

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: The House stands adjourned till 3 P.M.

The House then adjourned for lunch at twenty-five minutes past one of the clock.

The House reassembled after lunch at three of the clock, THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): in the Chair.

MOTION RE MEASURES FOR MAINTAINING PRICES OF ESSENTIAL COMMODITIES

SHRI BHUPESH GUPTA (West Bengal): Sir, I move:

"That the statement on measures for maintaining prices of essential commodities at reasonable levels, laid on the Table of the Rajya Sabha on the 12th November, 1962, be taken into consideration."

Mr. Vice-Chairman, it is for the first time that we have been provided with a statement by the Government, in particular by the hon. Minister for Planning, about the measures the Government proposes to take with regard to the problem of prices, and I welcome the statement if only for the reason that it enables us at least to move in this matter with concrete steps and at the same time to discuss the problem completely and make our suggestions before the Government.

As you know, Sir, we are in the middle of the Third Five Year Plan. During the two Plans and more especially during the Second Plan, the question of prices came up to the forefront of public discussions because

the facts of life compelled that issue into the centre of things. That was perhaps not so at the time of the First Five Year Plan. When we were in the Second Five Year Plan we saw the prices rising, spiralling all the time with certain seasonal variations which did not mean much. As a matter of fact, from the second half of 1955, even before the Second Five Year Plan came into operation, the prices began to shoot up, prices of all types of commodities, especially food articles. That process has continued with some variations at different points of time. We have before us now a situation in which we find that the prices of commodities have gone up compared to 1939 (pre-War period) by about 400 per cent. or four times, roughly speaking. In some commodities it may be less; in respect to other commodities it would be higher. At the same time the earnings of the people in monetary terms have not gone up by four to five times. The result is that in many sections of the people there is a depressing standard of living because the monetary earnings of the working people are not catching up with the spiralling and runaway prices. This certainly does not speak well of our Plans or of our planning.

Now, the situation as it stands today is given in a paper circulated by the Government, by the Ministry of Planning itself. I would invite your attention to the position as it is today. I am taking the wholesale price index. On March 31, the food articles stood at 118.5. Just a few days ago, a month ago shall we say, on October 20, 1962, it had risen to 129.2, that is to say roughly 12 per cent. rise. Prices of other commodities have also gone up. Let me deal with food items first. In March last, cereals stood at 101.6; on October 20, 1962, they stood at 108.3. On March 31, 1962 the pulses stood at 92.2 and on October 20, 1962, they stood at 116.4. In March, sugar stood at 121.8 and in the third week of October it was 128.9. In March and stood at 120.1 and on October 20, it stood at 171.2. If you take all the food articles together, then the position

is as follows. On March 31, the price index stood at 118.5 and on October 20, at 129.2, that is to say, a rise of roughly 12 per cent. in this period. Then if you come to manufactures, there also there is a slight rise. On March 31, it was 126.3 and on October 20, it was 129. This is the rise.

Now, I have given you these figures. These are the trends. These are not strange or peculiar. They have become typical trends in the price structure of our country. There has been a lot of talk as to how to control the prices. But little has been done and we have been left, as it were, to the mercy of speculation and those forces that operate to boost the prices to the detriment of the community, especially the consumer. Now, this problem has to be tackled on all fronts and for this naturally we require rigorous measures, fiscal, economic and administrative. Indeed, what is needed is to review the entire fiscal and financial policy of the Government in the context of planning and formulate measures for checking prices for controlling prices. But, somehow or other, the Indian planners have not given much attention to it. I do not know why. In other countries, in the context of planning the question of prices is given the utmost attention. We have plenty of speeches on prices but very little of performance in this matter by way of controlling them. Many times in this House and in the other House we have been given an assurance that something will be done but, unfortunately, things have not been done as they should have been done.

You will remember that once a meeting of the National Development Council took up the question of prices and discussed it at length and I am sure the hon. Minister for Planning attended this meeting. It was decided that the Chief Ministers would be entrusted with the task of formulating what they called the price policy of the Government. And we were told through newspapers, official communique and other things, that the Chief Ministers concerned would be shortly meeting to formulate the

price policy, the assignment that had been given to them by the National Development Council. Nothing was done. We never heard of the Chief Ministers' meeting at all with regard to the question of prices. How could the country take you seriously when the National Development Council which consists of eminent Ministers and Chief Ministers of States took a decision of this kind but it was not implemented? Naturally, people began to doubt whether you are at all serious in this matter. Anyhow, it came to the Minister for Planning. At least he has come out with something. Whether you like it or not, whatever criticisms you may make, he has come out with certain suggestions with regard to this question of prices. We should consider them in all seriousness and make our observations on them. But I complain that in the administration there is not the requisite awareness that the problem of price has to be tackled in all seriousness.

It is a problem which has very great implications. In the first place, planning is very much dependent on the price-structure and the price policy. As you know, with variations in prices, the Plans get upset, the projects are disturbed, whether from the point of view of mobilising the financial resources or of preventing the costs from rising. Price is also important from the point of view of promoting the social objectives in the Plan. It is pointless to talk of removing income disparities or improving the level of living, as the Second Five Year Plan has put it, and yet not take measures to control, check and keep the prices under control. Then again we have also certain objectives about the distribution of national income. Unless we have a clear-cut and correct price policy it is not possible even to promote proper distribution, even just distribution, or equitable distribution—if you like that expression—of national income in the country.

Then the question is of course vitally important from the point of view

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of the living standards of the masses which the Plans should promote all the time. If the Plans get divorced from the living standards of the masses, then the Plans are in disrepute; people begin to dislike some features of the Plan, and it is possible for the enemies of the Plan to become most hostile to the Plan. The Plan should be not only the construction of factories and other things—in a physical sense—in the country; the Plan should be such as would constantly improve the living standards of the masses, that is to say, the workers working in the factories, the office employees or the agriculturists—wherever they work. He understands that planned development means his better living, better education for his children, cheaper essential commodities for meeting his barest requirements and, in short, a better life. Unless we bring about a situation of this kind, the Plan becomes something which does not appeal to the people in our country, as indeed has been the case in many ways. Therefore, it is very important.

If the prices go on rising, as they are rising today, who suffers? The fixed income group suffers, the salaried people, the Government employees and others whose incomes are fixed; they suffer very badly. We have the report that has been submitted by Prof. Mahalanobis with regard to national income and its distribution, and the distribution shows that the greatest sufferers in the field have been the Government employees, and so on, people with fixed income, fixed salaries, and so on. Then the working class suffers because their wages, as I said, do not catch up with the rising prices, and there is a fall in the real wages, or, the real wages remain static; there is no material improvement in the standard of living. Our Planning Minister was himself frank enough to state it once in his speech in the other House. Then we have the agriculturists. They also suffer when they sell their produce, but when they buy things from the market, kerosene, and other things,

cloth, and so on, they have to pay very high prices. As a seller they are left to the mercies of the speculator and the profiteer who do not give them a fair price as, for example, has been the case in West Bengal, where the jute-growers did not get even Rs. 30 per maund for their product. But when the agriculturists go to buy in the market, they are faced with rising prices of the commodities they have to buy from the market. Therefore, they suffer. Therefore, in point of fact such is the case, and in economics it becomes an instrument of exploiting the poorer sections of the community both in the urban and in the rural areas—the price policy of the Government. It suits the capitalist class and the richer class very well, because this is one of the means by which they exploit the poorer sections of the people, the toiling people. Therefore, socially it is a tainted thing when the prices continue to rise in this manner.

Now, what are the causes that give rise to the growing high prices? Many people have spoken on the subject from time to time; articles have been written on the subject by economists and others. But to us the problem is not so mysterious as it would seem to some people. It seems that there is a deliberate attempt to bypass the causes that give rise to these high prices in our country. Now, I shall ask the hon. Minister to consider these factors, these reasons. The first reason is to be found in agriculture. As you know, 33 per cent of the land-owners, or those people who hold land hold between them nearly 30 per cent of the cultivated land in our country. The Second Agricultural Labour Enquiry Commission report has pointed out that there is concentration of land still in the hands of a very few people in the countryside despite all the land reforms in the land. Then connected with this social system or arrangement you forget the wholesaler and traders operating in our rural economy, and they are invariably linked up with the landlord class. The result is that they boost the prices, indulge in speculation, and

what is most tragic in the entire situation is that when they buy the agricultural produce, they depress the prices so that the peasantry is denied what is due to it. This is one factor. Therefore, I think that unless this land question is tackled properly and we go to the roots of the problem, one of the basic causes for the rise in prices will not have been eliminated. If today, for example, the peasant masses were the owners of the land, they would have been free to sell things as they liked, control things as they liked, and these speculative elements would not have been there to the extent to which they are today, and the price position would have certainly improved. Here I must point this out. It is said in the Government papers that the jute prices fell because there was a bumper crop. Now, this kind of argument we do not like. We know the jute prices fell in West Bengal, or rather, were artificially brought down because the speculators and the jute mill-owners conspired together to bring down the prices when they went to the market, and they took advantage of their dominant position in this respect and forced these low prices on the jute-growers; bumper crop had nothing to do with it. Whatever the crop, they can always do so because they are monopolistic buyers and they are well organised and are in a position to do so. The co-operatives in our country have not succeeded very much in controlling prices; it is also for the reason that they are under the control of the wholesalers and traders and so on, and also the landlord element.

