

नहीं देता है। अगर थोड़ा सा भी कर्जा उस के ऊपर हो तो दूसरा कर्जा उस को नहीं मिलता है। अब आजकल के हालात में ६६ परसेन्ट काश्तकारों के ऊपर कर्ज रहता है और अगर इस बिना पर दूसरे कर्जे उसे नहीं मिलें तो फिर यह कारपोरेशन कायम करने से क्या फायदा होगा, सरकार को इस बारे में सोचना चाहिये।

लंड मार्गोज बैंक के पास पैसा पड़ा है। उन्होंने अभी थोड़े ही दिन पहले हमें खत भेजा कि हमारे पास एग्रीकल्चरस्ट्स के लिए पैसा है और उस को कोई लेता नहीं है। इस बारे में मैंने जब इन्क्वायरी की तो मालूम हुआ कि किसान तो पैसा लेना चाहते हैं, बैंक में पैसा पड़ा भी हुआ है लेकिन चूँकि वह कर्जा सोसायटी से लिये हुए है इसलिये उन को बैंक से कर्जा नहीं मिल सकता है।

इस बिल के स्टेटमेंट आफ ग्रान्जेंट्स एंड रीजन्स और फाइनेन्शियल मैमोरैंडम में मैंने देखा कि एग्रीकल्चर के लिये जो पैसा निकाला था वह उस काम पर खर्च न होने से इंडस्ट्री पर खर्च किया गया। अब एग्रीकल्चर की यह हालत होती है। जिन के लिए पैसा निकाला जाता है उन तक वह पहुंचता ही नहीं है। इसलिये अगर खेती की पैदावार बढ़ाना हो, खाद्यान्न का उत्पादन बढ़ाना हो और काश्तकार जो कि कर्ज के अन्दर डूबे हुए हैं उनको उबारना हो तो उन के पास पैसा किस रीति से चला जाय इस का उपाय सोचना होगा।

अभी देखा जाय तो जो काश्तकार हैं और उन के साथ जो खेतिहर मजदूर हैं उन की हालत तो और भी बदतर है और वे कर्ज के नीचे बुरी तरह दबे हुए हैं। एग्रीकल्चरल लेबर इन इंडिया, एंडिटेड बाई श्री वी० के० आर० वी० राव, (१९६२ के पेजेज २६-३० पर जो लिखा है उस को देखने से मालूम होता है कि १९६०-५१ में ४५ परसेंट एग्रीकल्चरल लेबरर कर्ज के नीचे दबे हुए हैं जब कि कि १९५६-५७ में ६४

परसेन्ट दबे हुए हैं। ४५ परसेन्ट से ६४ परसेन्ट लोग कर्ज के नीचे दबे मिलते हैं। उसके बाद The average accumulated debt per household was Rs. 47 in 1950-51 and Rs. 88 in 1956-57. After that if the indebted households themselves were taken into consideration the average debt for All India was Rs. 105 in 1950-51 and Rs. 138 in 1956-57.

The total estimated volume of indebtedness of agricultural labour households in 1956-57 was Rs. 143 crores as against Rs. 80 crores in 1950-51.

Of the total debt about 46 per cent was incurred for meeting consumption expenditure, social purposes accounted for 24 per cent, and productive debt for 19 per cent.

Mr. Deputy-Speaker: The hon. Member may continue his speech next time.

15.59 hrs.

MOTION RE: MAINTAINING PRICES OF ESSENTIAL COMMODITIES AT REASONABLE LEVELS—contd.

Mr. Deputy-Speaker: We will now take up further consideration of the following motion moved by Shri Indrajit Gupta on the 11th December, 1962 namely:—

“That this House takes note of the statement laid on the Table of the House on the 10th November, 1962, by the Minister of Planning and Labour and Employment on measures for maintaining prices of essential commodities at reasonable levels.”

Shri Nanda may continue his speech.

The Minister of Planning and Labour and Employment (Shri Nanda): Mr. Deputy-Speaker, when the House

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adjourned at the end of the last session, you had permitted me to intervene in the discussion on Shri Indrajit Gupta's motion. I had just commenced my speech then and with your permission, I shall now resume my remarks.

16 hrs.

In the first place, I would place before the House some facts about the price movements and trends in order that the House may have a proper idea of the background. At the close of the second Five Year Plan, the wholesale price index stood at 127. This reflected an increase of 7.5 per cent which had occurred during the previous 12 months. During the course of the first year of the third Five Year Plan, the wholesale price index went down by 3.7 per cent, that is, it came to 123. In this decline, the industrial raw materials participated to a large extent, that is, the decline in the case of industrial raw materials was 15 per cent. By the first week of April, 1962 the prices began to creep upwards. By 4th August, they reached the peak; the index was then 131.9, that is, an increase of seven per cent. This was shared by most of the heads and categories; chiefly, foodgrains—12.2 per cent. Of them, rice accounted for 9 per cent; pulses, 22 per cent; fruits, milk, vegetables, etc. 14 to 16 per cent; edible oils 7 per cent; sugar, nine per cent; gur 54 per cent. That was the extent of the rise which occurred during the period from April to the 4th August. The industrial raw materials increased to the extent of 3.6 per cent, and the manufactured goods, 2.2 per cent.

