

MR. SPEAKER : I never stop any discussion. It is only the time factor which you all fix.

DR. DATTA SAMANT : The Minister has said that guidelines are given. But my criticism is that the whole increase in the wages is linked with the profitability. I would like to tell you frankly that five-six units in Richardson and Crudas in Bombay have more than 100 years old machinery. Nobody has replaced them. The Birlas Unit in Bombay also has very old machinery and the Birlas has just scrapped it. One of the previous managers has swallowed crores of rupees and left it. This is the feature of all public sector units.

All the guidelines are for four year settlement and it should not be more than ten years and the workers should get compulsory industrial DA. When any agreement comes here, all the bureaucrats stop it or send it back.

*(Interruptions)*

This is what is happening in the public sector units.

*(Interruptions)*

MR. SPEAKER : Mr. Samant, are you addressing them or me ?

DR. DATTA SAMANT : I am feeling hurt, Sir.

Whatever broad guidelines you are giving to the public sector units are outdated. The Government has never thought about it and therefore relating to each unit as per their profitability, as per their working and as per the duration of the settlement, the quantum rise to be given and compulsion to reduce the existing D.A. Are you going to take into account all these things ?

SHRI M. ARUNACHALAM : Sir, after careful consideration the Government have decided the guidelines.

SHRIMATI GEETA MUKHERJEE : Is the Government aware that interim relief for public sector undertakings has not been granted in West Bengal and the workers are planning for a strike this month ? I would like to know what steps have been taken by the Government to see to it that interim relief is granted to the public sector

units in West Bengal ?

SHRI M. ARUNACHALAM : In August 1987 the Labour Ministry has issued Press release regarding interim relief. The interim relief itself is a big subject and, as such, I need a separate notice on this.

#### Rise in Prices of Essential Commodities

\*47. †SHRI DHARAM PAL SINGH MALIK :

SHRI SARFARAZ AHMAD :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the prices of essential commodities have increased in the country during the last six months ;

(b) if so, how far the prices of essential commodities have increased ; and

(b) the steps being taken to maintain the prices of essential commodities in the country ?

THE MINISTER OF PARLIAMEN- TARY AFFAIRS AND MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H.K.L. BHAGAT) : (a) to (c). A state- ment is given below.

#### Statement

There has been a mixed trend in the behaviour of prices of essential commodities during the last six months in as much as the Wholesale Price Indices of several commodit- ies showed an upward trend while the Wholesale Price Indices of several other commodities either remained steady or declined. During the last six months ending 17th October 1987 (i.e. between the week ending 18-4-1987 and 17-10-1987), the all commodities wholesale price index registered an increase of 7.1% as compared to 5.7% in the corresponding period of last year. During this period, the wholesale price indices of cereals has gone up by 10%, pulses by 19.3%, edible oils by 19.6% and sugar by 2.1%. Wholesale Price Indices of several commodities including fish, coffee, atta, gingelly oil, petroleum products, soft coke, bread, dry cells, matches, etc. either declined or remained steady during this period.

2. To contain the prices, the Govern- ment has taken a number of measures. The

main thrust of the Government policy has been to increase production of various essential commodities, particularly those which are in short supply. Other measures include import of some essential commodities to augment domestic supplies, banning or regulating export of some essential commodities, strengthening and expanding the Public Distribution System and strict enforcement of provisions of Essential Commodities Act and other similar legislations against hoarders, blackmarketeers by the State Governments/UT Administrations.

3. In recent months, prices in general have been under pressure on account of the widespread drought conditions and seasonality factors. To meet the situation, Chief Ministers of States and Lt. Governors of Union Territories have been advised to strengthen Public Distribution System, press into operation mobile vans, review continuously the availability and prices of essential commodities through Committees set up at the State and District level, intensify the dehoarding operations and take strict actions against hoarders and blackmarketeers in accordance with the provisions of Essential Commodities Act and similar other legislations. The Central Government has increased allocations of wheat, rice, sugar and edible oils of the States for distribution through their net-work of fair price shops. The prices and availability of essential commodities are being reviewed and monitored on a continuing basis. The information received from States and UTs shows that so far 2,900 additional fair price shops have been opened since August this year and more than 200 mobile vans are operating in various States.

4. Meetings have been held with representatives of trade and industry requesting them to take voluntary steps for containment of the prices. As a result of discussions with representatives of trade and industry, they have voluntarily reduced/contained the price of vanaspati, soaps, maida, tea, etc. Producers of butter have agreed for augmenting their supplies and maintaining the price line.

