon. Member to sit. Because the hon. Minister is not yielding. Let the Minister finish his reply. I am not allowing the hon. Member. (*Interruption*)

SHRI JYOTIRMOY BOSU: Under Direction 115, I am demanding...

SHRI S. M. BANERJEE: I rise on a point of order. (*Interruption*)

MR. CHAIRMAN: What is the point of order?

SHRI S. M. BANERJEE: My point of order is this. During the debate, a particular document has been mentioned by the hon. Member,...

SHRI JYOTIRMOY BOSU: .. which was handed over to the Chairman.

SHRI S. M. BANERJEE: ...and the Minister was not replying to it. You, Sir,

[Shri S. M. Banarjee]

your wisdom, said that if the Minister wants to reply, there is no objection. The particular document has been mentioned by the hon. Minister also. He said about the interim report that because the final report has been published, the interim report has lost its significance. Now, in the interim report, there are certain recommendations which the Government in their wisdom never wanted to bring before the House.

MR. CHAIRMAN : What is your point of order ?

SHRI S. M. BANERJEE : My point of order is whether the document which is under discussion...(*Interruption*). kindly hear me. The interim report of the Wanchoo Committee has been mentioned by the hon. Member and had been replied to by him. Both have mentioned the report. Can he not lay it on the Table of the House ? The document is here.

MR. CHAIRMAN : If he wants he can send it to me and I shall pass it on to the Speaker. If the Speaker gives permission, that will be placed on the Table of the House, otherwise not.

SHRI S. M. BANERJEE : The Chairman can ask the hon. Member to authenticate it and lay it on the Table of the House That was done by Mr. Kamath here in respect of the audit report.

MR. CHAIRMAN : He was only putting obstacles ; he never requested that he wants to place it on the Table of the House. If he wants to do so, he can send it on to me and that will be referred to the Speaker.

SHRI JYOTIRMOY BOSU : I have done so.

SHRI INDRAJIT GUPTA : Nobody is denying the existence of the authenticity of the report. It has been mentioned by Mr. Bosu and the hon. Minister referred to it. That means that a discussion had been taking place regarding that document..(*Interruptions*) When Mr. Bosu asked whether that report contained any recommendation about demonetisation and why it was not published, the Minister gave reasons why it was not

published. The Minister said that the interim report could have been published before the main report and because the main report had come the interim report had lost its value. Members want to know what prevented the Government from publishing the interim report before the main report...(*Interruptions*.)

SHRI YESHWANTRAO CHAVAN : I do not know whether I will be able to convince you because it is difficult to convince people who refuse to be convinced. If you had made that demand before the publication of the main report, that was the time to make a demand for it.

SHRI INDRAJIT GUPTA : How are we to know ?

SHRI YESHWANTRAO CHAVAN : You knew it because I moved a Bill based on the interim report. You had put questions and we have answered questions on that. It was not kept a secret. We said that this Bill is the result of the interim report given by the Wanchoo Committee. I had given reasons why it was not published.

SHRI INDRAJIT GUPTA : If the Government was going to accept and implement the recommendation about demonetisation, of course you should not publish it. That was not the Government's decision ; even now it is not their decision, as far as we know, to go in for demonetisation. So what was the harm in publishing the interim report before the main report ?

SHRI YESHWANTRAO CHAVAN : I said that it was Government's decision ; Government was considering the problem and there was no point in publishing it.

SHRI SEZHIYAN : The hon. Minister says that no demand was made. When the Taxation Amendment Bill was referred to the Select Committee, as a member of that Committee I wrote about this matter.

MR. CHAIRMAN : What are we discussing ? If you are not interested in the price problem, we can discuss some other thing...(*Interruptions*).



If you are not prepared to hear him, I will ask him to sit down. Only price rise is being discussed.

SHRI JAGANNATHRAO JOSHI : Black money has a specific bearing on the rise in prices. There is a specific recommendation about it.

MR. CHAIRMAN : We are not discussing that report now.

SHRI JYOTIRMOY BOSU : I want to make a personal statement under Rule 357.

MR. CHAIRMAN : I am not allowing it.

श्री ज्योतिर्मय बसु : जब तक जवाब नहीं देंगे, हम आगे नहीं बढ़ने देंगे, भोर तक बैठे रहेंगे ।

MR. CHAIRMAN : I am not allowing it.

SHRI JYOTIRMOY BOSU : I am sorry I cannot cooperate.

MR. CHAIRMAN : You have to obey the Chair.

SHRI JYOTIROY BOSU : I do not obey unlawful commands.

MR. CHAIRMAN : Then I will have to take action against you.

SHRI JYOTIRMOY BOSU : You can do what you like...

MR. CHAIRMAN : I am not allowing you. Let the minister finish. Nothing will go on record because without my permission he is saying so many things.

SHRI JYOTIRMOY BOSU : \*\*

MR. CHAIRMAN : Let the minister finish his speech. (*Interruptions*)

SHRI YESHWANTRAO CHAVAN : Therefore, I want the cooperation of the House and I want the cooperation of all political parties and the public at large to make this programme a great success. I am sure if we make this programme a success, we will certainly fight this problem of price rise more affectively and see that happiness comes to the people of India.