Here Mr. Ajit Prasad Jain was asked to give his comments and they have appeared in the "Economic Times". He was once the Minister for Food and Agriculture. Asked whether, as suggested in some quarters, the State Governments should take over the wholesale trade, Mr. Jain replied, "Yes, it depends on the competence of the State Governments." Asked whether the State

Governments were competent, Mr. Jain replied, "The whole world knows the truth." He would not like to utter a sin and, therefore, he would not tell what is the truth. In other words he conveyed to the "Economic Times" of September 7, 1962, that the State Governments are not competent. Now, I join issue with him. It is not a question of competency or incompetency; the State Governments do not want to do so for certain reasons, certain affiliations, certain connections, and if I may say so, our present Food Minister, the moment he stepped into the Ministry, saw to it that whatever prospect was there for State-trading in foodgrains was buried, and he did it. Once he went to Bombay and he said that State-trading in foodgrains was buried. Who buried and how it was buried, he of course did not tell. Yet, from these Treasury Benches Prime Minister Nehru spoke very eloquently about State-trading in foodgrains. I think this aspect should be borne in mind. There is no indication here, except the setting up of certain shops and so on, that there will be any appreciable State-trading in foodgrains. Therefore, it is not a question of competency or incompetency; it is a question of basic policy. I think, more especially in the present situation of emergency, it becomes all the more the duty of the Government to embark on the scheme of State-trading and thereby minimise the harm which is otherwise caused as a result of the control of our agriculture remaining in the hands of a small number of land-owners, speculators, traders and so on.

Then, again, we have got deficit financing. In the first two Five Year Plans deficit financing amounted to Rs. 480 crores. If you take the first two years of the Third Plan, the amount comes to Rs. 1,781 crores. Thus, deficit financing has an inflationary effect on the prices. I am not opposed to deficit financing provided it is kept within limit and is matched by countervailing measures. But what has happened today? The Government budgetary calculations having

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gone wrong, they indulge in deficit financing as they like, forgetting even the targets that had been set up. The result was that there were inflationary pressures which helped the prices to rise. Let us not make the theory as if deficit financing must necessarily give rise to this kind of spiral in prices and so on. It would not have happened provided it was properly administered and controlled.

Here, again, you have the monetary supply with the people. This is also an important factor. Under the First Five Year Plan, the money supply with the public went up by Rs. 204 crores or 10.4 per cent. Under the Second Plan, it went up by Rs. 718 crores or by 33 per cent. That is to say, compared to the First Plan the money supply went up by three times. This is the position. Now, in 1961-62 the money supply comes to about Rs. 3,049 crores, that is, it has gone up by another Rs. 147 crores. We can understand expansion of money supply in a developing economy. But we do not take other measures, mopping up of extra profits, controls and so on in order to prevent the deleterious and harmful effects and we do not get any indication as to how things will be handled.

Again, we have got a bad credit expansion. There is a notion as if deficit financing is only confined to the Reserve Bank or to the Government. Sir, a kind of deficit financing goes on in the banking industry and bank credit expansion goes on. And much of this credit is utilised for speculation and other profiteering trade. This has been pointed out even by the memoranda prepared by the Ministry of Finance. I may give you one example. Between October, 1960 and March next year, there was an expansion of bank credit to the order of Rs. 200 crores, and the Finance Ministry pointed out later that quite a good part of this money had gone for financing, hoarding and other speculative business. Now, it may not do well just to point out the various

regulatory powers of the Reserve Bank if the banks remain in the hands of a few big business houses which mix with all kinds of speculative and profiteering elements and which are interested in backing up their people in these lines of trade. Therefore, you cannot possibly check effectively this bank credit expansion. That should also be included.

Then there is the question of taxation. Indirect taxes boost up prices, as we know, and it has been pointed out by many authoritative writers on the subject how they do so. We have reached a stage when indirect taxes come to nearly Rs. 500 crores at the Central level. The tendency of indirect taxes also is to boost up prices. The Ministers always try to make out, when they impose excise duty, that prices do not rise by such things. You heard the theory of match box at the time of the last Budget when the Finance Minister made the wonderful discovery or made the statement in the other House. He said that he had sent somebody to buy a match box and he bought it, even after paying the excise duty on the match box, at the same price as if people would write excise, price and so on on the cash memo. This is kidding with Parliament. That is all I can say. The moment there are excise duties, prices begin to rise.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Five minutes more.

SHRI BHUPESH GUPTA: I will take a few minutes more.

Then, profiteering and speculation are not checked. Check is not applied properly on essential commodities. I need not dilate on these things since time is short. The point is how to face the situation. The suggestions we have made earlier I will just make again here for the Government to consider and that will be the last part of my submission to the House.

First of all, as I said, agriculture has to be controlled. Production should certainly go up. Land reforms

are essential. But there we want State-trading by the Government especially in foodgrains and other essential agricultural commodities. That way the Government, I think, will be earning revenues and also keeping the prices down. Merely starting fair price shops will not do. This is good as they are, but they will not do by themselves. Something more has to be done.

Then, again, indirect taxes should be reduced as far as possible. Certainly, foodgrains and other things should not be taxed because they have always a regressive effect. There should be cost accountancy. Now, the commodities that are produced by our industries, the prices of these are fixed by the owners of the industry, the capitalist class. We do not have any say in the matter. And the Minister will have the advice of some industrial bosses from the textile industry. What we need today is that we must have a system of Cost Accountants, Government servants. The Cost Accountant shall go into the cost structure of every single industry and fix the price, keeping in view the needs of the country, the problems of the consumer and other aspects of the matter. We cannot simply allow this matter to be left in the hands of the capitalist class to fix whatever prices they like to fix.

Here I may point out that at the time of the last war there was stamping of price on cloth. That was done by the British. The prices were settled by the same owners of the textile mills. They advised. The Textile Commissioner went there and put the seal of the Government on it. We do not like such a farcical thing at all. Whether it is textile, cement or any other commodity, we want the Cost Accountants of the Government to go there, study the problem and formulate the price-structure for every single industry, for every single commodity, more especially essential commodities. That is very, very, important. I lay very great importance on it because you can never bring down

prices unless you go to the roots of the problem and strike at the very base where the price manipulations go on.

Profiteering and speculation should be stopped. Forward trading in gold and other things has been stopped. Badla transactions should be completely scrapped and declared illegal. And I do not see how you control the prices if you allow the stock exchanges of India, seven or nine—all of them. This kind of speculation and profiteering is another question that I place before the hon. Minister to consider.

Then, again, the Essential Commodities Act should be administered properly. As you know, this Act in the beginning was passed with a view to empowering the State Governments to control and check prices. But what the State Governments did in Punjab and West Bengal was to give exemption and find out the ways and means of circumventing this law in order that the speculators could make hay when the sun was shining. This was the position and the prices went up. That, of course, is another aspect of the matter which the Government should bear in mind.

The Government should start a large number of fair price shops and so on and they should encourage co-operatives on a much larger scale. They should see as to who controls these co-operatives and so on. At the same time why can we not have a large number of Government stores in the various towns and other places also? Some have been started but they are not adequate. Once you develop a system of Government stores and Government shops, that will have a tremendous, positive impact on the price-structure of the country and will be a great obstacle in the way of those who want to take advantage of the various situations in order to boost up the prices. Therefore, Government stores etc. are of great importance in this connection.

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Naturally, this cannot be done unless we go in for State-trading. State-trading should be developed not only in the domestic or internal market but also in the external market so that the millions of rupees that are earned unduly by the importers and exporters of this country because of their position are not going to them and part of it should come in for controlling the prices. At the same time, internally, it is essential to formulate a scheme of domestic State-trading especially in essential goods and commodities.

During the Second Five Year Plan the wholesale prices rose by 30 per cent. and this was the greatest condemnation of the economic policy of the Government because this 30 per cent. gives you a picture of the tremendous suffering to which the vast masses of our people had been put. We do not know what is going to happen when we are through this Third Five Year Plan but indications, as I have given, show that the spiralling prices will continue and there will be very little thing to arrest the rising prices. Therefore, from that angle also this should be studied.

I submit, therefore, that though it is good that the hon. Minister has come out with certain proposals, I hope a comprehensive integrated price policy will be formulated which will have different features which must reach the people of all sectors of our economy and take in hand every conceivable situation which gives rise to the phenomenon of rising prices. It will require a courageous break from the old discredited policy of the Government in so far as the prices are concerned and a re-orientation in the matter of price policy and formulation of new policy, new measures, new step, new administration so that the prices are brought down and kept under control, so that the social objective which the Plans have declared are not negated in point of fact by the rise in the prices. Unless we control the prices and bring them down,

it is pointless to talk about social justice or removal of disparities in income and so on. The price is the crux of the matter, it is admitted by the Government and stated by the Prime Minister but what we regret in this connection is that this is not matched, this kind of understanding is not matched, by concrete formulation of policies and practical measures on the part of the Government. Thank you.

The question was proposed.

