

RAJYA SABHA

Tuesday, the 23rd April 1974—the 3rd
Vaisakha, 1896 (Saka)

The House met at eleven of the clock,
Mr. Chairman in the Chair.

MEMBER SWORN

SHRI KAMESHWAR SINGH (Bihar)

श्री राजनारायण (उत्तर प्रदेश) : इतना फर्क है,
श्रीमन् । जब यह हमारे साथ थे तो हिन्दी में बोलते थे
और सत्ताधारी दल में चले गये तो अंग्रेजी में पढ़ते हैं ।

Mr. CHAIRMAN : Questions.

ORAL ANSWERS TO QUESTIONS

Review of pricing policy and Public Distribution System

- *31. SHRIMATI SUSHILA SHANKAR
ADIVAREKAR :
SHRIMATI RATHNABAI
SREENIVASA RAO: SHRI M.
S. ABDUL KHADER : SHRIMATI
SUMITRA G. KUL-
KARNI : SHRI K. L. N.
PRASAD DR. K, MATHEW
KURIAN :

Will the Minister of FINANCE be pleased
to state :

(a) whether Government contemplate
review of the pricing policy and the public
distribution system; and

(b) if so, what are details in this regard ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI K. R.
GANESH) : (a) and (b) Government's eco-
nomic policy, which also covers such matters
as pricing policy and public distribution of es-
sential commodities, is kept under constants
review, and changes are made as and when nec-
essary. In respect of the pricing of commodities,
Government is advised by such expert bodies
as the Agricultural Prices Commission, the
Tariff Commission and the Bureau of Indus-
trial Costs and Prices. Ad hoc Committees are
also appointed from time to time, as for
example, in the case of petroleum products.

The question was actually asked on the
floor of the House by Shrimati Sushila Shan-
kar Adivarekar.

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As regards the system of public distribu-
tion, the Planning Commission had, last year
appointed a Committee on Essential Commo-
dities and Articles of Mass Consumption; the
Report of the Committee is presently under
examination.

SHRIMATI SUSHILA SHANKAR
ADIVAREKAR : Sir, it is learnt that the
Finance Ministry is proposing a 7-point short
term programme to check the ever-increasing
menace of inflation which has reached the
dangerous level. I would like to know from the
hon. Minister what these measures are and
how they propose to make them effective in
order to smash the parallel economy and to
fight the price spiral which is very important to
bring down the prices of essential commo-
dities like foodgrains, cloth, fuel, etc.

SHRI K. R. GANESH : I am not sure
whether this particular question which the hon.
Member has asked really falls into this question,
it will more naturally fall into the next question,
i.e. Question No. 32, which relates to the in-
crease prices as result of budget levies and
other factors. Still Sir, I can give a reply to
that.

MR. CHAIRMAN : All right, give a
reply.

SHRI K. R. GANESH : The various mea-
sures taken by the Finance Ministry for con-
trolling the inflationary tendencies and price spi-
ral and its deleterious effect on the economy are
that in the budget certain fiscal measures have
been initiated limiting the deficit-financing to
a much lower level of 125 crores, the Reserve
Bank has a policy of credit restraint, market
borrowings have been appreciably increase and
other steps like import substitution have been
initiated. Then last year expenditure was reduced
approximately by Rs. 400 crores. These are
some of the measures which have been initia-
ted to come to grips with inflationary pressures.

SHRIMATI SUSHTLA SHANKAR ADI-
VAREKAR : Public distribution system exists
only in urban and industrialised areas. It does
not come into the picture at all so far as other
areas are concerned. In the rural areas specially
there is absolutely no public distribution
system.

SHRI K. R. GANESH : As already in-
dicated in the reply, the Planning Commission
has set up a committee popularly known as