Thereafter, a downward trend followed. By the time national emergency arose, that is, by the 20th October, when the invasion occurred, the index had come to 129.2, that is, a decline of 1.5 per cent, of which three per cent was on account of the fall in the food prices. This downward trend continued till the last week of December. The wholesale price index then had come down to

124.9, that is, a decrease in all of 3.8 per cent of which food had shared to the extent of six per cent. Thereafter again there was a slight upward trend, or for the most part, you may say, conditions of stability, but in certain respects, a slightly upward trend. On the 26th January, that is the last date for which I have the figures, the index of wholesale prices was 126.5.

Similarly, regarding the cost of living index, there has been more or less a similar kind of trend. We started with the index at 124; this is in relation to the base year 1949. From March to October, 1962 it rose from 127 to 134. In November it was 133. This is the position in regard to what has happened regarding the price movements during the period beginning with the commencement of the third Five Year Plan. What does it mean or signify. Some people might consider that this is a fairly comfortable position; there has not been a considerable rise and prices have fallen during the past several months. I believe that there is no room for complacency. I have in my mind a lurking feeling of anxiety about the future. It is true that since emergency was declared, there has been an appreciable fall as compared with the high level that preceded it. But there is also the fact that this downward trend has been wearing out and there is a hardening of the price situation now noticeable. The more important part of the situation is that there are certain elements which may create an apprehension about the future; unless they are counteracted adequately.

There is, in the first instance, the fact which stares us in the face that expenditures are going to increase. The momentum will develop in course of time so far as defence expenditure is concerned. Also, there may be another element in it, which has already been there for some time, that is, we did not have all kinds of imports which we might have had if we had a more comfortable position regarding

foreign exchange resources. Therefore, import restrictions are there. Expenditures increase and, as I said, in certain commodities, there is already a rise which persists, although there is the other fact that in some cases the decline also has persisted, as for instance raw jute and cotton. The test has not really come and therefore, I do not draw any kind of a complacent conclusion from the figures which at the moment do not show that there has been any rise. There has been, on the other hand, during the last few months, a considerable decline in prices.

Questions have been raised in the course of the discussion about the basis of our price policy. It is pertinent that there has to be some rationale in the measures that are adopted in dealing with the situation. It is necessary to explain what the approach is and to reiterate it, so that we may be clear about the conception as to what is the underlying basis of the various steps that are being taken to deal with the price situation. Everyone is affected by the price movements. All sections of the community are affected, but not all in the same way. Therefore, certain conflicting interests arise and the varying attitudes that are adopted in relation to the price movement will depend upon the angle from which the situation is being viewed.

10.09 hrs.

[MR. SPEAKER in the Chair]

It will depend upon whether it is viewed from the point of view of the producer—agricultural or industrial—or from the point of view of the consumer or trade and what is more important from the point of view of the economy as a whole, that is, the rate of economic growth. Another important aspect related to the balance of payments position. We have had certain assumptions on which the third Plan is based. The major assumption was that there would be price stability during the period of the third

Plan. In the Second Five Year Plan, there had been about 30 per cent. increase in the level of wholesale prices. Therefore, it became a matter of supreme importance that the prices should not rise. It was evident, and it is evident now, that any substantial rise in prices during the period would mean that either the content of the Plan should shrink or, because there is a limit to the resources being raised beyond what they are visualised, the door may be opened for more deficit financing, which will be bad because that means the inflationary spiral.

The other question to which I just referred, the question of our external resources, is even far more important than the availability of internal resources which under certain conditions we could secure. We had assumed that foreign exchange earnings which stood at Rs. 645 crores in 1960-61 would rise to Rs. 850 crores by the last year of the Third Five Year Plan—an increase of 32 per cent. Any rise in internal prices means that our competitive position, our capacity to export will be adversely affected.

In dealing with this objective of maintaining price stability there are three or four things which we have got before us or which have to be kept in the forefront of any programme that we have. The major thing is production, all else is secondary to that. The Third Plan has programmes of increase in production of agriculture and industry. It is anticipated that agricultural production will increase by 30 per cent and industrial production by 70 per cent over the five year period. Our capacity to maintain the price level depends on the fulfilment of this assumption. It is also assumed that the cost structure will not be pushed upwards too much which means efficient use of resources and a rise in the level of productivity. It has also been considered in the scheme of resources that have to be raised for the purpose of the Plan that accelerated development will mean large amounts of money being placed in the hands of the people. That means purchasing power rising

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to that extent, and if we want to balance the supply and demand we have to withdraw that purchasing power, an appropriate portion of that, by various means, loans, taxes, etc., which means that the savings in the hands of public agencies and in the hands of the people have to be adequate or commensurate with these needs. Finally,—this is also an important element in that policy—if for any reason there is insufficiency of supply of any commodity or a shortage occurring in view of the conditions and in view of the uncertainties, then Government will step in with specific measures, fiscal, monetary etc., and where the gap between supply and demand becomes considerably large physical control may become inevitable and have to be resorted to in suitable cases. This was the sketch of the policy requirements of the Plan in relation to prices.