SHRIMATI TARA RAMACHANDRA SATHE (Maharashtra): Mr. Vice-Chairman, I rise to congratulate the hon. Minister for the measures he is going to take in order to check a further rise in the prices. There is no doubt that the prices are rising very high. According to the Indian Chamber of Commerce, Calcutta, the general rise in the price index since 1952-53 has gone up to 128.1, in August 1961 and to 131.8 in August 1962. The price index for food articles has risen in August 1961 to 124.1 and in August 1962 to 132.9. It is very discouraging that the prices have gone up very high even in peace time and these figures warn us to be alert and to check a further rise in the prices. We should sincerely study the conditions which have taken place in the last days of the world war. In Calcutta, it is reported, that lakhs of people died for want of food, not that there was no food in the market or there were no articles in the market, but the prices had gone up very high. They were not sold in the open market and some few people made lakhs of rupees. They sold those articles in the black market. This term 'black market' is a war product. It is a product of the last war and this time we must be very careful and we must nip this demon in the bud. I hope that in our independent country this black market will not come up again because all of us are aware of the situation and everybody amongst us is eager to do our duty and to give whatever the country needs. So we are all prepared to undergo any ordeal whatsoever that we will have to,

but only this pious wish will not be helpful. So the Government must be ready to check such things and punish the people who are trying to buy or sell in the black market. There is a seller if there is a buyer and there will be a buyer if there is a seller. So, both of them should be punished and should be imprisoned.

At the outset, let me say that I neither propose to have full-fledged rigid control nor I am for *laissez-faire* and I support the policy which the hon. Minister is going to follow. There should not be a rigid control for reasons such as the Government will have to invest crores of rupees to bring the foodstuffs together and for distribution and for all that they would require administration and so they will have to invest some crores of rupees. Secondly, the Government can only deal with the towns and big cities but it will be difficult to have the control in the small villages and if we have a rigid control, then we know that the farm population will have to undergo inconvenience. Another thing that we should avoid is ghost cards and we should avoid black market and avoid smuggling. For these reasons, I am not for rigid controls. We should also not have a *laissez-faire* policy, that is a free market. We should not leave everything to the sweet will of the traders or shop-keepers and we should not allow them to hoard and thereby dictate the prices in the free market. In *laissez-faire* there is every possibility to have considerable rise in the prices. In these days of war, when expenditure will be counted by thousands of crores, when there will be lot of employment, then the purchasing power of the people will rise, and then there will be more and more rise in the prices. After the last World War, in independent and intellectually alive countries, the purchasing power of the people was frozen and I can say that our Government also should take this point into consideration and should

try to freeze the purchasing power of the people but this will require us to educate the people. We must create the public opinion and then alone the public will know why they should pay the taxes, etc. Also the Government should pay some part of the salaries and allowances in terms of short-term bonds in order to freeze the purchasing power of the public to some extent. Thereby they can minimise the prices of the essential goods to some extent.

In the United Kingdom, after the last world war, the rise in prices was only 10 per cent. Here I remember one thing that I was told by a friend. He had been to the U.K. in those days and there was rationing. But the foreigners were used to get more quota than the people who lived there. So this friend when he was to come back, he had some sugar with him and so he thought that this sugar he would give to the maid who was serving them. But this maid told him, "No, we will consume only whatever our nation gives us, and we are not entitled to have this much sugar. You are a foreigner and so they have allowed you to have this sugar. You can return this sugar to the rationing office." This is what she said and she refused to have the sugar. This is what is called national character. We know that everybody among our people is ready to display such a character. We must create public opinion for this and we must educate the public for that.

In order to achieve some regulation in consumption, we must open consumer shops as has already been mentioned in the Note of the hon. Minister. We must encourage the public in this matter and we must encourage voluntary organisations to open such shops. There should be some co-operative stores also and Government departments also should open stores. But as far as possible, we should encourage voluntary organisations to open such consumer shops. It

[Shrimati Tara Ramchandra Sathe] is true that if there is an adequate supply ordinarily there will be no rise in price. But if we are short of grains, we must appeal to the good sense of the public also and we should request them to adjust their needs accordingly. We should emphasise that in these hard days what is needed is not rationing of commodities but it is the rationing of sacrifices, that is needed more. Again and again, I would like to say that if we create this sort of public opinion, the public will very gladly suffer any ordeal and be able to manage with whatever the Government is able to give them.

Sir, it will not be out of place here if I take this opportunity to place a few suggestions before the hon. Minister which need constant and vigilant attention. For instance, adulteration should be dealt with. Also, there is still a lot of confusion going on between the old and new measures, between kilos, grammes, pounds and so on. This should be cleared. Thirdly, one should be very careful in issuing licenses only to the party who is directly concerned with the trade. They should not be given to the so-called middlemen who make a lot of money by getting these licences and giving them to other people. We should also publish the rates and prices in the press and on the radio. Fifthly, it should be made compulsory for every shopkeeper to write on a board the prices of his goods and to put that board at the entrance of the shop. Nobody should be allowed to hoard. The zonal barriers should be removed and transport facilities must be readily given for the movement of foodstuffs.

Sir, there should also be regulation of consumption. Let us try to introduce some preparations as substitutes for the dishes prepared from grains that are in short supply. In those days of rationing, we women had introduced such dishes for the public and we also know that they had become very popular. I may give one instance of it, if it will not be out of

place. Idli is prepared from rice and nowadays it has become a national dish. But we can prepare it from other pulses also which are more readily available in the market, instead of using rice in which I think, we are in short supply. Another example I can give at this stage. We can introduce *choolhas* in which saw-dust can be used, instead of kerosene. In such a *choolha* saw-dust which is otherwise wasted can be used and thereby we will not feel any deficit in kerosene.

Lastly, Sir, I would humbly say that we women will be able to do these things better. We know how to run our homes with whatever we get and so I say, leave this responsibility to us, this work of distribution and of inspection. I would suggest to the hon. Minister to appoint women in large numbers on the advisory and other committees in every district, taluka and village. Women will work, I can assure the House, more efficiently, selflessly and honestly. Thank you.

SHRI A. D. MANI (Madhya Pradesh): Mr. Vice-Chairman, I am glad the House is having an opportunity of discussing the Statement made by the hon. Minister of Planning on the subject of the control of prices. Before I come to offer my remarks on his scheme, I would like to ask him to clarify in his reply certain points which I want to raise in the debate.

It is known that the index of wholesale prices rose from 124.1 in August 1961 to 132.9 in August, 1962. The rise was substantial and an analysis has been made to find out the reasons which led to this increase in the prices. It has been found that the increase was not due to any rise in the price of foodgrains, because Mr. Patil has been going up and down the country assuring the people that there is enough food in the country to feed the population and that there need be no apprehension of any shortage of food in our country. I am told—and

I would like the Minister of Planning to confirm this—that the rise has been due to a rise in the price of fish, matches, ghee and sugar. It is essential that we have a clear idea about the factors which have led to the price increase, because without any such idea in our mind, it will not be possible for us to enforce any scheme of rigorous price regulation.

[THE DEPUTY CHAIRMAN in the Chair.]

Madam, I know that a large number of Members in this House, including my hon. friend Shri Bhupesh Gupta, believe in co-operative stores and State-trading. Somehow, State-trading has not had a very happy past. During the years 1944 to 1952 we had State-trading in foodgrains and the total loss sustained by the Government was of the order of Rs. 230 crores. Further, there was also State-trading in chemicals like mercury, acetic acid, caustic soda and so on. Before State-trading was resorted to, the prices of these materials were lower than the prices at which they were sold by the State Trading Corporation. Consumer co-operatives are necessary in a country like ours. But let us not run away with the idea that consumer co-operatives are the last word on the question of price regulation. It has been found in our country that wherever we had co-operative stores and co-operative agencies at work, the prices have risen. For example, we had the sale of sugarcane through consumer co-operatives to the factories and the result has been that the price of sugar has gone up. Therefore, before the Government finalises this scheme, I would like the Planning Minister to find out whether as a result of co-operative stores there is going to be a reduction in the price or a rise in the price, and if it is found that on account of the heavy overhead cost, on account of the interest charges and other charges, the prices are going to rise, then it would be better not to interfere with the present distributive

system, but to exercise very rigorous control on the distributive system.

I should like to ask the Planning Minister further whether he has taken into account the small towns and villages. We are going to have 200 wholesale co-operative stores and 4,000 primary stores. The number of towns with a population of over a lakh is 107 in India and the total population is estimated at about 3½ crores. The villages are not going to be fully covered by these co-operative societies and it is known that it is at the village level that the retail prices go up. In what way are we going to give relief to the people living in the villages by controlling prices? I am glad to see that the very vocal city of Delhi where Members of Parliament meet and where a good deal of publicity given to what is going to be done, is going to have 15 co-operative stores and they are going to start this network in Delhi. May I suggest to the hon. Minister of Planning that these stores may be opened in those vulnerable areas in India, areas which are exposed to this rise, because it is there that the prices are going to shoot up.

Madam, I would like to raise one other point in regard to State-trading in foodgrains. If it is found that the prices are going to rise through the sales of these co-operative stores, it is better to organise a system of effective control over prices through normal distributive channels. Now on the question of hoarding of foodgrains which has been often mentioned as one of the factors leading to rise in prices, it is possible for Government to take powers under the Defence of India Rules to examine the bank accounts of wholesalers. Most of these stocks are held against advances given by banks. If the Government find that a person is hoarding stocks, they can easily verify by reference to his bank accounts. Bank account will disclose whether there is intentional hoarding in order to give advantage to the wholesalers to sell at rising prices.

[Shri A. D. Mani.]

I would also like Government to consider another point. The articles which are going to be sold in these two hundred wholesale central stores and 4,000 branch and primary stores are confined to four articles. These articles constitute only one-fourth of the cost of living of the individual. Vanaspati, milk, sugar, all these must come within the price control formula which Government may evolve as a result of their experience through these co-operative stores.

