

refuses to buy directly from the growers and it is doing it only through their agents and this is causing tremendous financial loss to the growers?

SHRI D P KARMARKAR We have no information on that point at the moment

SHRI K L NARASIMHAM Is the Minister aware that these companies are boycotting the purchase of tobacco at marketing yards?

SHRI D P KARMARKAR I should like to repeat my answer to the earlier question

SHRI T V KAMALASWAMY Are Government aware that Russia purchased huge quantities of tobacco for two years in 1947 and 1948 and why do not Government explore that source of export?

SHRI D P KARMARKAR For the first part my answer is in the affirmative. For the second half, it depends on the importing countries

SHRI D NARAYAN Is India producing more tobacco than her requirements, and, if so, how much?

SHRI D P KARMARKAR For the first part, happily yes. For the latter, I should like to have notice

SHRI P SUNDARAYYA Is the Government insisting in its negotiations with Soviet Russia that in exchange of their wheat they must take tobacco as one of the goods from India?

SHRI D P KARMARKAR My hon. friend will understand that a barter agreement is a result of agreed conclusions. We cannot force anything upon the parties. We do urge the export of such of those commodities as we can export. I must also add that at the moment we are trying to export tobacco as much as possible by all means within our power.

SHRI P SUNDARAYYA Is Government urging on Soviet Russia to take

tobacco for their wheat in the present negotiations?

SHRI D P KARMARKAR I would not like to say anything about the present negotiations

PROF G RANGA What steps are being taken in the course of this year in order to promote the export of tobacco to various countries like Japan, the United Kingdom and Continental countries?

SHRI D P KARMARKAR Our effort is to include it in the bilateral agreements. In the case of any particular commodity, we send a special directive to our various agents in the foreign countries to see if further progress in the matter of export could not be made. We are trying that.

PREPARATION OF PRICE INDEX

*56 SHRI B V KAKKILAYA. Will the Minister for COMMERCE AND INDUSTRY be pleased to state how the official wholesale price index is prepared and how the prices of principal foodgrains are calculated and fitted into it?

THE MINISTER FOR COMMERCE (SHRI D P KARMARKAR) I lay on the Table of the Council a statement giving the information desired.

Statement

The official index number of wholesale prices is based on prices prevailing mainly in the important wholesale markets. In a few cases, prices are taken as those charged by manufacturers or importers. The index numbers are calculated weekly from once a week price quotations (on or about Friday). Monthly indices are the averages of weekly figures while annual figures represent averages of monthly figures.

2 The index is a weighted geometric mean of the price relatives of 78 commodities with weights proportionate to the value of quantities marketed during

the base year. Quantities retained by producers are left out of account in the case of agricultural commodities and other industrial raw materials. In regard to manufactured and semi-manufactured products, it is assumed that the entire production is put on the market. The base year for this purpose is taken as the year ending August 1939=100.

3. The commodities covered by the index are divided into 5 major economic groups and 18 sub-groups. In all, a total of about 220 quotations for the various commodities are taken into account in the compilation.

4. Foodgrains form one of the sub-groups referred to and comprise rice, wheat, jowar and bajra. Prices of the following markets are utilised in the calculation of the indices:—

- (i) Rice.—Calcutta, Vijayavada and Patna.
- (ii) Wheat.—Jawalpur, Amritsar and Hapur.
- (iii) Jowar.—Amraoti.
- (iv) Bajra.—Hyderabad city.

SHRI B. V. KAKKILAYA: From the statement given to me I find that the prices of rice are collected from 3 centres only but in this respect there is no reference to centres where rice is decontrolled. May I know the reason for this?

SHRI D. P. KARMARKAR: I cannot say that off hand but what I can say at the moment is that normally these centres are chosen as average centres for particular commodities and these are found to be suitable in respect of prices.

SHRI B. V. KAKKILAYA: In order to arrive at a correct average, is it not necessary to select centres where the price is on the lowest and the highest levels?

SHRI D. P. KARMARKAR: I shall pass on that information to the relevant quarters.

SHRI P. SUNDARAYYA: Is it not a fact that these are based on controlled prices at which price they are not actually being supplied to the vast majority of people and thus the compilation of the whole-sale price index is vitiated?

SHRI D. P. KARMARKAR: Yes, Sir. I agree with my hon. friend that these are not based on actual arithmetically ideal conditions. At the present moment we have to work under conditions different in different areas and we have to make the best possible effort to arrive at these price indices and take the average into consideration.

SHRI B. V. KAKKILAYA: Is it not a fact that the prices of unimportant items like shoes, etc., are collected from 10 or 12 centres whereas the prices of important items like wheat and rice are collected only from 2 or 3 centres and the former overweigh the calculations?

SHRI D. P. KARMARKAR: I am not aware of the prices of shoes being collected from 12 centres but as I said the prices are collected from centres which are supposed to represent the particular types of commodities.

CONCESSIONS GIVEN TO STANDARD VACUUM OIL REFINERY

*57. SHRI B. V. KAKKILAYA: Will the Minister for PRODUCTION be pleased to state:

(a) whether it is a fact that the expenditure on the improvement of docking and harbour facilities near the site of the Standard Vacuum Oil Refinery will be borne by the Government of Bombay and the Bombay Port Trust; if so, what are the reasons for this;

(b) whether it is a fact that (i) the crude oil imported for this oil refinery has been exempted from customs; and (ii) the equipment for this oil refinery has been and will be allowed to be imported at a very low rate; if so, what