SHRI JYOTIRMOY BOSU : \*\*

MR. CHAIRMAN : Nothing is going on record because without my permission Mr. Bosu is saying so many things.

Now, Mr Mehta.

SHRI P. M. MEHTA : Sir, members from all sections of the House have expressed great anxiety and serious concern about the burning problem of price rise. The members who have participated in the debate have given a detailed analysis of the situation and had advanced reasons for the steep rise in prices of essential commodities. According to the observations made by the hon Members, the reasons are defective planning, over-dose of deficit financing, want of proper distribution system, imbalances in economy, failure of Government to unearth black money, low rate of growth, decline in production in both agricultural and industrial sector and additional supply of money. These are the basic factors which have created a steep rise in the prices of essential and other commodities.

Shri Amrit Nahata, who is not present here, said that the big monopoly houses are responsible for the price rise. He wanted the government to curb the monopolistic trends of the big houses. I entirely agree with him. The Central Government is not giving serious consideration to the demand of this House to curb the monopolies. According to the *Times of India* of 8th August, Tatas and Birlas got 23 licences.

MR. CHAIRMAN : What has industrial licence to do with this ?

SHRI P. M. MEHTA : I am sure Shri Azad will support me.

SHRI BHAGWAT JHA AZAD : The big business houses get licence, corner production and raise the prices. So, that is relevant.

SHRI P. M. MEHTA : Between 1969 and 1970 Birlas got 13 licences for new projects. Although we have been asking for the expansion of the public sector, you have given 14 licences for new projects to Birlas. Similarly, Tatas have received 13 licences for projects initiated before 1970. These two groups top the list with 13 each. The Young Turks have become non-entities in the House. They are shouting here but this is the position. This Government is not giving any attention to the shouts of Young Turks.

SHRI BHAGWAT JHA AZAD : We do not agree with you there

SHRI P. M. MEHTA : You may not agree but that is the factual position. Shri Ganesh said that during the last three years the prices were stabilised. The situation is otherwise. I will give the position for the period March 1969 to July 1972. I am explaining how this Government has bungled into these affairs.

On 15th July, 1969, the Reserve Bank Governor, Shri L. K. Jha warned, "the price index is at an 'all time peak' after being remarkably steady over a period of time." It was during this period of price stability that Shri Morarji Desai was the Finance Minister.

On 3rd November, 1970, 16 months after the new economic policy, the *Economic Times* reported that the price level rose by 3.7 per cent in 1969-70, as against a fall of 1.1 per cent in 1968-69.

Three months after Mr. Chavan's second promise on the price front, the *Economic Times*, in its issue dt. 17th February, 1971 said, "combined index for commodities at 198.2 is still nearly 6 per cent higher than a year ago."

On 8th November, 1970, Mr. Chavan as the Finance Minister confessed that "Capital is still there, but is shy" when confronted with the price rise. On taking office that year, he had promised that he would give "topmost priority" to measures for holding the price line.

After six months, that is, on 13th July, 1971, the ruling Party's Parliamentary Executive was still passing resolutions expressing concern at the steep rise in prices.

On 27th October, 1971, three months later, still the *Hindustan Times* found, "authority has failed at every level to hold the price line".

On 2nd November, 1971, a UNI report quoted a survey as claiming that in Bombay the prices of essential commodities had gone up by 25 per cent after the budget. So much for the Finance Minister's promise of giving "top priority" to holding the price line. I quote now the *Statesman* dated, 4th May, 1972, "Mr. Chavan's budget presented to Parliament on March 16 has led to a rise in prices". The prices at the end of March rose by 5.8 per cent as compared to that period in the previous year.

On 8th May, 1972, the Prime Minister herself assured that the Government was determined to check the prices of essential commodities, according to a report in *Free Press Journal*, quoting UNI on that date's issue.

MR. CHAIRMAN : You want to mention every date ? Please conclude now.

SHRI P. M. MEHTA : Certainly. This is a stereotyped reply given by the Finance Minister. He has promised that he will try his utmost to hold the price line.

What happened to this determination of Government to control prices of essential commodities ? On June 1, the *Economic Times* reports, "A jump of more than 10 per cent in the value of commodities in the past fortnight has come as a rude shock to the common man..." This was the shock after the statement made by the hon. Prime minister. Therefore, I would only appeal to the Government, "Do not reply in the same fashion as you have replied but attend to things

properly'. I would request them to give serious consideration to the suggestions made by the hon. Members of this House from all sections. Without exception, all the members have accepted that the Government has failed to check the price line.

I would, therefore, appeal to the House to adopt this motion.

MR. CHAIRMAN : There are two substitute motions. I shall now put substitute motion No. 1, moved by Shri Jyotirmoy Bosu, to the vote of the House.

*Substitute motion No. 1 was put and negatived.*

MR. CHAIRMAN : I shall now put the other substitute motion, No. 2, moved by Shri Surendra Mohanty, to the vote of the House.

*The Substitute motion No. 2 was put and negatived.*

MR. CHAIRMAN : The House stands adjourned to meet again tomorrow at 11.00 A.M.

18.32 hrs.

*Lok Sabha then adjourned till Eleven of the Clock on Friday, August 11, 1972; Sravana 20, 1894 (Saka).*