Madam, I might mention here that there is a good deal of anxiety in spite of all that the Food Minister has been saying about food production, about the future trend of rise in prices. The other day I found in the press of Madhya Pradesh that the Madhya Pradesh Government wants to declare the whole area as a famine area because monsoon has failed and statements have been made by Ministers in Madhya Pradesh that there should be no export of rice to other areas in view of the conditions of scarcity. If we are going to control prices, the first thing that the Government ought to do is to have in every State an official of the Planning Commission associated with the Department of Agriculture. We do not want to leave food production in this emergency in the hands of State Ministries and when there are tendencies on the part of State Governments to regard their own food production as production belonging to that State only and not to India, that official should apply the necessary corrective steps. And I do hope that the Planning Minister would throw some light on the measures that Government have under contemplation for controlling and increasing production in the various States.

Madam, I believe that Government want to set up at some stage a Price Stabilisation Committee. That has not been announced in this scheme which has been put forward before Parliament but I believe that talks are going on that there should be a Price Stabilisation Committee.

THE MINISTER OF PLANNING AND LABOUR AND EMPLOYMENT (SHRI GULZARILAL NANDA): That is part of this scheme.

SHRI A. D. MANI: If it is part of the scheme, Madam, I would like to mention that that should not be regarded as a place for placating men, somebody who is very useful in the Rajya Sabha or the Lok Sabha should be put on the Price Stabilisation Committee. We would like Members of the Opposition to be very effectively represented on the Price Stabilisation Committee. That is the point. (*Interruption.*) This is our country; this is not your country alone. It is our country and we are all . . .

SHRI M. H. SAMUEL (Andhra Pradesh): I was merely emphasising the point for you.

SHRI A. D. MANI: On the Price Stabilisation Committee where I would like effective representation for the Opposition as well as for the wholesale and retail trade, we would also like some consumers to be on it. Here the suggestion made by the hon. lady Member from Poona should be accepted, that there should be women on the Price Stabilisation Committee because they deal far more, in a more acute way and they are far more sensitive to prices than any one of us in this House because they have got to find the money to buy the necessary articles. It will not be sufficient for our purpose if a Price Stabilisation Committee . . . (*Interruption.*)

Madam, I would like to have some order on this side of the House when I am speaking. They may disagree. They may send their names but they should allow me an opportunity to speak. They should not go on . . .

THE DEPUTY CHAIRMAN: Why do you look at Mr. Samuel? Look at the Chair.

SHRI A. D. MANI: Mr. Samuel is always looking at me. What am I to do? Both of them have been all the time talking.

The Price Stabilisation Committee should be followed by some organisations at State, district and village levels because, if we are going to control prices, there is no point in controlling it only at the Central level. If one goes through the memoranda and evidence led before the Joint Committee on the Customs Bill, one will find that prices vary from centre to centre. The bottle-neck in transport sends up the charge. It is better, therefore, that we have Price Stabilisation Committees at all levels including State level and the village level. People have to be put who have an idea of the factors that lead to a rise in prices.

Madam, this makes me go on to the question of hoarding and profiteering and blackmarketing. Whatever the Soviet Union might have done including their failure to restrain China in the present emergency, I may say that they have got salutary ways of dealing with blackmarketing. Death penalty is being inflicted on blackmarketeers. We are told by some national leaders that blackmarketeers will be hanged but these blackmarketeers were contributing very handsomely to party funds to fight elections.

SHRI LALJI PENDSE (Maharashtra): That was in 1947, not now.

SHRI A. D. MANI: If we are going to put an end to blackmarketing, we should try to see that the provisions of the Defence of India Rules relating to enhancement of penalties are applied to blackmarketeers, that we give ten years R.I. to a man who indulges in blackmarketing.

SHRI ARJUN ARORA (Uttar Pradesh): Why not . . .

SHRI A. D. MANI: Because we are wedded to the doctrine of Mahatma Gandhi and because we do not want to take life easily, I am not able to recommend . . .

PROF. M. B. LAL (Uttar Pradesh): Are you sure Gandhi preached a ten-year punishment?

SHRI A. D. MANI: Unless we have some scheme for dealing with black-marketing we would not be able to control blackmarketing and hoarding.

There is one other point that I want to mention. We are now in a very grave emergency. As the situation develops more problems have got to be faced not only in respect of defence but in respect of civil defence, in respect of maintaining the morale of the population, etc. I was happy that Rajaji said the other day in Madras at a public meeting that in view of the comprehensive character of the Defence of India Rules, there should be an all-party Government . . .

SHRI AKBAR ALI KHAN (Andhra Pradesh): He was of the other view.

SHRI A. D. MANI: He made this statement in Madras and if we are going to tackle this emergency and the price rise . . . (Interruption.) He was of that view but he changed it three days ago. I can give the extract to the hon. Minister and the hon. Prime Minister. I do hope that if the emergency worsens and the situation calls for drastic measures, Government will set aside party considerations and try to constitute an all-party Government which is necessary for boosting the morale and for controlling prices and for keeping the economy sound in the present crisis.

Thank you.

4 P.M.

THE DEPUTY CHAIRMAN: There are six speakers; ten minutes each. Shri Deokinandan Narayan.

श्री देवकीनन्दन नारायण (महाराष्ट्र) :
उपसभापति महोदया, मैं इस प्रस्ताव का
हादिक स्वागत करता हूँ। लेकिन यह
प्रस्ताव बहुत पहले ही आना था, पर
better late than never.

श्री अकबर अली खां : देर आयद,
दुरुस्त आयद।

श्री देवकीनन्दन नारायण : साल भर से इस बात की चर्चा हो रही है कि देश में महंगाई बढ़ रही है। परन्तु इस बात की ओर जितना खयाल जाना था उतना नहीं गया। आज मैं इसका स्वागत करता हूँ कि गवर्नमेंट ने यह योग्य ही सोचा है कि कुछ न कुछ इस मामले में करना चाहिये। महंगाई के सवाल की ओर जब हम देखते हैं, तब हमें खास कर आम जनता की दृष्टि से इस ओर देखना चाहिये। मैं जब अपने प्रांत का खयाल करता हूँ तो मैं देखता हूँ कि वहाँ के लोग, आम जनता और खास करके किसान क्या खाते हैं। ज्वार और बाजरे की रोटी, उस पर प्याज, मिर्च और तेल, यह आम जनता का, किसानों का खाना है महाराष्ट्र में, और आप देखिये कि आज ज्वार और बाजरा की कीमतें क्या है। फेयर प्राइस शाप में गेहूँ सस्ता मिलता है और वहाँ का जो स्टेपिल फूड है ज्वार और बाजरा, वह महंगा है। इसी तरह से प्याज को लीजिये, आज प्याज का भाव दूना है। तेल को लीजिये, दो रुपये सेर और डार्ड रुपये सेर से कम तेल मिलता ही नहीं है। मिर्च तो तीन रुपये सेर है। यानी आम जनता की निगाह से आप देखेंगे, तो अनाज महंगा है, प्याज महंगा है, तेल महंगा है और मिर्च महंगी है। क्या कारण है कि ये चीजें इतनी महंगी होती जा रही हैं? एक तरफ किसान कहता है कि मुझे जितना मिलना चाहिये मेरे उत्पादन से, उतना मुझे प्राप्त नहीं होता। उधर ग्राहक कहता है कि हमें महंगा इतना लेना पड़ रहा है और हमारी जो आमदनी है, उसमें हमारा गुजारा चल नहीं सकता। बीच के जो लोग हैं वे मौज करते हैं, ज्यादा नफा करते हैं। जहाँ तक मैंने देखा है, गरीब किसान अधिक पैदा करना चाहता है, परन्तु करे क्या? उसे इतना पैदा नहीं होता जिससे कि उसके घर का अनाज का खर्च, बाद में कपड़े का खर्च चल जाये और उसकी अन्य आवश्यकताओं का खर्च चल जाये। इतना

तो उसकी ज़मीन से पैदा नहीं हो सकता। इस देश में सैकड़ों ६५ होल्डिंग्स ऐसी हैं कि जिनके पास ज़मीन पांच एकड़ से कम है। अब पांच एकड़ से कम जिनके पास ज़मीन है, वे अपने कुटुम्ब के खानेपीने का खर्चा भी चला लें, उसके बाद कपड़ा भी ले लें, घर को भी देखें, और दूसरी जो चीजें हैं विवाह शादी आदि—उनको वे किस तरह से निभा सकते हैं? तो हमें यह देखना चाहिये कि किसानों को पर्याप्त पैदा होता है या नहीं और उन्हें योग्य दाम मिलते हैं या नहीं।

फिर आप देखेंगे कि किसानों की दृष्टि कैश क्राप्स की तरफ दिनों-दिन बढ़ती जा रही है। कैश क्राप्स में उसे ज्यादा आमदनी होती है और अनाज से उसे कम आमदनी होती है। मैं अपने यहाँ देखता हूँ कि हमारे यहाँ कपास में जितना पैदा होता है, जितना धन मिलता है, उतना धन ज्वार और बाजरा में नहीं मिलता। इसी तरह १०-१५ वर्ष पहले मेरे जिले में मूंगफली या ग्राउंड नट्स की पैदाइश कम थी। अब वह बहुत बढ़ गई है और ज्वार और बाजरा की पैदावार कम हो गई है। इसका कारण यह है कि ज्वार और बाजरा में उतनी उसे आमदनी नहीं होती, उतना पैसा उसे नहीं मिलता, जितना कि कपास और मूंगफली में मिलता है। यहाँ निवेदन में एक जगह पर आपने कहा है :

"The cultivator should have the necessary incentive to invest in improved agricultural practices and, whatever the level of production, should be in a position to reckon on an assured reasonable return for his produce."