[Translation]

SHRI DHARAM PAL SINGH MALIK : Mr. Speaker, Sir, there is an old saying that nobody can forecast about death and prices. But this saying has since been proved false

as everybody knows about prices now-a-days. Prices go up every year and never fall. Once the price of a commodity goes up, it never declines. The hon. Minister has himself admitted that during the past six months, the wholesale prices of foodgrains have increased by 10 per cent and that of pulses and edible oils by 19.3 per cent and 19.6 per cent respectively. Besides, if you have a glance over the market prices, you will find that the price of wheat, which was selling at Rs. 150 per quintal six months back, is now Rs. 200 per quintal. The price of potatoes has risen to Rs. 5 from Rs. 2.50 per kg. during the last six months. Similarly, the price of onion has risen from Rs. 3.50 to Rs. 6 per kg. In view of this, I can say that during this period the prices rise every year. If you see the wholesale price index, you will find that the prices rise during this period—April to November—every year.

I would like to know from the hon. Minister why the prices rise during this particular season every year and what steps Government take to contain the price rise? Why do the prices increase during this season and what steps are proposed by the Government in this regard?

SHRI H.K.L. BHAGAT : Hon. Speaker, Sir, the hon. Member's submission is correct and I agree with him. But it is good that the situation is not that bad. I have admitted in my reply that there is no doubt that there has been an increase in the prices of essential commodities. I have stated in detail in my statement that the prices of some commodities have declined whereas the prices of some other commodities have registered an increase. But generally speaking, the price rise this year has been more as compared to the last year because the situation has deteriorated due to fall in production, drought conditions and to some extent hoarding of commodities. I have given several reasons for the price rise in my statement.

The hon. Member has just now said that the price of wheat has increased. There is an upward trend in wheat. Even otherwise, the price of wheat generally goes up every year during the lean period. This year, the production has been less and speculations about the next crop are being made right now. Supposing, we are not going to have a good crop, this too has a bearing on the

prices. As a result of this, there has been some increase in the price of wheat. We are constantly monitoring the situation and will take further steps to tackle the situation. There is a slight upward trend overall but the increase in the prices of pulses has been particularly more. This price rise is attributed to low production as a result of which the availability is less. The Government has decided to import pulses through NAFED, S.T.C. and State Cooperatives. These agencies are identifying the countries from where the pulses could be imported. The position of edible oils this time has been quite difficult as compared to the past. The prices of edible oils have risen tremendously and the Government have taken a number of steps in this regard. Firstly, the public distribution system has been further strengthened. The quantity of edible oils for distribution through public distribution system has been raised substantially. In October-November alone, the quantity has been increased by two lakh tonnes. This quantity is proposed to be further increased in December for distribution through fair price shops. The allocation of vanaspati has been increased and the prices thereof made voluntary. I have instructed almost all the Chief Ministers in this regard and I am happy that they have cooperated with the Centre in this regard. Essential commodities worth about Rs. 10.21 crores have been seized during the last three months. Raids have been conducted at a number of places and many persons have been arrested. I have given instructions to step up these measures further. The total seizures this year have been to the tune of Rs. 16 crores as compared to Rs. 11 crores last year. So far as edible oil is concerned, we have decided to release the imported oil in the open market. The S.T.C. has been told to auction the imported edible oil in the open market. The major Centres too will auction it. To begin with, they will auction 50 thousand tonnes. Thereafter, the auctions will be done repeatedly and the quantity too will be increased. Efforts will be made to bring the prices down by removing the shortage of edible oils in the open market. Similarly, the prices of onions and tomatoes have risen tremendously. This is a seasonal factor. The shortage has been due to absence of rains. The situation has now changed to some extent. The Government have taken a number of steps to contain prices. It is certain that had we not taken all these steps,

the price rise would have been much more. We have further strengthened the price distribution system and opened new fair price shops. The supply of goods to the fair price shops too has been increased.

**SHRI DHARAM PAL SINGH MALIK :** Mr. Speaker, Sir, we see every year that at the time of harvesting season in April and May, the prices of foodgrains remain generally low. But when the same foodgrains reach the middlemen, their prices start rising. The Government did open fair price shops but the intended benefits are not reaching the consumers. In my view, the reason for this is that a very low commission is given to the fair price shops owners. Their general complaint is that they do not get indent for supplies unless they grease the palms of the employees of the Food and Civil Supplies Department. That is why they have to make good the money paid as bribe. At the same time, the commodities in the rural areas are sold at comparatively higher prices and quantity-wise too they are supplied less. If a family is entitled to draw three kilograms of sugar, only 2½ kgs. is given to them. The rest of the sugar is sold in the black market. They themselves indulge in hoarding. In this connection, I would like to know from the hon. Minister whether Government have any scheme to run the fair price shops themselves instead of allotting them to the fair price shop holders so as to do away with hoarding and exploitation being done by the middlemen ?