It was also considered that in order to achieve the targets under various heads the relative prices of various commodities also have to conform to a certain pattern. We have not succeeded very well in that respect. In the case of agricultural commodities there has to be some kind of crop planning which is being considered. We have not done much in that direction, and the result is that sometimes production is too much and sometimes too little with all the other consequences flowing from that. There is also the question of rigid price structure and rigid cost structure which means that the necessary flexibility is not easily obtained. Industrial and agricultural productivity has to be raised to a very considerable extent and economies have to be effected, because there is always scope for economies. In industry these objectives can be achieved by statistical and quality control, better training etc.

There is another aspect of the price policy which is very important, to which many hon. Members made reference, both directly and indirectly,

and that is the relationship of prices to the level of income, which arises in two ways. There is the income due to the producer both in agriculture and in industry and there is the level of income of the consumer, that is, how much he can afford to spend on buying of goods and services. A postulate of our price policy has been that the price structure will be fair both to the producer and to the consumer. It may appear that they are irreconcilable because demands were made on one side which may mean that the prices will rise and, therefore, the consumers will have to pay more. How can both these things be secured? They are not really irreconcilable.

It will be appreciated that there is a way of looking at it from the point of view of ensuring a reasonable and optimum level of prices. Take the case of those who have been pressing for much higher prices for agricultural produce. We owe it to the agricultural producer to give him an adequate, fair and remunerative price. But, then, there is a limit to that. If we press it too far, what will happen? If the people cannot afford it, there will be unsold stocks and again a cycle of depression because the stocks cannot be sold. So, to keep up the prices of commodities at a level which is above the reasonable level will mean that the benefit is limited to a few people. The benefit cannot be extended to a large number of people. Again, if the price of an agricultural commodity, which is an industrial raw material, rises too high, it will mean that the price of the finished product will also go too high. So, the demand for it goes down. At least, the demand for the agricultural raw material will not be adequate and will not correspond to the capacity to produce. A vicious circle sets in. In the case of consumer good too, the same situation arises.

Shri Bibhuti Mishra (Motihari):
 Why not link up the price of the agricultural produce to the finished goods?

Shri Nanda: I agree that we have not been able to do it fully. We have to progress in that direction. The increase will have to be within certain limits; not all that we may desire can be done. The consumer, for instance, may feel that the price of the finished product is too high.

Shri D. S. Patil (Yeotmal): On a point of information. Has any attempt been made to find out the actual cost of agricultural production?

Shri Nanda: There have been some farm studies and more and more of them are being undertaken.

I was referring to the consumers. If the prices of a commodity this year are too low, then what happens? Next year there will be less of production, as we have experienced, and there will again be difficulties of shortage. Also, the income of the producer goes down because the prices are not adequate. Their purchasing power goes down. The demand for industrial goods diminishes and, therefore, the employment in industry is also affected. These things are inter-related, specially because agriculture is becoming more and more in the nature of industry. As long as it was just a way of life we got whatever nature gave us as its bounty in terms of rain etc. and we produced what we could. But now investments are being made. The agriculturist runs the risks apart from putting in his labour. Fertilisers are being used. Therefore the question of proper scrutiny of costs etc. becomes necessary. This matter is being viewed from that angle now. If you do not give a price which will enable a person to recoup his expenditure and in addition get something for the risks which he is running, if they are not provided against through margins, he will not invest and you will not get the increased production. Therefore now it is a different situation that has developed and the importance of looking into the costs of agriculture has increased greatly on that account.

But, again, I must, with great humility, submit that though all of us

want to help the cultivator, the way to assist him is not necessarily through high prices. This method has its own limitations.—It stops somewhere; it cannot go further. The real way to help him is through increasing his total income by increasing the productivity of agriculture. Even the small holdings can produce more. All the help that is possible should be given. That is of much greater value to him. I do not say that market prices should not be what they might be. Reasonable prices may be given, but this is the more important part of it. The large investments that are being made in the economy have a relevance to this question.

There is another way of reconciling the interests of the producer and of the consumer. The margin between the price at which the producer parts with his produce and the price that the consumer has to pay is very often excessive. When there is a small shortage it becomes abnormal. So, we have to come in with various measures. The remedy, to an extent, is co-operative organisations, stores, fair price shops etc. and some control on the trading margins, that is, the price at which the wholesaler procures it and passes it on to the retailer. It may be necessary, as it is being done in some cases, to deal with this problem in that manner. There are greater difficulties at the retail level. When the margin rises to a very large extent because of any short supply, the ordinary measures may not suffice. We have to do something about hoarding. We have to do possibly more detailed distribution. Even rationing may have to be resorted to if the situation requires; I hope that this contingency will not arise. Restraints on speculation and all these things, however, come into the picture.