Now, they speak of reasonable return. What is this "reasonable return"?

चारवर्ष पहले या ज्यादा हो गया होगा, नागपुर कांग्रेस में हमने यह प्रस्ताव किया था कि

किसान को पहले से यह कह दिया जाना चाहिये, बोने से पहले, बोने के सीजन से पहले कह दिया जाना चाहिये कि उसको यह दाम मिलेंगे उसके प्रोत्साहन के लिये कहा गया था। इसको चार पांच वर्ष हो गये। बाद में कई दफा इसी सदन में फूड मिनिस्टर ने भी कहा कि हम इसको करना चाहते हैं, परन्तु आज तक यह नहीं किया गया। आज यह कहा जाता है कि उसे 'रिजनेबिल रिटर्न' मिलना चाहिये। रिजनेबिल रिटर्न कब मिल सकता है? क्या उसके घर में पैदावार आ जाने के बाद उसको रिजनेबिल रिटर्न मिलना चाहिये? यह आपको सोईंग सीजन से पहले जाहिर करना चाहिये ताकि सोईंग सीजन से पहले उसे मालूम हो जाये कि हम आगे अनाज बोयेंगे वो उसमें यह आय होगी, कपास बोयेंगे तो यह आमदनी होगी, मूंगफली या और कोई चीज बोयेंगे तो यह प्राप्त होगा। इसलिये आवश्यकता इस बात की है कि उसे रिजनेबिल रिटर्न यदि आप देना चाहते हैं तो उसका मतलब यह है कि बोने के सीजन के पहले अनाज और दूसरी चीजों की कीमतें आपको जाहिर कर देनी चाहियें तभी उसको कुछ प्रोत्साहन मिल सकता है और वह जान सकता है कि उसे क्या बोना चाहिये और क्या नहीं बोना चाहिये।

दूसरी बात आपको यह भी करनी चाहिये कि इस देश में क्राप प्लानिंग की व्यवस्था हो, जिससे यह स्पष्ट हो जाये कि हर एक प्रांत में या जिले में कितनी जमीन पर अनाज पैदा हो, कितनी जमीन पर कपास पैदा हो और कितनी जमीन पर और चीजें पैदा हों। क्राप प्लानिंग की कोई तजवीज इस देश में आज तक नहीं बनी। इसके कारण आज यह होता है कि जब किसान देखता है कि गत वर्ष हमें फलों चीजों में रिटर्न अधिक मिला तो वह उसी को

बोने लगता है। इससे हमारे देश में उत्पादन का बैलेंस बिगड़ता है। इसलिये मेरी पहली प्रार्थना यह है कि आप बोने के सीजन से पहले यह जाहिर कर दें कि आने वाले सीजन में किसान को किस चीज के क्या दाम मिलेंगे। दूसरी मेरी प्रार्थना यह है कि आप क्राप प्लानिंग की भी तजवीज करें।

इसके बाद आम जनता की दूसरी आवश्यकता है कपड़ा। आप देखें कि कपड़े की कीमतें आये दिन ज्यादा होती रहती हैं। इसका एक कारण यह है कि कपड़े की वैरायटीज बढ़ती रहती हैं और बेचारा साधारण मनुष्य बाजार में गुम हो जाता है कि मैं क्या लूं और क्या नहीं लूं। मैं यह प्रार्थना करूंगा कि क्वालिटी पर जितनी निगाह आप रखना चाहते हैं उससे भी ज्यादा आपको वैरायटीज पर निगाह रखनी चाहिये। आम तौर पर जनता कोर्स कपड़ा पहनती है। अब यह देखिये कि कोर्स कलाथ में कितनी वैरायटीज चली हैं। अक्सर मैंने यह देखा है कि व्यापारी, कारखाने वाले या मिल वाले जो कपड़ा घटिया होता है उसको रंगते हैं, उस पर छपाई करते हैं। इसलिये मैं तो कहूंगा कि आप कोर्स कपड़े की वैरायटीज पर रेस्ट्रिक्शन रखिये। कोर्स कलाथ पांच या दस किस्म का ही होना चाहिये। जिस तरह से रूस में वैरायटीज के ऊपर रेस्ट्रिक्शन है, जिस तरह से चीन में वैरायटीज के ऊपर रेस्ट्रिक्शन है, उसी तरह से हमारे यहां भी होना चाहिये। आम जनता के लिये सैंकड़ों वैरायटीज पैदा होने देना, मैं कहता हूं, बहुत कुछ उनके लिये हितकर नहीं है। इसलिये रेस्ट्रिक्शन की यदि कहीं आवश्यकता है तो वैरायटीज पर है और वह भी है कोर्स कलाथ और लोअर मीडियम कलाथ के ऊपर।

श्री गोपीकृष्ण विजयवर्गीय (मध्य प्रदेश):
इंटेडर्ड कलाथ।

श्री देवकीनन्दन नारायण हा, उसी का नाम रटेडर्ड क्लाय आप कह लीजिये ।

इसके बाद आपने इसमें ड्रग्स की बातें, दवाओं की बातें कही हैं और आपने लिखा है कि गवर्नमेंट व्यापारियों के साथ बातचीत करके खास खास दवाओं की कीमतें निश्चित करेगी । मैं आपसे पूछना चाहता हूँ कि आम जनता में कौन सी दवायें चलती हैं ? आज भी आप देखेंगे कि आयुर्वेदिक और यूनानी दवायें जितनी किसानों द्वारा गावों में खरीदी जाती हैं, उतनी आपकी एलोपैथिक दवायें नहीं खरीदी जाती, क्योंकि ये साधारण दवायें होती हैं । तो इनके बनाने वालों के ऊपर निगाह रखनी चाहिये और उनके लिये लाइसेंस की व्यवस्था करनी चाहिये । बनाने वालों के लिये, मैन्युफैक्चरर्स के लिये लाइसेंस की आवश्यकता है न कि व्यापारियों के लिये, क्योंकि व्यापारी या दवा बेचने वाले उसमें कोई बहुत बेईमानी, मिलावट नहीं कर पाते । खास करके जो एडल्ट्रेशन होता है और तरह तरह की बातें होती हैं वह मैन्युफैक्चरर्स द्वारा, दवा बनाने वाले जो उनके द्वारा होती हैं । आयुर्वेदिक दवायें तो गांव गांव में और शहर शहर में बनने लग गई हैं और आयुर्वेदिक और यूनानी दवाओं में गरीब लोग लूटे जाते हैं । इसलिये यूनानी और आयुर्वेदिक दवायें जहां बनती हैं, वहां रेस्ट्रिक्शंस की, लाइसेंस की जरूरत है । एलोपैथिक दवाओं के बारे में अब बहुत कुछ जानकारी हो गई है और आपके बहुत से बड़े बड़े डाक्टर्स इसके लिये हैं पर आयुर्वेदिक दवाओं को वैद्य लोग चाहें वे छोटे हों, बड़े हों, नये हों, पुराने हों, परीक्षा पास हों या न हों, सभी बनाते रहते हैं और बेचते रहते हैं ।

SHRI AKBAR ALI KHAN But they are very cheap

SHRI DEOKINANDAN NARAYAN But still they can be made cheaper They are all adulterated

THE DEPUTY CHAIRMAN Your ten minutes are over

SHRI DEOKINANDAN NARAYAN I shall just finish.

आपने इसमें आगे एक बात लिखी है कि हमें अन्न में अधिकता करनी चाहिये । फूट्स और एग्ज वगैरह बहुत सी चीजें इसमें लिखी हैं । जहां तक फूट्स का सवाल है मैं आपसे प्रार्थना करूंगा कि केलो को आप अन्न में शामिल करिये । आपको गत युद्ध का अनुभव होगा, गत युद्ध में गवर्नमेंट ने केलो को फूड करके मान लिया था । केलो से जितना जल्दी पेट भरता है उतना और फलो से नहीं भरता । तो केलो की उपज को, आपको प्रोत्साहन देना चाहिये और केलो की कीमतों के ऊपर भी आपको निगाह रखनी चाहिये । मैं आपका ध्यान इस बात की ओर खास कर इसलिये खींचता हूँ कि वह मेरे ज़िले की एक खास चीज है । अब वह गिनती से नहीं बिकता है, मन से, तौल से बिकता है ।

इसके बाद आखीर में जो मुझे कहना है, वह फेयर प्राइस शाप के बारे में कहना है । जहां जहां आप फेयर प्राइस शाप्स खोल रहे हैं, वहां वहां ये फेयर प्राइस शाप्स गरीब जनता के लिये ही हों । एक हद बाध देनी चाहिये और उससे ऊपर के लोगों को फेयर प्राइस शाप्स से अनाज नहीं मिलना चाहिये, क्योंकि मैंने यह देखा है कि जब अच्छा चावल आ जाता है तो फेयर प्राइस शाप्स में बड़े लोग खरीदने को आ जाते हैं और बेचारे छोटे को, गरीबों को, वह नहीं मिलता है । इसी तरह से अगर कहीं अच्छा गेहूँ आ जाता है तो वह बड़ों को मिल जाता है और छोटे को नहीं मिल पाता है । इसलिये उसके ऊपर एक बंधन रखना चाहिये, ताकि भले ही वहां अच्छा चावल आवे या घटिय आवे, वह गरीबों को मिल सके, आम जनत को मिल सके और भागवानों को वहां से

