

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. KULKARNI :
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 economic policy, which also covers such matters as pricing policy and public distribution of essential commodities, is kept under constants review, and changes are made as and when necessary. 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 Industrial 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 Shrinati Sushila Shankar Adivarekar.

As regards the system of public distribution, the Planning Commission had, last year appointed a Committee on Essential Commodities 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 commodities 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 increase 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 measures taken by the Finance Ministry for controlling the inflationary tendencies and price spiral 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 initiated to come to grips with inflationary pressures.

SHRIMATI SUSHILA SHANKAR ADIVAREKAR : 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 indicated in the reply, the Planning Commission has set up a committee popularly known as