**MR. SPEAKER :** They too will be amongst our brothers.

**SHRI H.K.L. BHAGAT :** I fully share the concern expressed by the hon. Member. He said that the prices of foodgrains keep low at the time of harvest, but once they leave the granary of the farmer, the prices go up. But now it is rare that we come across such a situation. The position which was there in regard to the foodgrains 4-6 months back is no more there. We are thinking as to how to unearth wheat stock and supply more rice to the consumers. All these things depend on production. There are people who indulge in the hoarding of these commodities too. We have fixed the limit of stocks and have conducted raids at many places. The hon. Member has also stated that the fair price shops are not yielding benefits to the consumers. I would like to submit very humbly that the fair price

shops have rendered a number of benefits to the consumers. Had the fair price shops not been there, had the buffer stock not been there and had the public distribution system not been there, the situation would have been far more serious. In reply to the hon. Member's submission, I would like to say that the margin offered to the fair price shop dealers is less and some State Governments have written to us in this connection. We have asked for some information from them in regard to the fixation of margin because the margin is fixed by the State Governments in consultation with the Centre. If some State Governments ask us in this connection, we do look into it, because they too should get a reasonable margin. But I do not think that that is the only reason for theft or pilferage. They also complain and I have also received such complaints that the Supervisors extort money from them. I have my own suspicion that this complaint is genuine. I have talked to a number of fair price shop dealers. Though they want to speak out the truth but they hesitate. However, the only solution to this problem is that the work of supervision should be entrusted to the people. It is in this context that I have written to the State Governments suggesting them to form a committee of five consumers for each fair price shop which should not only be advisory in nature but should also be given the work relating to supervision. The women should especially be enrolled on these committees. If the work of supervision is entrusted to the people, the shortcomings in the system would be removed. The State Governments have informed that the suggestion is receiving their consideration and I hope it will be implemented.

**SHRI SARFARAZ AHMAD :** Mr. Speaker, Sir, the hon. Minister has given a detailed reply, I think the hon. Minister has covered most of the aspects. From his reply, it seems that most of the responsibilities are on the State Governments. I would like to know from the hon. Minister the names of the State Governments which have agreed to implement his suggestion and those which do not agree with him. I would also like to know whether the officers of the Central Government conduct surprise checks on the fair price shops or not; if so, the outcome thereof?

**SHRI H.K.L. BHAGAT :** I thank the

hon. Member for appreciating my reply by describing it as encouraging. I want to tell him that encouragement is the first requirement in the accomplishment of a good work. Encouragement is a must.

The second point which he raised was about the extent to which the State Governments were cooperating. My experience in this regard is that all the State Governments are giving cooperation. The Centre is giving them full cooperation and on their part the State Governments too are extending their full cooperation. So far as my Ministry, i.e. the Ministry of Food, is concerned, we are receiving full cooperation from the States. They have tried to implement all that I have suggested. I have written to them today itself stressing the need for stepping up efforts for de-hoarding and for taking other steps.

**MR. SPEAKER :** Dandavateji.

**SHRI RAM BHAGAT PASWAN :** Mr. Speaker, Sir, I may also please be allowed to ask a supplementary question.

**MR. SPEAKER :** Three Congress Members have already asked supplementary questions. Others are also sitting in the House. I am seeing you also. You are very much in my sight. Both my eyes are working all right. I had called your name yesterday also.

[English]

**PROF. MADHU DANDAVATE :** I would like to know from the hon. Minister whether it is not a fact that in his statement, he has tried to conceal more and reveal less. For instance, he has stated in his statement that the wholesale price indices of several commodities showed an upward trend while the wholesale price indices of several other commodities either remained steady or declined during the last six months.

Will the hon. Minister agree that as far as the price level is concerned, and as far as the consumers are concerned, what is of significance to them is not the wholesale price indices, but it is the retail price indices? Will he also agree that the inference that he has drawn regarding the price rise would be different if he takes into account the retail price index and whether on the basis of the retail price index, the picture is far more dismal?

And if it is so, will you ensure that as far as public distribution system in various States is concerned, better supply will be made available to them so that they will be able to check the rise in prices and give the necessary supply at a cheaper rate ?

**SHRI H.K.L. BHAGAT :** Sir, I am thankful to the hon. Member, Prof. Madhu Dandavate for raising this question. With all humility I would like to tell him that I have not tried to conceal anything and he is free to reveal anything which I have concealed.