सिर्फ इसलिये न मिलने पावे कि वहां सस्ता मिलता है ।

एक और बात कहूंगा कि आपको किचेन गार्ड्स को प्रोत्साहन देना चाहिये । लड़ाई के जमाने में इंग्लैण्ड वगैरह देशों में इस चीज को बहुत प्रोत्साहन दिया गया था । जिस वक्त इस देश में कंट्रोल का जमाना था उस वक्त महात्मा गांधी ने भी इसका बहुत बड़ा पुरस्कार किया था । किचेन गार्ड्स से जितनी वेजिटेबिल चाहें उतनी पैदा कर सकती हैं और वेजिटेबिल अधिक होने से अन्न की भी बचत हो सकती है और उससे आपकी बहुत कुछ समस्या हल हो सकती है । इसलिये मेरी प्रार्थना है कि आप किचेन गार्ड्स को बहुत जोरों से प्रोत्साहन दें ताकि आपको वेजिटेबिल्स की और दूसरे चीजों की बचत हो सके । धन्यवाद ।

SHRI K. V. RAGHUNATHA REDDY (Andhra Pradesh): Madam Deputy Chairman, a very impressive analysis of the position has been placed before us both by the Government and by some of the speakers who spoke about the price level. It may, perhaps, be not yet time when we will be in a position to discuss elaborately the various schemes of price-control in relation to planning. The entire price system and its impact will have to be understood in relation to the war economy and the prices that would rise in relation to the war economy. Once the nation is placed entirely on a war footing, the doctrines that would govern in relation to economic planning and prices would be altogether different from what would obtain in times of peace and actual planning in peace. This kind of phenomenon had been observed during the Second World War itself. In spite of the high patriotism of the English people who had endured all difficulties, the prices could not be controlled even in England. The story of prices during the Second World War in India is one of a damaging picture.

In the present context of Indian conditions one thing has to be understood very clearly and it need not be over-emphasised. Fighting a war means not only fighting on the battle front. It has to be fought by the Army all right. But the battle has to be fought in the rear also. As Mr. Mani has pointed out, the morale of the people is as important as equipment and the morale of the people is important for the army on the battle front. If we had seen how England stood the test during war time, we would find that by the will of the people they stood the test, and they could endure all difficulties. In the same manner, whatever might be the best effort put forward by the members of the Government, unless there is whole-hearted co-operation from all the members of the public to keep the rear undemoralised and absolutely ready for any emergency, I am afraid even the Government will not be able to do much.

For this purpose it is necessary that there must be a Price Stabilisation Committee, which will deal with prices and fix prices from time to time. Any student of economics will know that the prices do not merely depend on producers or on the manufacturers alone. There is what is called the distribution system which would affect the prices one way or the other. Taking all the representatives of the various concerns or various economic institutions and also members of the public and the Government—and I do not grudge the Members of the Opposition being taken as Mr. Mani has suggested—on it, the Price Stabilisation Committee should review from time to time the various measures, see whether the prices have risen and what prices should be fixed for various articles, etc.

In this context, I may also suggest that the National Defence Committees, which are formed at all levels, including the village level, must be entrusted with the duty of inspecting and supervising the price level and

[Shri K. V. Raghunatha Reddy.]
bring it to the notice of the Government whether the price of a particular commodity has been arising abnormally. At the same time, they must also try to see that the people are properly advised and asked to co-operate with the Government for the purpose of keeping the prices at a low level. Otherwise, at this juncture if some persons think that this is a God-sent opportunity to raise the prices, I am afraid, they would be doing as much harm to the country as those who would otherwise be violating the provisions of the Defence of India Rules by assisting the enemy. Unless this responsibility is realised from the village level, by each person, any amount of effort by the Government—however willing, however co-operative and however interested they may be, I am afraid,—will not be able to control the prices. Hence the Government must take immediate measures for the purpose of starting a Price Stabilisation Committee for fixing the prices and also the National Defence Committees should be asked to supervise the prices. Maybe co-operative societies, maybe Government stores, whatever method might be suitable, they must work for the purpose of stabilising the prices on a war footing in relation to the war economy. Thank you.

SHRI M. S. GURUPADA SWAMY (Mysore): Madam Deputy Chairman, I am glad that steps are being taken to bring about stabilisation of prices in this emergency. On previous occasions, as the House is aware, many discussions have taken place in regard to price stabilisation. I listened with interest to the speech made by the sponsor of this motion, but I am sorry to say that his performance was very disappointing. He was speaking as though he was speaking in normal times, in peace time. He forgot the situation that obtains today and he was making elaborate suggestions which could have been followed only in peace time. I am a bit surprised indeed how in such a situation like

this he was pointing out various steps reasonably implemented. For instance, he talked about the removal of inequalities, State-trading on a very large scale, land reforms and the rest. All these things are necessary no doubt and we stand by these progressive measures; but today we are confronted with a desperate situation which requires very drastic measures, very drastic steps. The problem of holding the price line has to be related to the question of total mobilisation which is so necessary to meet the war emergency.

Madam, war-time economy is not like peace-time economy, and we cannot afford to make suggestions which involve an elaborate machinery, very careful and elaborate discussion, and so on, but we only have to concentrate on steps which are urgently required by which we can meet the developing situation. In this background I would suggest that we should not lose our way and lose contact with some of the things which we have already accepted. All along we have pointed out, and I think the hon. Minister is very well aware of it, that the price line cannot be kept, cannot be maintained at a certain level and that the prices cannot be stabilised unless the prices are related to various other factors. To me it seems more than ever before that the most important element in the price structure of a war-time economy is to maintain supplies, adequate supplies, not abundant supplies but minimum supplies which are required for the various sectors, and that aspect has to be seriously, properly and effectively considered.

As the House is also aware, the present economic growth, the rate of economic advance is rather slow and limited, and I am afraid that even after the emergency is declared the impact of the steps that are taken is not being felt adequately and properly by the various governmental agencies at the Central and the State

level. All are concerned that the measures that have already been taken are effectively implemented. The Minister in his statement as a part of the first phase of his programme has suggested some measures which I commend; they are very good indeed. He has suggested the setting up of a Committee of Price Stabilisation which is very necessary and which can do considerable work. Then again he has pointed out the importance of collection of information and correlation of information in regard to various factors involved in this particular matter. He has also pointed out the necessity of setting up 200 wholesale and 4000 primary stores. All these things are indeed commendable. But the one lacuna even in the measures suggested by him, I am afraid, is that the Minister is underestimating the requirements, is underestimating the demand of the country. For instance, he is contemplating to set up only 200 wholesale and 4000 branch or primary stores all over the country, and thereby he proposes to exclude the very vast area, that is, areas which have a population below one lakh. His suggestions, his measures, his steps do not reach the large number of towns and villages. I think the network of stores which he proposes to set up will be able to cover about 30 per cent. of the population or 35 per cent. What about the rest? I do not know. Perhaps, the Minister is still evolving the programme, but I only wish that this programme should be immediately put into effect. The entire country should be covered by his programme.

Madam, I said that one of the greatest factors to keep the price line is production. I have pointed out in our last debate on the Plan that it would be difficult to keep the price line unless and until the shortfalls in production are immediately removed. Now, in the governmental sector alone, in the various public sector undertakings the shortfall was considerably great. Only now I hear that in

certain governmental undertakings, for instance, in regard to steel, they have done well. They have been doing very well indeed. Even in Rourkela I hear that they have been able to reach the target of 80 per cent. in the working. It is really good. But what about the other sectors? I want the Minister to appreciate the grave emergency, I hope that he is aware of it. But steps have to be taken so that in these various governmental undertakings full production is reached, and all the requirements of raw material, transport, power, etc., should be made available.

Then again, the same thing must be said in regard to other productive units. Madam, in this grave emergency when we are fighting the biggest enemy in Asia, it is very very necessary that the entire country should be mobilised quickly. There is much talk of mobilisation, there is awareness of it I know, but unfortunately the State Governments, the district units, the taluka units, all of them do not seem to respond properly to this call of general mobilisation. I want that every single unit in this country, every productive unit, every farm, every factory, every home should respond to this call of general mobilisation, and we should become productive in every manner. Every practicable step should be taken to step up production. The only answer to meet the present emergency is greater production. Without greater production war cannot be fought. It is said that war is fought not only on the battle front but also on the psychological front and on the economic front. So, if you lose the battle on the economic front, perhaps, you ultimately lose the battle on the battle front. Therefore, it is necessary to produce more, and unless we produce more, it would be impossible to keep the price line. What happened in the last World War? What happened in the first Great War? It was rendered difficult to keep the price line because the Governments were

[Shri M. S. Gurupada Swamy.]

forced to take certain steps like huge deficit financing, and there were also breakdown of supplies and shortfalls. All these things contributed to the rise of prices, and this price rise created havoc in the economy, created havoc in the living of the people and brought about demoralisation especially in Germany in the first World War.