One other thing which has been referred to in the case of individual commodities, for instance jute is the fluctuations in price. These fluctuations that occur, are partly pre-harvest and post-harvest differences which,

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again, are excessive. This affects adversely the interests of the producer by and large. Any narrowing down of that is going to help the farmer. It cannot be eliminated altogether, but it can be greatly reduced. Apart from these seasonal fluctuations sometimes there is a glut. Now, the farmer expects a good price and he brings a large area under cultivation, as he did in the case of jute for example, and then he finds that there is a glut. He cannot pick it up and prices go down. Next time, again, we will have a poor crop. We have to remedy that. We are trying to do that by building a buffer stock through State trading, market operations etc. Although we have done something, say, in the case of jute, I think that we have not done it with sufficient speed and complete success. I think, the experience that has been gained this year should enable us to do that better later on. I was recently in Calcutta and I went into this problem in some detail as to at what point of time what was the price. The current price for Assam bottoms might be Rs. 29 per maund. The cultivator may have parted with a good part of his produce at a much lower price. The money that has gone into the pocket of the farmer may be much less than what it would have been if the price of jute had been manipulated throughout the period. These are questions relating to minimum price and the price support, as I have mentioned.

Shri Khadilkar (Khed): May I know one thing? As regards primary products like foodgrains or oilseeds and others, have you given some thought to the markets where speculative prices would have definitely affected the general structure of prices?

Shri Nanda: Yes, Sir. This has arisen in several cases. I was recently in Lucknow. There, I was told that although rice prices are rising, in some places, rice prices were sagging.

I asked the State authorities why don't you purchase paddy as much as possible, we need all that. I will come to that. One is market intelligence. The second is readiness to operate immediately so that large differences between area and area do not remain there. I will come to that.

Therefore, I have explained the basis of the policy in order to make it clear. That is a complex question. It is not simple. Just one set of measures alone is not going to suffice. The approach has to be many-sided. Various measures suiting different conditions and different situations will have to be adopted. There are practical considerations also. It may be that theoretically all this is all right. There is the strain of heavy development expenditure on the supplies of goods. There are administrative difficulties; there are other difficulties. Therefore, our approach has to be a correct approach. There are these limitations. We have to choose the areas—we may call them priority areas. I am referring to essential commodities and vulnerable sections of the community. In that way we will have to take up the question where we are compelled to do so when we go into physical controls. One way of making the thing easier for us is to standardise the goods. For example, in cloth there are so many varieties. Wherever we have to deal with physical distribution also, standardisation helps in the matter of fixing price and enables easier handling so far as distribution is concerned.

The last thing about it is the question of intelligence, market intelligence, price intelligence, sufficient information so that we can have constant vigilance and watch on the trends and forces which influence the price level. It had not been satisfactory in the past. In my statement of the 10th of November, I promised that

some steps will be taken in that connection which will improve that system. I shall now say what action has been taken in this regard, and in some other matters.

Shri Sham Lal Saraf (Jammu and Kashmir): May I ask one question? May I know whether the social security measures that have been taken and the other amenities that the labourers and the workers get, have got anything to do with the rise in prices?

Shri Nanda: Not at all. We have made calculation about the ratio of labour charges to the total cost of production and the value added in any industry and we find that the proportion has not risen at all.

Shri Indrajit Gupta (Calcuta South-West): Thank you very much.

Shri Nanda: I shall now give some information about what steps have been taken in the matter of achieving price stability.

We have, in the first place, taken a step which may not be thought of as being very much, but I attach some importance to it. We have set up recently in the Planning Commission a Price Cell, and arrangements have been made for dealing with the price data as it comes along, for studying it and interpreting it. That is step No. 1.

Secondly, we were very weak in respect of retail prices. My hon. friend over there has been again and again referring to the retail prices. It is true that our information about retail prices was extremely inadequate. Now I can assure the hon. Member that this deficiency is being made up fairly well. This task of building up-to-date intelligence in regard to retail prices is entrusted to the Central Statistical Organisation, and this organisation has been strengthened for that purpose. The Central Statistical Organisation has been asked to bring out three bulletins; one on rural

retail prices, another on retail prices at industrial centres, and a third one on retail prices for middle-class, covering 45 centres. The first instalment of these data has already been brought out representing the retail price relatives of 35 commodities at 15 centres in North India, and average retail prices of about 15 essential commodities in rural areas in 1960-62. Similar information is now being obtained from the Labour Bureau, for about 30 commodities, covering 20 industrial centres. Further, we have made an experiment. When the idea occurred to me, I did not know what the fate of that idea would be. Our information so far was confined to trade sources, both wholesale and retail dealers. But what was the consumer paying actually? That was not known. I discussed this matter with some Members of Parliament during the last session. They also liked the idea. Therefore, I called some voluntary agencies like the YMCA, the Bharat Sewak Samaj and other agencies to help us in this matter. I said 'Why not help us in this?' And a proforma was drawn up covering about 35 commodities.

Shri Indrajit Gupta: And the Sadhu Samaj also.

Mr. Speaker: Sadhus do not have the need for consumer goods. So, why should the Sadhu Samaj be brought in?

Shri Indrajit Gupta: My remark was not meant to be overheard by you, Sir.

Shri Nanda: Is my hon. friend serious about his motion?

Shri Yashpal Singh (Kairana): The sadhus will save the nation.

Mr. Speaker: After the hon. Minister said 'Bharat Sewak Samaj', the hon. Member added 'Sadhu Samaj also'.

Shri Nanda: That was why I asked whether my hon. friend was serious about his motion.

