

LOK SABHA DEBATES

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LOK SABHA

Friday December 15, 1972/
Agrahayana 24, 1894 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Raising of Prices of Stainless Steel Sheets by M.M.T.C.

*461. SHRI K. KODANDA RAMI REDDY: Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether the M.M.T.C. had raised the price of stainless steel sheets by more than 100 per cent;

(b) the reasons for the sudden rise in the price; and

(c) whether this price rise has adversely affected the priority and small scale industries?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA): (a) No, Sir.

(b) and (c). Does not arise.

SHRI K. KODANDA RAMI REDDY: I am not fully convinced. According to a letter from the President, Pondicherry Small-Scale Industries Association, in the third quarter of 1972, i.e. July to September the price of stainless sheets was Rs. 17.89 per Kg. But during the last quarter, i.e. October to December, they have suddenly raised the price to Rs. 28 per Kg. This amounts to almost a cent per cent rise. I would like the minister to explain the reasons for the sudden spurt.

SHRI L. N. MISHRA: The question was whether the price had risen by 100 per cent and the answer was 'no'. On 1st October 1971 the CIF price of

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imported stainless steel was Rs. 7103 per tonne and on 1st October 1972 it had risen to Rs. 8234 per tonne. So, the increase is Rs. 1000 per tonne; it is not double.

SHRI K. KODANDA RAMI REDDY: May I know what control is being exercised against exorbitant prices at which imported stainless steel sheets both against export entitlement and by MMTC are being sold in the market?

SHRI L. N. MISHRA: The price is fixed by a committee presided over by the Chief Controller of Imports and Exports as in the case of other raw materials imported by the public sector agencies. Then quotas are allotted and it goes only to actual users.

SHRI PRABODH CHANDRA: May I know whether it is a fact that the producers of utensils charge the price keeping in view the black market price of stainless steel sheets and if so, would Government be prepared to give some relief to consumers or fix some percentage of the import licences for giving utensils at controlled rates?

SHRI L. N. MISHRA: As a matter of fact, the price of utensils is not controlled by us. There are two channels of import of stainless steel— one through M.M.T.C. and the other against export entitlement. As far as M.M.T.C. is concerned, it charges a nominal profit of 3 per cent or so.

Change in criteria for grant of Assistance to States for Scarcity Relief Work

*462. SHRI ANNASAHAB GOTKHINDE: Will the Minister of FINANCE be pleased to state:

(a) whether the need for change in the pattern of Central assistance for drought relief to the States has been brought to the notice of Government;

(b) whether Government propose to liberalise their pattern of Central assistance in view of very acute drought conditions prevailing in Maharashtra for the third year in succession; and

(c) if so, in what manner?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) Yes, Sir. The matter has been referred to the Sixth Finance Commission who have been requested to review the policy and arrangements in regard to the financing of relief expenditure by the States affected by natural calamities.

(b) and (c). The severity of the drought conditions in Maharashtra has been brought to the notice of the Central Government by the State Government. A Central Team has also visited the State recently. Appropriate Central assistance will be provided to the State Government towards their expenditure on relief measures in accordance with the recommendations that the Central Team might make in this respect.

SHRI ANNASAHEB GOTKHINGDE: The first team saw the conditions of acute scarcity there and reported that the distress caused by the failure of the crop is genuine and relief operations are well-directed for relieving the distress. We are told that a second team has also visited the State. May I know how much financial assistance has been recommended by the second team? May I know whether the Chief Minister of Maharashtra has asked for an assistance of Rs. 150 crores for providing fodder for cattle and drinking water facilities?

SHRI YESHWANTRAO CHAVAN: Drought has been persisting in Maharashtra from 1970-71 onwards. This is the third year and the accumulated effect is rather severe no doubt. Up to the end of 1971-72 the amount that was sanctioned comes to more than Rs. 41 crores. In the last three years,

six central teams have visited the State. In addition to the Rs. 41 crores I mentioned, the fifth team had sanctioned up to the end of October nearly Rs. 20 crores. But with the failure of the rabi rains, things have become still worse. Therefore, a sixth team has just visited the State and returned. The estimates that the Chief Minister has given to the central team are to the tune of nearly Rs. 143 crores....

PROF. MADHU DANDAVATE: The team has returned back to the pavilion!

SHRI YESHWANTRAO CHAVAN: No; only people who lose their wicket come back to the pavilion. The team has come back to the secretariat to further operate on it and to make evaluation of the possibilities of what can be done. As they do in the case of other States, the assessment will be done in the case of Maharashtra also.

SHRI ANNASAHEB GOTKHINGDE: The Minister has stated that whatever assistance would be allotted on an all India basis, or on a particular pattern, would be allowed to Maharashtra also. This is the third year in succession that Maharashtra is facing the severest scarcity conditions due to drought. Nearly 10,850 works have been started and nearly 20 lakhs workers have been engaged in relief work. So far only Rs. 40 crores have been given to Maharashtra by way of grants, ways and means advance, and short term loans for agricultural inputs. Due to the scarcity conditions prevailing there for the third year in succession, which is putting more hardship on the resources of the State Government, because of the peculiar circumstances, will the Central Government come forth with special assistance, so far as Maharashtra is concerned?

SHRI YESHWANTRAO CHAVAN: Do not make your case more weak by unnecessarily arguing about a special case. Wherever there are

special features or difficulties, they will be taken into account. But you cannot say that the principle would be different from State to State.