**PROF. MADHU DANDAVATE :** You did not do it deliberately.

**SHRI H.K.L. BHAGAT :** Please wait, I am only rebutting your accusation. Now, what I wish to say is, I am not very good at figures. Let me confess, I am not as good a juggler at figures as Prof. Dandavate is. I do not believe in the jugglery of figures. I made a Statement. Now, so far as the retail prices are concerned, of course, that is a matter of more material concern to the people of India and perhaps the retail prices also, if Prof. Madhu Dandavate does not mind my saying so, are better known to Mrs. Dandavate and Mrs. Bhagat than him and me. They know better because they run the kitchen.

**PROF. MADHU DANDAVATE :** But I am speaking on the provocation of my wife.

**SHRI H.K.L. BHAGAT :** I am paying you a compliment and consequently it is a compliment to me also.

**THE MINISTER OF ENERGY (SHRI VASANT SATHE) :** I am glad that he agrees that she is provocative.

**PROF. MADHU DANDAVATE :** She would like the Minister to be more provocative.

**MR. SPEAKER :** Not innovative ?

**SHRI H.K.L. BHAGAT :** So, that is why I say, so far as the retail prices are concerned, the battle against the price can succeed only with the cooperation of the people and vigilance. You have to combine the strength of the Government and the strength of the consumers as also the strength of the trading community. I have suggested to all the Chief Ministers that they should

have Price Monitoring Committee at the State Level and the District Level. They should also review not only the statutory availability of the prices of statutorily fixed items but other items also. I have listed 23 items so that this can be done.

As far as his suggestion that the distribution system should be further improved and strengthened, I would like to tell that 3000 new shops have been opened in the drought affected areas during the last few months. We are doing our best to strengthen the distribution system. We are making supplies available to the various State Governments so that people get the benefit. And as I said, the necessity and beneficial effect of the distribution system in this country have proved more now when we are in a difficult situation.

[Translation]

**SHRI RAM BHAGAT PASWAN :** Mr. Speaker, Sir, the rising prices have caused anxiety among the middle class and the poor people and this rise in prices year after year is telling upon the people very badly but Government has not been able to check this trend. The hon. Minister has given hoarding, blackmarketing and profiteering as the reasons for rise in prices. He has said that raids have also been conducted. I would like to know from the hon. Minister what punishment was awarded to the persons who were apprehended in the raids and what are the names of the persons so punished ? Secondly, the purchasing power of the people has gone down due to floods and drought. Will the hon. Minister arrange to supply essential commodities to the flood victims at subsidised rates, most of whom are either the people below poverty line or those belonging to the middle class ?

**MR. SPEAKER :** The hon. Minister has just now replied to this point.

**SHRI H.K.L. BHAGAT :** Sir, the hon. Member has said that the middle class and the common man are suffering due to the rise in prices. I know it and I have myself said it. Secondly, he wanted to know the number of persons arrested and the punishment given to them. I have with me the figures about the number of persons arrested and the number of those against whom cases were filed in the courts. I shall pass on the figures to the hon. Member if

he so desires. So far as the question of containing the prices is concerned, I shall welcome suggestions from him and from any other Member for that matter. Let him suggest the measures to be adopted to control the prices.

**SHRI RAM BHAGAT PASWAN :** How many persons were arrested for black-marketing ?

**MR. SPEAKER :** He will supply the figures to you for your satisfaction.

[English]

**SHRI VEERENDRA PATIL :** Sir, I want to say with all the sincerity at my command that this rise in prices of essential commodities is causing a grave concern to every family in this country. There might be so many valid reasons for this rise, such as the drought, shortages in supplies, shortages in the availability of stocks and so on. But I must tell the Minister that the consumer is not interested in these excuses. What he wants to know is as to how much he has to pay when he goes to the market. I entirely agree with the hon. Member Prof. Madhu Dandavate that we are in the habit of giving only the wholesale price index. But who is bothered about the wholesale prices ? The consumer is bothered only about the retail prices that he has to pay when he goes to the market. The retail prices are rising sky high. These prices are going up every month, even every week. I must say that the life of the common man is very miserable today. Is the Government seriously concerned about it ?

(Interruptions)

**THE MINISTER OF ENERGY (SHRI VASANT SATHE) :** What for are you clapping ? Are you happy when the life of the common man is miserable ?