[Shri Nanda]

The proforma was then settled, and it had been distributed in about 8 centres in Delhi, and the returns have come, and the conclusions are very good; the information which varies in regard to household supply has been sorted out and compiled, and the conclusion is that we can get reliably good information in that way and quickly too. The more important part of it is that we may not enter into the details, but we get the price trends immediately, and we know what is happening in various places for different articles. This is now going to be extended to other parts of the country, after another two or three trials in Delhi, so that we can place it on a sure ground.

The other thing was about the time-lag in the availability of information. They may be all good statistics, but the information comes in so late that its value for any operational purposes practically becomes nil. So, now, steps have been taken to improve this position. Arrangements have been made with the State Governments so that we can get information about wholesale and retail prices practically every fortnight, so that the time-lag will not exceed a fortnight or so. We have our field staff of the National Sample Survey and the Programme Evaluation Organisation who are also reporting to us on prices and the general trading practices and conditions from rural areas. This work has started.

In order that in the States and in the economic Ministries concerned, there may be adequate, quick and prompt attention to these things, we have asked, and it has been agreed to, that senior officers may be nominated to act as liaison officers for this purpose in the States and their Ministries, and this work is progressing. This is the one direction in which action was contemplated, and I believe progress has been substantial.

Then, a price stabilisation committee was to be set up. This has been set up on, I think, 20th December, 1962. This committee scrutinises the ex-factory costs, the wholesale and retail margins and other things which affect the course of prices, and it has also made proposals regarding how to enlarge the supply of things, particularly relating to defence requirements.

There were other recommendations made in the Price Policy Statement. I would like to give a brief account of what action has been taken regarding them. The most important thing in this connection is, as I have explained earlier also, the stress on increasing production. It is only to the extent we fail there that other measures have to be thought of. If we succeed there, then every thing else is of secondary importance or follows itself.

Shri Bibhuti Mishra: If we increase production, prices go down.

Shri Nanda: There is a necessity which has been accepted of an adequate, reasonable, minimum support price. It has been adopted in the case of wheat and also now in the case of rice. It obtains in the case of some other commodities. Two things have to be done. If prices go down below that or come near that level, Government should step in and purchase from any producer, whatever may be the quantity. (*An Hon. Member: It is not done.*) It is not being done fully. I am saying it should be done. That is, any quantity should be taken. Storage accommodation should be there and financial arrangements should be there. We should be up to that. Otherwise, how can we claim to be able to regulate and keep stable prices? This has to be done.

Shri Harish Chandra Mathur (Jalore): Do not say 'It should be done, say, 'It will be done'.

Shri Nanda: It will be done. It takes a certain amount of time to gear up the organisation to do it. But it will be done.

Shri Gauri Shanker Kakkar (Fatehpur): Where are the resources?

Shri Nanda: That is an imaginary difficulty. It should be possible to find the requisite resources.

I was speaking about production. Sometimes, when it is in excess, we neglect the farmer. Then when he also pays us in the same coin, we are aghast as to what we are going to do next. I am in full sympathy with this view, but with this reservation—it is not a reservation; it is a statement of a truth—that there is a limit to the price support which will be useful to the farmer. His total income must increase. That is the important part. Prices of agricultural produce should not be allowed to go down to unreasonable levels.

Regarding these matters, I will list some of the steps that have been taken. We have at the National Development Council Meeting in November, 1962 taken certain decisions. The targets for minor irrigation and soil conservation in the Third Plan were increased by 50 per cent. The target for dry farming has been raised from 22 million acres to 50 million acres. In the matter of cotton and oil-seeds, which have been giving us trouble, measures for intensification of programmes for increased production in selected areas were formulated and sent to State Governments for implementation during 1962-63 and onwards. Regarding rice, it is proposed to undertake specific programmes for intensification of production in 40 selected districts. This is apart from the package programme. Here the idea is that intensive work is to be done and concentrated attention is to be given. Application of fertilisers, seeds, credit facilities etc.—all these should be looked after.

There has been a problem about millets and pulses. That is, there

is not enough production. Therefore, prices have risen. An abnormal rise has occurred in the price of jowar etc. A scheme has been taken up for intensification of production of millets and pulses in selected areas in the particular areas which grow these crops.

The States have been requested to organise measures for increasing production of short-period crops in a systematic manner and selecting the most promising areas for this purpose.

Shri Bade (Khargone): Don't you think that the price of millets has increased because of the competition of cash crops with food crops, and Government is encouraging cash crops like cotton and groundnut?

Shri Nanda: The problem of price parity is there is respect of various crops, but it is also true that sufficient attention has not been given to it. That may be one of the reasons, but when the price of millets rises, it means that the only way to bring it down is to help the farmer with these other things which I have mentioned. That is, the price is a good price, the price is rising very much, there is no control. Hon. Member may know it that it is not that the price is being artificially depressed by any controls. Therefore, that problem does not come into the picture.

There are some other schemes for increasing the production of subsidiary foods like vegetables and fruits. I need not go into the details.