And now, we have not been in the dark in regard to these dangers. During the last war, India was subjected to stresses and strains. A lot of measures were taken and we have learnt bitter lessons. During that war, India was subjected to acute crisis. There was a terrible dislocation of life, economy and of every service because production was not organised, there was rampant corruption and there was gross inefficiency. Today, fortunately, some of the conditions that obtained during the Second World War in our country are not there. Then there was a feeling among the people, in the minds of the merchants, in the minds of the professional classes and in the minds of the industrialists, that the country was not fighting an Indian war but was fighting somebody else's war, and therefore they should exploit it. They cynically exploited it and made money. There were more black-marketeers and profiteers than honest traders at that time. Today things have changed, the situation has changed. The people are prepared for sacrifices as never before. Everybody, every productive unit, every industrialist, every trader, has a new psychology, a psychology of sacrifice. In this context I would beg of the Minister to take effective, radical steps to mobilise every sector in our country, transport, industry, power and other possible services which are available to meet the rising demands of war.

I take this opportunity to state this point because the problem of price has no relevance if it is discussed in isolation; it has to be related to various factors, the factor of

transport, the factor of production, the factor of distribution and the factor of control. And if need be, if things become bad, I would even suggest that certain rigorous measures may be adopted. For instance, if there are speculators, if there are anti-social elements who indulge in cynically exploiting the emergency that has arisen, I would wish that very rigorous steps should be taken to deal with such people. May I point out that if there are profiteers, if there is excess profit, an excess profit tax may be imposed? It would be necessary to mop up the extra profits. Then again, all the legislations that we have passed in regard to the regulation and control of economy should be properly implemented, should be properly applied, should be properly executed. Otherwise, they have no meaning.

Then, I would suggest that a strict control over consumption should be introduced. Otherwise, the prices may go up. There may be a scramble for hoarding. So, even now, a strict control over expenditure should be introduced. If need be, I would even suggest that rationing should be brought about. Previously, I have said that the conditions were different from the conditions that obtain now. Today, psychologically we are in a better mood. We seem to be more honest and patriotic. There seems to be an atmosphere, a mood, of sacrifice and self-denial. Therefore, if need be, rationing should be brought about. We should not be afraid of the consequences. Otherwise, the prices may shoot up and the inflationary forces may help the prices to go up. Essential steps should be taken in this period that will arrest the spiralling of the prices. Therefore, I would beg of the Minister to take more comprehensive measures. The measures that have been taken are commendable; indeed, they are very good and they should be implemented. But more measures are necessary, more measures should be taken, so that the country may feel the im-

pact of this general mobilisation of the economic and material resources to meet the developing crisis.

SHRI SUDHIR GHOSH (West Bengal): Madam Deputy Chairman, I know that there is very little time before the Minister replies. Therefore, I shall very quickly make a few very brief observations.

Madam, some of the measures that we usually talk about in connection with keeping prices in check, I am afraid, represent rather superficial thinking. It is generally believed that prices rise in a country due to the activities of traders and that if only you establish large numbers of consumer co-operatives, you can control prices. It is not quite so simple as that. Madam, prices rise in an economy mainly due to the inadequacy of supply in relation to effective demand and prices rise because of the existence of monopoly conditions or oligopoly conditions in the production system or the distribution system of an economy. Therefore, to keep the prices within tolerable limits, according to my lights, three sets of measures are required.

Firstly, one set of measures to increase production, that is, supply on an emergency basis. The second set of measures to reduce civilian consumption and the third set of measures to increase the effective degree of competition in the production system and the distribution system of an economy.

Now, we are today in a much better position than we were during the last war to increase production in this country, because the productive capacity in India is much larger today due to the substantial economic growth that has taken place due to the successful execution of the Five Year Plans during the last ten years. Today large imports are possible which were not possible during the last war. As we all know, under P.L. 480, we imported a large quantity of foodgrains from the United States of America, and it is possible to import more. The production ap-

paratus of this country is still entirely intact. It has not been threatened by this emergency which has arisen about which we are all very much perturbed. Some food stocks we have already accumulated and I think that the buffer stock can be increased quite substantially. We should try and maintain a buffer stock of something like 2½ million tons of foodgrains always. Today the people of India are also ready to make much greater sacrifices in order to produce more than they did before and we have got to take advantage of these circumstances to the fullest possible extent.

Now, about the second set of measures, that is how to curtail the civilian demand, in a country faced with war, I think that it is very very necessary that deficit financing must be very strictly limited to the amount that has been provided for in the Third Five Year Plan. As we all know, in the Second Plan we had estimated an amount of Rs. 950 crores of deficit financing out of a total investment of Rs. 4,657 crores in the public sector. And in the Third Five Year Plan, out of a total investment of Rs. 7,500 crores in public sector enterprises, we have provided for an estimated Rs. 550 crores of deficit financing. We must, in spite of the war emergency, ensure that under no circumstances do we allow this limit of Rs. 550 crores to be exceeded. Well, of course, that means that taxation will have to be stepped up. It cannot be helped. We shall have to work out measures for increased taxation to collect more money because the scale of our war effort is going to be so large that voluntary gifts will not be enough to meet the additional cost of the war. Savings drives will have to be intensified. And above all, some of the unproductive expenditure that is some of the investments on projects that are not wealth-producing projects, will have to be strictly limited. Even in such a very welcome thing as Community Development, we have been investing large sums of money in fancy welfare pro-

[Shri Sudhir Ghosh.]

jects which are entirely welcome in peace time; but a lot of this will have to be substantially pruned in order to save capital which will be required for investment in wealth-producing activities in this grave emergency which is before us.

Now, I would like to say that it will be also necessary for us to reorganise the order of priorities in the Third Five Year Plan in view of the grave emergency before the country. I am not suggesting that we should reduce the size of the Plan but I am suggesting that it is absolutely necessary to reorganise the order of priorities. In the industrial field, steel, electricity, roads, coal, railways these are essential, and we shall have to concentrate on these. For agricultural production, irrigation, fertilisers are essentials and we shall have to concentrate on them, and I think there is an immediate job before the Planning Commission, that is, to work out, within a very short time, not more than one month, a list of what are the higher priority projects and what are the low priority projects, and this sorting out should be done with immediate effect by the Planning Commission.

Now, we have heard a lot about our economic co-ordination lately. There are the supplying Ministries on one side, that is, Agriculture, Mines and Fuel, Irrigation, Steel, Heavy Industries and Power; on the other side is the principal demanding Ministry which is Defence. Now, I doubt very much if even today, in spite of the grave emergency before the country the Defence Ministry really knows what it wants from the supplying Ministries of the Government of India. I, therefore, suggest that Government should make immediate arrangements to force the Defence Ministry to prepare a short-term bill of goods and a long-term bill of goods so that we have a clear idea as to what is required by the Defence Ministry in the short term and the long term, and thus we can ask the supplying Minis-

tries to reorganise their affairs accordingly.

I will make only one more brief remark, and that is about this question of price control. I am afraid I am not a great believer in a committee for the purpose of effective price control, like the proposed price Stabilisation Committee. I suggest to Government that it is much more effective to appoint a price administrator instead of appointing a Price Stabilisation Committee. Let this administrator choose a number of strategic commodities, such as cotton or coal or jute or sugar, and then let him fix board feasible maximum and minimum prices, that is, a ceiling and a floor, and let him have a large buffer stock so that when prices reach the ceiling, you release your stocks, and when prices reach the floor, you buy up and accumulate more stocks. That is a far more feasible way of effecting price control than setting up an unwieldy committee.

Thank you very much.

THE DEPUTY CHAIRMAN: The Minister will reply tomorrow. There are two speakers. I hope they will accommodate each other. Dr. Seeta Parmanand.

DR. SHRIMATI SEETA PARMANAND (Madhya Pradesh): Madam Deputy Chairman, I am thankful to you for giving me this opportunity to speak even at this late hour. In my opinion, this type of price statement should have come, really speaking, long ago in order to make the two Plans fully successful. But now this has come in view of this emergency, and we have, therefore, to look at it from a different point of view of immediate urgency. I for one feel that it is very necessary to have a special Act though the Defence of India Ordinance and other powers taken by Government to meet this situation will be adequate. Yet, what is required is that unsocial elements, which will not co-operate in keeping down prices, or indulge in profiteering or hoarding should be dealt with

severely, more or less by the summary trial process. This may look rather odd for a democratic country to even advocate, much less practise, but unless some such drastic measures are adopted, there will be people who will take advantage of this.

I would say that one thing that Government should do is that no news should be given on the radio about the shortages of foodstuffs, or their rising prices, etc., as today they are giving the price situation of different commodities as in normal times, because the business people listen to these broadcasts more religiously than even to a religious sermon, and immediately they hear that there is a shortage somewhere—in some area—they raise the prices at once or take their stocks underground. It is, therefore, very necessary that in addition to the legal powers that Government would have, some voluntary committees, locality-wise or village-wise should be there, which should not only keep a watch on the trend of prices but also on those possessing the stocks so as to get the stocks where they are necessary and to see generally where there was plenty of stocks, and if there was scarcity, what had happened to the stocks, and whether they had gone underground. Such voluntary committees of two or three people only per locality of a hundred houses should be able to give this information to the head of an area of, say, about fifty miles so that, wherever there are surplus stocks of commodities of any kind, they could be moved within the area, to near places where the need is felt, rather than their being brought from long distances by rail. Similarly, it is very necessary for Government at this stage to find out what were the ordinary requirements of a particular small area in the remote parts of the country, which have difficult communication for the last six months, and on the basis of that, in a convenient place, to keep stocks ready.