PROF. MADHU DANDAVATE: Part of the grants from Central assistance available to States like Maharashtra were utilized in the relief camps for giving weekly holiday allowance to the workers and, to give relief to the students. On the intervention of the Centre, it was decided that these two items of expenditure are not permissible and they were stopped. Will the Finance Minister give us an assurance that consideration will be given to these points and that they would be allowed to be started again?

SHRI YESHWANTRAO CHAVAN: These are specific issues. One cannot say that the principles will have to be changed in the case of some districts. These principles are fixed in consultation with the Finance Commission. The Fifth Finance Commission, which went into this question, made certain recommendations on the basis of which in 1968 certain criteria and principles were changed. Even now, when the Sixth Finance Commission was appointed, the question was again referred to it. The Planning Commission has appointed a group in the Planning Commission under the famous economist member, Shri Minhas. They have also made a specific reference whether there should be some other method for giving assistance.

There are two ideas in the field. One is that the State Governments want that the entire assistance should be given in the form of grants and not loans, because the burden of loans on the States has become rather very difficult. The other idea in the field is that there should be a national fund for calamities to which both the States and the Centre can contribute and which can be drawn upon when these difficulties arise.

The latest thinking is that this sort of drought conditions is a natural phenomenon and we will have to live with it for some time to come unless we find some technological break-through to face the situation, while we persist in our production efforts. We will have to deal with this problem in a different way. In the terms of reference to the Sixth Finance Commission we have included this subject. Therefore, so far as the principles are concerned, I think we will have to wait for their recommendation. At the same time, we will have to face the realities of the situation. I would like to assure the hon. Members that if there are continued, accumulated, adverse conditions of drought or flood, be it in Andhra, Mysore or Bihar, those special conditions will be taken into account while granting assistance.

PROF. MADHU DANDAVATE: What about my specific question about permissible expenditure for student relief?

MR. SPEAKER: The Minister has given an extensive reply.

SHRI R. S. PANDEY: I am very happy that the hon. Finance Minister is very alive to giving timely help to areas suffering from drought. He also said that there are two ideas working in his mind in order to remove the drought conditions. Now our agriculture is entirely dependent on monsoon. If rains come, we have a good crop. Otherwise, it is a complete failure. Are they going to have some drought-oriented and flood-oriented teams which will, from time to time, survey the affected areas and report to government what remedial measures should be taken? For example, Maharashtra is facing drought continuously for the last three or four years. Can such a team forecast this is going to happen and suggest relief measure.

MR. SPEAKER: Instead of asking a supplementary question, every hon. Member is making a speech. The hon.

Member said that he is very happy today. Let him make me also happy by asking shorter questions.

SHRI R. S. PANDEY: What is the long-term policy that the government is going to formulate in order to remove conditions of drought and flood?

SHRI YESHWANTRAO CHAVAN: I think he has raised a valid point. Since these conditions of drought are more or less recurring conditions he wants to know whether we have any plans to face these calamities on a permanent basis. I would like to assure him that while we are planning for the various regions of the country these two ideas have been kept in mind. Possibly he is aware that one of the Centre's scheme, which has been pursued after the 1970 budget is that drought-prone areas should be identified and specific development schemes should be prepared for them. Similarly for Assam, Bihar and Ganga valley there will be a flood prevention scheme. Naturally, these are very long-term projects. In the case of drought-prone areas, you can certainly conserve moisture but you cannot provide for the failure of the rains. That is our main difficulty. You can have percolation tanks ready but they will become empty vessels unless there is rain. Suppose there is no rain, how do you meet the need for drinking water supply? O, how can you supply water for cultivation when monsoon fails? So unless some techniques are developed which can help the preservation of soil moisture and there are rains, there is no way out. These are some of the scientific technical matters and we have not been able to get an answer either in this country or even in the international scientific world. Of course, efforts will continue to be made in that direction.

SHRI DASARATHA DEB: Year after year, many States are affected by drought. Have the government drawn up any scheme to provide sufficient irrigation in those States which are continuously affected by droughts?

SHRI YESHWANTRAO CHAVAN: Yes, Sir; there are schemes. Irrigation also is a very comprehensive and vague term. In some areas flat irrigation, as it is commonly understood, canal irrigation, is not possible because it is not feasible. There we are trying to have percolation tanks, community wells and small and medium irrigation schemes. But drought-prone areas are those areas where the cultivation is entirely rain-fed. In the case of those rain-fed areas, what do we do? Really speaking, it is an impossible blind wall that we are up against and the machinery of government becomes rather helpless. In some of the districts of Maharashtra, for example, we can certainly give them employment, purchasing power and even foodgrains. But the main difficulty in those areas relate to drinking water and fodder for cattle. These are some of the problems which we are facing. Even then, I would say that no panicky decisions need be taken. People are bravely facing the difficulty and the State Government is also efficiently trying to manage the situation. I would like to assure hon. Members that the Central Government will do whatever they can to tide over these difficulties faced by the people.

स्टेट बैंक आफ़ बीकानेर एण्ड जयपुर में
सेवा नियम

* 463. श्री महावीर सिंह शास्त्री :
क्या वित्त मंत्री यह बताने की कृपा करेंगे
कि :

(क) क्या स्टेट बैंक आफ़ इच्छिया
(उप-बैंक) अभिनियम, 1959 में विद्ये गये
प्रावधान के बावजूद स्टेट बैंक आफ़