A word about other measures that have been taken in connection with increasing the output of manufactured goods. Some steps have been taken to increase the supply of wool-len goods. Recently a decision has been taken to introduce a cash bonus scheme for producers of cement. Under this scheme, the manufacturers of Cement who exceed the peak production of the previous years will be paid bonus at the rate of Rs. 2.50 to

[Shri Nanda]

Rs. 5.50 per tons of additional production.

I had this morning a meeting with the representatives of industry and workers. Some of them individually came, and I told them that something more has to be done about it, and I believe that the Emergency Production Committee which has been set up at the Centre, and which has been going round the States and the various centres, has met with very good response, and the idea now is to select a few industries immediately particularly so far as enterprises which are going to produce for defence needs are concerned, and apply all the techniques of higher productivity there, so that we may get very good results quickly in reducing costs and increasing production.

This is about production. Then there is the other side regarding distribution. I gave information to the hon. Members in last November that a programme had been accepted for starting consumers co-operative stores. I need not repeat that information as to what the programme was. By the middle of January 1963, 22 wholesale and 236 primary stores were organised in different States. Arrangements have been made for the supply of textiles to the wholesale stores at a concessional rate of the ex-mill price plus four per cent, and in some States special fair price shops for cloth have also been started.

Another scheme concerning industrial labour in the public and private sectors sponsored by the Ministry of Labour and Employment involves the setting up of co-operative store amongst industrial units having at least 250 employees, with financial assistance from the employers. Some stores have already been organised amongst industrial workers in steel plants, coal mines and a number of other public and private undertakings. The Home Ministry also has a scheme of starting such stores, wholesale and

primary to cater to the needs of Central Government employees in Delhi and other places. This is about the urban areas.

In the rural areas, arrangements are being made for distribution of essential goods through marketing and service cooperatives. The number of fair price shops in urban areas for the sale of foodgrains has been increased from 49,438 by the end of 1961 were 50,581 by the end of 1962—an increase of 1,553 shops.

Other measures that have been taken concern monetary, fiscal and other administrative steps. I need not go into those details such as credit controls in order to restrain hoarding. These measures are formulated by the Reserve Bank and carried out through the various scheduled banks. There are ceilings on the accommodation that the Reserve Bank would provide to the scheduled banks. The bank rate has been raised from 4 to 4.5 per cent. There are other restrictions which are applied in a flexible manner with a view to checking speculative activity, forward trading has been banned in respect of gur, kapas, staple fibre yarn, non-ferrous metals, shares, gold and silver. The Food and Agriculture Ministry has asked the State Governments to strengthen licensing controls. Uniformity in the definition of 'dealer' has been recommended. Draft licensing order has been provided to the States. Fortnightly returns are being obtained from the licensees. States have been asked to set up inspectorates in each district so that orders can be properly enforced. Storage capacity is being increased and it is expected to achieve the target of three million tons in 1964-65. These are the general measures. There are also some measures undertaken in respect of specific commodities such as rice, wheat, sugar, gur, cotton, jute, textile drugs and medicines. I have got information about the various steps taken to stabilise the prices of these commodities but it will take more time than possibly I could

claim if I were to give all these details. Procurement prices for common quality of white rice for 1962-63 crop have been fixed. In some States incentive bonuses are given so that larger quantities of rice can be procured. The question of raising the floor price of cotton is being considered.

Shri Gauri Shanker Kakkar: About agricultural production, may I say this? The Planning Commission has enforced that the member of the primary co-operatives in various States should get 25 per cent of credit in the form of manure along with the cash, irrespective of whether the area is under irrigation or not, whether it is a dry area. Is it a fact that production is judged by the amount of actual fertilisers supplied to them?

16.49 hrs.

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

When we make calculations about anticipated increase in production, we base our calculations on how much fertiliser has gone in, how much more irrigation facilities are provided and so on. But that is only at one stage. Later on these crop cutting experiments give us the estimated yield. I have myself stressed this point. I have seen the records in the villages where details about a number of things are given. But what is the production emerging from all that? That data is not there at the village level. I feel that something more has to be done about the village production programmes so that we know exactly what production arises from the application of fertilisers and other things. My question is, will they not be adversely affected? They have enforced it; there is a rule that they have to take 25 per cent fertilisers if they want to have credit for agricultural purposes. Is it proper? Will it not adversely affect the co-operative credit side?

Shri Nanda: You mean that they are being forced, against their own interests?

Shri Gauri Shanker Kakkar: Yes; I know in Uttar Pradesh. I have experience of this.

Shri Nanda: If he gives me the details, I shall give him a reply.

Shri Gauri Shanker Kakkar: The Planning Commission has enforced it.

Shri Nanda: I learn this from him,— what is the precise position? I shall look into it.

About drugs and medicines, it is a thing where there is some kind of lacuna or gap still remaining. The Commerce and Industry Ministry has already taken certain steps. There is an inspectorate. The price lists giving wholesale as well as retail prices are secured from the manufacturers and the wholesale dealers, and there is a notification that the retailers should display the prices. That is all. If there is any contravention of those prices, whether the prices are reasonable or not, I do not think anything is being done. But yesterday I was discussing this question with the Commerce and Industry Ministry's representatives and I had suggested that they have to go much beyond that. About the reasonableness of the prices also they should take steps to ascertain them and look into the costs. Secondly, if there is a contravention, if the actual price charged is different from what the price should be, then some enforcement measures, some sanctions, may be applied. I think this is also being considered.

