

RAJYA SABHA

***SYNOPSIS OF DEBATE**

(Proceedings other than Questions and Answers)

Wednesday, December 07, 2011/Agrahayana 16, 1933 (Saka)

Information to the House

THE MINISTER OF COMMERCE AND INDUSTRY AND THE MINISTER OF TEXTILES (SHRI ANAND SHARMA): The Government has decided to suspend the decision to permit 51 per cent Foreign Direct Investment in Multibrand Retail Trade till consensus has developed on the issue.

MATTERS RAISED WITH PERMISSION OF CHAIR

I. Issues relating to Mullaperiyar Dam

DR. V. MAITREYAN: Recent weeks have witnessed escalating tension in the Tamil Nadu-Kerala border regarding the Mullaperiyar Dam. The Supreme Court in its order of 2006 declared the Mullaperiyar Dam as safe. The recent action of the Kerala Government insisting on the construction of new dam is tantamount to

***This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.**

violating the Supreme Court order. The Hon'ble Chief Minister of Tamil Nadu had requested the Hon'ble Prime Minister to advise the Kerala Government to abide by the Supreme Court order of 2006. The Government of Kerala is spreading rumors to create panic about the safety of the dam. Dams much older than the Mullaperiyar Dam are functional. The Kerala Government recognises that all safety measures are in place. There are reports of mob vandalism organized by certain Kerala political parties at the dam site. The safety of the Dam is being deliberately threatened. The Chief Minister of Tamil Nadu wrote to the Prime Minister and requested to order the deployment of Central Industrial Security Force at the Dam site. I urge upon the Hon'ble Prime Minister to intervene immediately and advise the Kerala Government to honor the rights guaranteed to Tamil Nadu, abide by the order of Supreme Court of 2006, desist from the approach to construct a new dam and not to whip up fear and deploy CISF force immediately at the Dam site.

SHRI TIRUCHI SIVA: The Mullaperiyar Dam caters to the drinking water needs of people of five districts in Tamil Nadu and also cultivates more than three lakh hectares. The eminent experts and the Chief Engineers of the both States and others have certified the safety of the dam. Apprehensions have been raised that the dam is unsafe. Some miscreants are trying to damage the dam. Our leader has said that the CISF has to be deployed for protection of the dam. Water level of the dam should be raised to 142ft.

DR. E.M. SUDARSANA NATCHIAPPAN: The Hon'ble Supreme Court has already given a judgment that the dam level can be increased as per the request of the Government of Tamil Nadu. But, it has not been increased and now it stands at only 136ft. We want that the Government of Kerala take a sympathetic view. The Supreme Court has constituted a three Member Committee to look into this issue. The Government of Kerala or the people of Kerala can make any representation before the Committee. There can be a very peaceful settlement.

SHRI D. RAJA: The Mullaperiyar Dam has become an issue of conflict between Kerala and Tamil Nadu. Emotions are being aroused on both sides. I did meet the Prime Minister and I requested him to intervene. The Prime Minister should call both the Chief Ministers and have a dialogue. We should go by the scientific reasoning given by the experts scientists. Nothing should be done that adversely impacts the best relations that both the States enjoy. The issue must be sorted out amicably. I appeal to all political parties, all the sections not to arouse emotions.

PROF. P. J. KURIEN: Tamil Nadu's interests should be protected; they should get the water. Because of many tremors and because of the report of the scientists of IIT, Roorkee, the people began to fear that dam is not safe. When the dam was constructed, there was no technology which can withstand a tremor. Therefore, there is a natural fear among the people. We have to allay this fear. The Government of Kerala has given an alternative proposal that another dam can be constructed just below fully protecting the interests of Tamil Nadu. I would make it sure that the stand of the Kerala Government is that they give full water and second Dam be constructed only if the present Dam is reported to be unsafe.

SHRI T.K. RANGARAJAN: This Mullaperiyar Dam dispute is between two States. We are not able to have two crops because the level of Dam has come down from 142ft to 136ft. Supreme Court has taken up this issue. It should not be a law and order problem. We requested the Prime Minister that the centre should intervene. Interest of Tamil Nadu should be protected. There is no question of constructing a new dam as long as this Dam is all right. You give 142ft, which is the requirement of Tamil Nadu. The Government of India, should settle the issue between the two States.

DR. T.N. SEEMA: This water dispute between the two States should be resolved through an initiative by the Centre. Huge protests are taking place in all the districts of Kerala. There must be a proposal for disaster management. If something happens to the Mullaperiyar Dam, water level in the Idukki Dam must be reduced in

order to contain waters from the Mullaperiyar Dam into the Idukki Dam. This issue should be resolved at the earliest. It is a question of life and death for us. The Centre must intervene and resolve the issue as early as possible.

II. Need to Enforce Traffic Rules strictly

SHRI RAJNITI PRASAD: Large number of Pedestrians move on roads. Zebra crossings have been earmarked for them. This rule has been framed that vehicles would run at 40 and 60 average speed on roads in Delhi and cross zebra crossings at slow speed. But the rules are flouted. Strict law should be framed in this regard. Strict punishment should be given to those people who drive vehicles at high speed.