I would say one word about drugs though Government would be con-

trolling the price of drugs. I think, rather than allow any private trade in essential drugs, it should be possible to get them freely from hospitals and Government agencies, if not direct, at least on the certificate of doctors, so that there is no unnecessary scarcity created, and people, who are really in need of essential drugs, do not have to run about or do not have to pay fancy prices. It is very interesting to note that during the last War, though there were so many measures taken against the raising of prices, only a few firms with some ethical standards, of their own,—in Bombay, for example, Kemp & Co.—had kept the prices at an absolutely reasonable level. To observe such a code of conduct some concessions should be held out, and that, I think, might meet the situation.

I am somewhat against giving all these stores to or relying too much on co-operative societies because, with the experience of co-operative societies that we have had, I feel that this time of emergency is hardly suitable to try this experiment on a wider scale, and, therefore, some arrangement by which voluntary effort could be co-ordinated to keep to watch on the behaviour of private shop-keepers would be more effective than co-operative stores. After all, if we have fair price shops everywhere and also co-operative stores, the ordinary shop-keepers will lose their means of livelihood. We have to see also to their legitimate interest. Perhaps, we may make the co-operative stores rope in quite a number of the ordinary shop-keepers, and that might help. Otherwise, this type of effort might be sabotaged, and at this time, when our attention has to be given to so many other things, I think the experiment with co-operative stores which, at least in one or two States I know is 75 per cent. a failure—even today statistics will prove that—to try this at this time might, perhaps, not only meet with disappointment but also create difficulties.

[Dr. Shrimati Seeta Parmanand.]

I would say that much has been said and we have been asking people to divert to other types of food, like growing fruit and vegetables. Much stress should be laid on kitchen gardens and arrangements should be made to provide, not only on paper, but in practice, seedlings, etc. because on paper, there were a lot things laid down during the Grow More Food campaign but there was tremendous difficulty in getting not only seedlings but even seeds and that also in the season.

I would, lastly, say that we should, side by side with making provisions, appeal to the people to hold the price line as a patriotic measure and to co-operate in the Government drive to preach austerity. The idea of missing a meal once a week or twice a week, as the case may be, would also, I think, help. With regard to cloth, we can appeal to people to cut down their requirements and to make purchases as far as possible during the emergency. Similarly also with regard to travel, we should tell people "Travel when you must" so that rail space is available for movement of goods and other essential things.

SHRI N. SRI RAMA REDDY (Mysore): Madam Deputy Chairman, this question of keeping the price line is very important for the well-being of the nation, more so at this critical hour of the nation. Therefore, it is in the interest of everyone of us to keep the prices as low as possible.

The question of keeping prices low or keeping the price line is a very complicated affair. It depends upon several factors. First of all, there is the question of production which is the key for the entire problem. Secondly, there are monetary policies, fiscal policies and a host of other policies like transport targets, etc. All these things come in and effectively influence prices.

Madam Deputy Chairman, first of all, the biggest item of a man's con-

sumption is food in our country. Probably, out of a thousand or so weights allotted in the statistical sense, nearly 500 or 600 are assigned to food items only. That means that the maximum amount is spent on food by any individual or family in our country. Therefore, if you take care of the food problem, every other problem is solved. I think it is quite easy to keep the price line in every other manufactured goods and raw material, etc., if we can hold on to a particular line of prices in food articles. Unfortunately, as we all know, Madam, we are not producing enough of food. Therefore, we have to import. The other day, our Agriculture Minister was telling—though I was very much opposing this importation of food from foreign countries—now under the present emergency it had become very imperative, we have to keep up. If we examine the figures of importation, especially for the last five or six years, every year nearly a 4 per cent. increase will be found, probably on account of the increase in population and also on account of the extra consumption due to better conditions of the individual under our Five Year Plans, etc. If every person consumes an ounce per day extra, it becomes several millions of tons on the annual basis. The question of price set-up has been examined very closely by my party and we have found that the importation has been increasing year after year nearly by 4 per cent. Now, under the present conditions and when during the last year there was very much downfall in the production and the question of importation assumed greater importance, Government had to take steps to import more wheat and also more rice and very advantageous terms have been arrived at with the United States of America, and I am sure we will be able to keep to the price line with regard to wheat and also rice. If we can keep the price line with regard to wheat and rice, other things will follow suit.

Madam, millets is the biggest problem. Nearly 30 per cent. of the

country eat millets. Unfortunately, last year there has been a fall of nearly 17 per cent. in the millets production in the country. This has hit us very hard, and I am sure if the millet-eating population is somehow, by propaganda or by persuasion, is made to take to wheat, the problem will be very much solved. Similarly, in rice-eating areas also, if we can persuade people to take to wheat-eating, that also will assist us in keeping the price line.

Of course, these are all very superficial arrangements with regard to keeping the price level. But the most important thing, as I have been saying in this House, is the question of production. First of all, what are the factors that influence production? Let us, first of all, take irrigation. Madam, at a colossal cost we have built the irrigation projects in the country, and it is estimated—it was even very recently that every paper has commented on our woeful situation with regard to our incapacity to use irrigation potential created at enormous cost in this country—that water available to the 60 lakh acres of land for growing paddy has not been used last year. This is a very woeful state of affairs. All of us must take to this very urgently. If 60 lakhs of acres can be put under paddy, at least there will be 30 lakhs of tons of rice at the minimum scale of production. The question of irrigation potential created already in the country is of very great importance.

Not only that, Madam. I was talking the other day to a Chief Engineer. He was telling us that in all the project areas we could very easily convert the single-crop lands to double-crop with only a suitable sort of rotation, etc. It is quite possible to convert all these lands into double-crop areas. And that way, we do not know how many tons more but, I am sure that we can grow much more. That way the potentialities for converting the single-crop lands into double-crop lands are very, very great. Therefore, this aspect of the question

the Planning Commission must investigate and come to certain decisions.

Having talked about the irrigation potential—of course, there are other things like manures etc—I once again repeat, and I am never tired of repeating, that the question of saving dung for crop production is very, very important.

THE DEPUTY CHAIRMAN: You should wind up.

SHRI N. SRI RAMA REDDY: We should save cow dung at least under a sense of the present emergency and use it on our land. Our lands are day after day, year after year, getting more and more barren merely cause we are not using cow dung. In U.P., for instance, 80 per cent, or 90 per cent. or even 100 per cent., in some cases, of cow dung is burnt for fuel purposes. I do not know if the Planning Commission can find out an alternative fuel for the people to cook their food with. Not only under the present conditions, for all the time it is of very, very great advantage to us to use cow dung and urine of cattle for agricultural purposes and increase our production. The production potential in the country is very, very great. I want the Planning Commission to prepare an index under each head of production programme about the capacity to which our production programmes could be increased, and at least if 50 per cent. of the level we could reach, our problems could be solved. After all, our shortage is only about 4 million or 5 million tons of foodgrains per year. It should not be very difficult with such a vast acreage at our disposal to produce this extra 4-5 million tons.

SHRI SHEEL BHADRA YAJEE (Bihar): What about fuel?

THE DEPUTY CHAIRMAN: Please wind up. It is time.

SHRI N. SRI RAMA REDDY: Then, may I continue tomorrow? I have got a few more points to make.

THE DEPUTY CHAIRMAN: Tomorrow only the Minister will reply.

SHRI N. SRI RAMA REDDY: I will take only five minutes.

THE DEPUTY CHAIRMAN: I have asked you to wind up.

SHRI N. SRI RAMA REDDY: If you give me just five minutes, I have to make a few points. Other points I have covered.

THE DEPUTY CHAIRMAN: Please finish. I have asked you to wind up just now and I do hope you will wind up within a minute. It is already 5 o'clock.

5 P.M.

SHRI N. SRI RAMA REDDY: I would very earnestly commend to the Planning Minister to take care of this production programme and to implement it on a vast scale.

Further, I want them to create a land army. There are 65 million faming families in this country. Under this stress or under this national emergency, let us create a land army of these 65 million people and everyone must surrender a certain portion of his production, probably on a rational basis, say, on the basis of the land owned by each family. I say that every family must surrender for the sake of the jawans who are fighting on the frontiers, for the sake of the industrial population who are not agriculturists, for the sake of the urban population. Everybody must contribute. If I feel that if only we enthuse the people, all the 65 million families in this country, it should certainly not be difficult at all to get enough food that will go round the country.

Having said all these things, I say that a land army should . . .

THE DEPUTY CHAIRMAN: It is all right. Mr. Reddy, your ten minutes are over.

SHRI N. SRI RAMA REDDY: Similarly, an industrial army should be . . .

THE DEPUTY CHAIRMAN: You have spoken about the army. Your ten minutes are over. Secretary will read a message from the Lok Sabha.

SHRI N. SRI RAMA REDDY: May I just say . . .

THE DEPUTY CHAIRMAN: I have called the Secretary.

MESSAGE FROM THE LOK SABHA

THE APPROPRIATION (No. 5) BILL, 1962

SECRETARY: Madam, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary of the Lok Sabha:

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Appropriation (No 5) Bill, 1962, as passed by Lok Sabha, at its sitting held on the 20th November, 1962.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

Madam, I lay the Bill on the Table.

THE DEPUTY CHAIRMAN: The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at one minute past five of the clock till eleven of the clock on Wednesday, the 21st November, 1962.