I have taken up plenty of time, and I will only add just one or two things. In the course of the coming months, as I have indicated, there may be need for greater vigilance about the price situation, and for taking further steps which may be necessary. I have mentioned the case of drugs. In the case of sugar, particularly, there is an amount of difficulty being experienced, and we have to see to it that the releases of sugar are adequate to enable a reasonable price level to be

[Shri Nanda]

maintained. We have to see that the grower should be assured that whatever larger quantity of sugarcane he can produce will fetch a fair price. The experience of the past, when he was asked to curtail production, should not be repeated.

I thank you very much for the indulgence shown to me.

Shri Harish Chandra Mathur: Will the hon. Minister explain this? Are not the Government themselves directly responsible for the price rise? Only today we read in the papers that land in Delhi was sold—300 sq. yards for Rs. 2 lakhs. Are you not directly taking steps which lead to rise in price and higher costs? How do you reconcile this? When it comes to your turn, you allow it, and thus raise the price all round. You should explain this.

Mr. Deputy-Speaker: That is a different matter.

Shri Nanda: It may be in another sphere, which may have a justification.

Shri Harish Chandra Mathur: I did follow.

श्री विभूति मिश्र : उपाध्यक्ष महोदय, हम नहीं चाहते हैं कि जो सामान खेतिहर पैदा करता है और इंडस्ट्रियल गुडन तैयार करता है, उसे आप बाहर न भेजें। हम चाहते हैं, किसान चाहते हैं, कि आप उन को भेजें और बाहर की मार्केट्स में आप उसे डम्प कर दें। लेकिन जो इंडस्ट्रियल गुड्स किसान तैयार करता है उस पर किसान को और जो फिनिश गूड्स होते हैं उस पर इंडस्ट्री वालों को उचित रूप से बाटा सहन कर के दाम कम करना चाहिये। मैं जानना चाहता हूँ कि उन चीजों के दामों के इंट्रेशन के लिये सरकार क्या करना चाहती है ?

Shri Malaichami (Periyakulam): One question.

Mr. Deputy-Speaker: No more questions.

Shri Harish Chandra Mathur: Let the Minister reply to my question. How does he explain the position? We ask the Minister to answer it. Otherwise, what is the sense in our asking a question?

Mr. Deputy-Speaker: He gave the answer.

Shri Harish Chandra Mathur: I have not been able to follow it.

Shri Nanda: If the hon. Member asked for justification for something, for every measure that is adopted to get money for the public exchequer which might have some effect of increasing the price somewhere, I said there will be other things also. There are indirect taxes, though there should not be a corresponding rise in prices due to imposition of such taxes or the increasing of their rates.

Mr. Deputy-Speaker: Anyway, site is not an essential commodity.

Shri Harish Chandra Mathur: House site is certainly an essential commodity. (*Interruption*).

Shri Indrajit Gupta: The motion of mine has dragged on now over three sessions. I am afraid for some reason for which perhaps nobody is to blame, it got rather a low priority on the Order Paper each time and also the general sense of urgency of this issue does not seem to have been aroused sufficiently yet.

The hon. Minister, for whom I have the greatest respect, has made two observations here with which I am in full agreement, because when I moved my motion two months ago, I had stated that the real test has not come yet. He said the same thing today. He also said, there is no room for complacency whatsoever. I welcome that statement, if it is followed up

by appropriate action, because our complaint from this side of the House is that very many good policies and principles which are time and again enunciated by him—many of which have been repeated again today—are not implemented. I would like to know what are the real factors which are preventing their implementation. I am afraid that question has been avoided and I did not get any reply.

I would bring to the notice of the Minister some facts, which he knows. Certain warning signals have already appeared on the scene, which are of a very ominous nature. We should be on our guard from now and Government should act in a spirit, which is consistent with the idea of emergency. Already, in eastern India, at a time when the new rice crop has just come in, in West Bengal and Orissa—he has just visited Calcutta and he knows—the price of rice has risen. This does not happen normally. Should it happen at a time when we are in the midst of an emergency and when the Government has armed itself with all possible powers under the sun? Just after the coming in of the new crop, the price of the coarsest rice is Rs. 24 or Rs. 25 per maund. There has been a shortfall in production also. At this time, during the cold weather season, generally there is a seasonal decline in the prices of other foodstuffs also. But I know in Calcutta no kind of fish is available for anything less than Rs. 4.50 per seer. What is happening? Why are the controls not being exercised? Why is not the State stepping in with the vast powers with which it has armed itself? It must regulate, control and organise some sort of physical control over the supplies of these commodities. But he does not tell us which are the vested interests which stand in the way. The same thing occurs in the case of raw jute. We have debated it so many times. He admits the fact that the notional minimum price, which has been announced, does not go to the cultivator. But why not? Who

is preventing it? Why cannot the Government step in with its machinery?

Shri Nanda: It is now taking effect. It had not take effect in the past.