**SHRI SOMNATH CHATTERJEE :** We are happy that at least for once a Congress man is telling the truth.

**SHRI VEERENDRA PATIL :** I want to know whether the reasons that have been spelt out just now are the only reasons. Or, is it not a fact that the purchasing capacity of the rupee is going down or eroding terribly ? Every day we read in the press that the rupee value is going down. Today in Bangalore the value of the rupee is just

12.5 paise. Why only Bangalore ? It is the same case everywhere. I just quoted the instance of Bangalore. Everywhere in the country, the value of rupee is going down. In some places its value is 12.5 paise, in some other places it is just 12 paise and in yet other places the value of the rupee is just 13 paise. The purchasing capacity of the rupee is going down like anything and what is it that the Government is doing to check erosion in the value of rupee ? Unless this erosion in the value of rupee is checked, I do not think it is possible to check the price rise.

**SHRI H.K.L. BHAGAT :** Hon. Member Shri Veerendra Patil is a very seasoned, very knowledgeable and experienced man. He was a Chief Minister as well as a Central Cabinet Minister. I value his observations as well as the suggestions. I would like to tell him that I completely share the concern that he has expressed. It is not as though we are trying to give excuses. I want to know one thing now. Is drought an excuse ? Is less production an excuse ? Is hoarding an excuse ? All these are not excuses. They are facts. And it is not as if we are not conscious of the increase in the retail prices. We are monitoring the retail prices also. I have myself stated that the retail prices are rising. Absolutely, I am not making out any excuses. I do not stand on excuses. I am telling the truth. I want to make it clear to the hon. Opposition Members that it is not only the Congress Member who is saying as to what he feels about the pinch due to the price rise, even the Congress Minister is also saying it.

(Interruptions)

**SHRI H.K.L. BHAGAT :** He has raised a point about the erosion in rupee value. This is a broad economic question. I will bring it to the notice of the Finance Minister.

(Interruptions)

**SHRI M. RAGHUMA REDDY :** It is clear from the statement that the prices of pulses and oilseeds have gone up. What steps are going to be taken by the Minister to bring down the prices ? Is the Government going to import from other countries ? If so, what will be the quantity of imports ? How much will it cost to the exchequer ?

**SHRI H.K.L. BHAGAT :** I think tenta-

tively the decision is to import under the open general licence policy. The STC and the NAFED have been asked to explore the possibility of importing about two lakh tonnes of pulses. I cannot say how much progress is achieved by them so far.

## WRITTEN ANSWERS TO QUESTIONS

[English]

### Distribution of Tea through Public Distribution System

\*44. SHRI PARASRAM BHARDWAJ :  
SHRI R.M. BHOYE :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there is any proposal under the consideration of Government regarding the distribution of tea through Public Distribution System by reducing its price ;

(b) whether Government have approached the producers in this regard ; and

(c) if so, the details thereof ?

THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS AND MINISTER OF  
FOOD AND CIVIL SUPPLIES (SHRI  
H.K.L. BHAGAT) : (a) No, Sir.

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

### Investment in Engineering Industry

\*45. SHRI ANANDA PATHAK :  
SHRI MANIK SANYAL :

Will the Minister of INDUSTRY be pleased to state :

(a) whether Government have made any assessment of investment in real terms, made in the engineering industry during the last three years ;

(b) if so, the details thereof ; and

(c) if not, how Government intend to move in the matter so as to accelerate the growth rate in this industry ?

THE MINISTER OF STATE IN THE  
DEPARTMENT OF INDUSTRIAL DEVE-  
LOPMENT IN THE MINISTRY OF  
INDUSTRY (SHRI M. ARUNACHALAM) :

(a) to (c). Government have not made any assessment of investment in real terms in

engineering industry during the past three years. However according to Annual Survey of Industries, the value of invested capital in engineering goods industries during the years 1981-82 to 1983-84 was as follows :

(Figures in Rs. crores)

	Value of invested capital in engineering goods industries
1981-82	17023
1982-83	19557
1983-84	21354

Government have, inter alia, taken several measures to stimulate industrial production/growth which include delicensing, broad-banding, minimum economic scales of operation, enlargement of Appendix-I industries, re-endorsement of capacities based on actual production and modernisation and streamlining of industrial approval procedures.

During 1987-88 a special programme of technological upgradation for selected capital goods industries has been launched. These include electrical machinery, power generation equipment, ferrous castings and steel forgings, machine tools and industrial machinery.

### Cost Overruns in Ongoing Central Sector Power Projects

\*48. SHRI C. JANGA REDDY : Will the Minister of ENERGY be pleased to state :

(a) the names of the ongoing Central sector power projects, costing over rupees ten crores each which have had cost overruns and the total of such cost overruns ;

(b) whether Farakka, Korba, Singrauli and Ramagundam Super Thermal Power Projects have had a huge overrun of about Rs. 1695 crores ;

(c) whether overall accountability and completion responsibility within the original estimates was assigned to a definite competent authority/agency ; and

(d) if not, the reasons therefor and if