Shri Indrajit Gupta: As far as industrial production is concerned, a very dangerous symptom has exhibited itself. Surely at a time when we are supposed to be gearing up our production for defence requirements, industrial production should not show any slackness. But I am surprised to find that even in the engineering industry—if any industry has a direct bearing on defence requirements, it is the engineering industry—the Chairman of the Engineering Association makes a public statement complaining that today 50 per cent of the capacity of that industry is lying idle. Why? There is an industrial truce. No strikes are taking place. The workers are working harder than ever. Even the Minister has admitted that the wages have not gone up in such a way so as to affect price and production adversely. Yet, due to many other factors, shortage of power, shortage of essential raw materials and due to other forms of obstruction by vested interests, industrial production has been affected. We were told this morning during the Question Hour by the Food Minister that although the production of sugarcane has gone up sharply, the price of sugar has gone up to Rs. 50 per maund. How does this happen?

I have not got the time to go into all these things, though I would like to take up some of these issues, because we are on the brink of the budget. We do not know even the outlines of the budget; it is not possible to know. I am apprehensive, because there is no doubt that Government would require a great deal of money this time to cope with the present situation. I would only appeal to the hon. Minister, as a very important member of the Government, not to

[Shri Indrajit Gupta]

add to this present crisis of prices which is developing by imposing indirect taxes in such a manner that they are immediately reflected in the prices of essential and consumer goods. If that is done, the backbone of the ordinary man in this country—I do not know whether it will be broken—will certainly suffer a very severe blow, and I do not think that is the best way to strengthen the defence potential and resources of this country.

17 hrs.

Therefore, I am very thankful to you for having permitted this discussion to have some scope over three sessions, but I would ask the Government to take firmer steps against all people who are out for profiteering or hoarding or who for their own interests sometimes want the prices to fall or sometimes want them to rise.

I find also another example, a very strange bit of news in the papers, that in one little corner of India, Goa, which became a part of us not very long ago, where some sort of price control of essential commodities or fixation of maximum price was in force even from the time of the Portuguese regime—this news has come in the papers today—due to the pressure of the Chamber of Commerce in Goa, all price control orders or orders for fixation of prices have now been held in suspense. Is this the way we are going to cope with the problem at a time of emergency? Why should this Chamber of Commerce, a powerful interest, be allowed, under the cover of emergency, to get away with whatever they want while the common man is paying, sacrificing and doing everything gladly for the sake of the country?

Therefore, I feel that this repetition of very many good ideas, principles and good intentions which, I am sure, the Minister has in all good faith treated us to again, is not worth

much unless serious steps are taken by the Government, despite the opposition by certain people, to carry them out into practice and to serve the interests of the vast majority of the country. I hope the Government will do that, otherwise we will be faced with this question again very soon and then the Parliament may not treat the Government so leniently.

Mr. Deputy-Speaker: There are four or five amendments which have been moved. There is one by Shri Ram Sewak Yadav. He is not present in the House. I shall put it to the vote of the House.

The question is:

That at the end of the motion, the following be added namely:—

“and resolves that Government should take the following steps to stabilise the prices—

- (i) the prices of foodgrains should not rise more than one anna per seer between two crop seasons;
- (ii) the prices of essential factory products such as cloth (coarse), kerosene oil, cement, iron, sugar and medicines should not be more than one and a half times of their cost;
- (iii) the prices of foodgrains and raw materials produced by the agriculturists should be sufficient for their livelihood besides recovering the cost of production and balance should be maintained between the prices of agricultural and industrial products.” (1):

The motion was negatived.

Mr. Deputy-Speaker: There are amendments No. 3 and No. 4 by Shri D. S. Patil.

Shri D. S. Patil: I want leave of the House to withdraw my amendments.

- *Amendments Nos. 3 and 4 were, by leave, withdrawn.*

Mr. Deputy-Speaker: Amendment No. 5 is by Shrimati Renuka Ray.

Shrimati Renuka Ray (Malda): I want to withdraw my amendment.

Amendment No. 5 was, by leave, withdrawn.

Mr. Deputy-Speaker: Amendment No. 6 stands in the name of Shri Sivamurthi Swami. I shall put it to the vote of the House as he is not present in the House.

The question is:

That at the end of the motion, the following be added, namely:—

“and resolves that—

- (i) the inflation of money should be controlled on a reasonable level to reduce the prices of essential goods;
- (ii) the production should be increased by helping the agriculturists; and

- (iii) steps should be taken for equitable distribution through Co-operative Societies of such commodities that are in short supply”. (6).

The motion was negatived.

Mr. Deputy-Speaker: What about amendment No. 7 standing in the name of Shri Bibhuti Mishra?

Shri Bibhuti Mishra: Sir, I want to withdraw.

Amendment No. 7 was, by leave, withdrawn.

Mr. Deputy-Speaker: I shall now put the original motion to the vote of the House. The question is:

“That this House takes note of the statement laid on the Table of the House on the 10th November, 1962 by the Minister of Planning and Labour and Employment on measures for maintaining prices of essential commodities at reasonable levels.”

The motion was adopted.

17.05 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, February 20, 1963/Phalguna 1, 1884 (Saka).