III. Forcible removing of turbans of Sikhs in Italy

SHRI NARESH GUJRAL: Time and again, we have been raising the issue, in Parliament, of Sikhs being humiliated all over the world by being forced to remove their turban on the pretext of security. This year, in March, Mr. Amritender Singh, coach of the famous golfer, Jeev Milkha Singh, was humiliated, not once but twice, in Milan, Italy. The hon. External Affairs Minister gave us the assurance that the Italian Government would be appropriately conveyed the sentiments of the Sikh community and that they would be sensitized about the turban and the Sikh religion. Despite repeated assurances, sadly, another incident has taken place at the same Milan airport five days back. This time, a Jet Airways commander, Sardar Ravjot Singh Dhupia, was asked to remove his turban. One after another, Sikhs are being targeted in foreign countries. It happened with India's UN Envoy, Pradeep Singh Puri, in the US, it is continuously happening in Italy, and it repeatedly happens in France. This has outraged the entire Sikh community worldwide. The Government of India has been giving false assurances to the Sikh community, but so far, has failed to protect their honour and dignity. I would urge the hon. Foreign Minister to urgently summon the Italian Ambassador and express his as well as the country's displeasure, in no

uncertain terms, so that the brave Sikh community is not insulted again.

SHRI S.S.AHLUWALIA: I associate myself with the Zero Hour Submissions of hon. Member. I express my concern over the incidents happening in the Milan city of Italy. Turban is the crown of head and identity of Sikh religion. No way can it be allowed to be scanned. Some policy needs to be framed regarding it. It is unfortunate that questions have been raised regarding the turban and the Government is not taking up the matter earnestly as such incidents have been taking place in France, European Countries especially Italy. The Sikh community produces the famous cheese of Italy. I, therefore, demand to summon the Ambassador of Italy and caution him not allow such acts over there which causes insult to turban.

SARDAR SUKHDEV SINGH DHINDSA: I associate myself with the matter raised by the hon. Member. The matter has been raised number of times in Lok Sabha and Rajya Sabha. We also met with the MPs of France in this regard and they also gave assurances to us. But the Government has not taken any concrete step regarding the same and not reprimanded anybody.

(Prof. P.J.Kurien, Shri Tiruchi Siva, Shri D.Raja, Shri Moinul Hassan and the entire House associated.)

SPECIAL MENTIONS

I. Need to revolutionise the education system by making it skill oriented and vocationalised from elementary stage

DR. JANARDHAN WAGHMARE: Our education system has always ignored the masses while framing the structure, the syllabi, the courses and the contents. The textbooks reflect, by and large, the urban elitism which we have harboured in the education system right from the colonial times till today with a few superficial changes. Recently, we have passed a very important legislation making education a fundamental right. *Sarva Shiksha Abhiyan* is a laudable

effort to educate the children. But the condition of schools in rural areas is very pathetic. The education system is churning millions and millions without rudimentary knowledge and skill. Only a few elite schools in big cities are giving education worth the name. Most schools in urban slums and rural area are providing substandard education to the pupils. Only 10 % pupils are getting good education. Our education system is geared to be counter-productive. Without human capital, we cannot develop our nation. The entire education system should be skill oriented. It should be vocationalised from the elementary stage onwards. I, therefore, urge upon the Government to revolutionise the entire education system.

(Shri Govindrao Adik, Shrimati Vasanthi Stanley, Dr. Ashok S. Ganguly and Shrimati B.Jayashree associated.)

II. Need to bring key structural reforms to boost the slowing economy

SHRI N.K. SINGH: The Indian Economy appears to be in the midst of a significant slowdown. Industrial production has stalled. The Consumer Durables Index has been trending lower. Passenger car sales have nose-dived in recent months. Evidently, the impact of higher borrowing costs, stubborn price pressures and falling asset prices has taken its toll on domestic demand in India. While Indian Exports have remained remarkably buoyant, it does not appear sustainable in the light of declining worldwide economic conditions. All these indicators clearly suggest that the current slowdown is due to structural frailties. Major reforms such as that of land, labour and taxation have completely been stalled. Key legislation such as the Land Acquisition Bill, Labour Laws Reforms, GST Bill and Direct Tax Code are yet to be passed. Therefore, for India to completely realise its economic potential, key structure reforms by the Government are essential to reinvigorate the economy.

III. Demand to allocate textile parks to the State of Punjab

SARDAR SUKHDEV SINGH DHINDSA: After adoption of the new manufacturing policy, the Union Govt. has announced the

setting up of 21 textile parks in various parts of the country. However, it is surprising that Punjab does not figure in the list of the states where textile parks are proposed to be set up. The exclusion of the state, which is one of the largest cotton producing state in the country, has shocked the people of Punjab in general and the thousands of cotton producing farmers in particular. Bathinda and its neighbouring areas are leading producers of fine cotton in the country. This year , the cotton production in the Bathinda belt which includes Mansa, Muktsar, Barnala, Faridkot, Fazilka and Ferozepur districts, is expected to be around two million bales. I, therefore, urge the Govt. to review its decision regarding allocation of textile parks to various states and do justice to Punjab in this matter by allocating at least seven textile parks to the state.

(Shri S.S. Ahluwalia, Shri Naresh Gujral and Dr. M.S. Gill associated.)

SHORT DURATION DISCUSSION

Situation arising out of unprecedented rise in prices of food and other essential commodities and its effect on common man

SHRI M. VENKAIAH NAIDU, initiating the discussion, said: Price rise is a silent killer. It is an assault on common man. In February 2010, the hon. Finance Minister had promised that high food inflation would ease in four months. But, nothing has happened. They are not able to understand why these prices are rising. There is no remedy. The Government has tried combination of fiscal, monetary and market intervention measures. But all of them have failed. Lack of foresight, lack of proper planning, lack of leadership and on the top of it, sheer incompetence, wrong economic policies, massive corruption in export and import are the main reasons for the price rise. It is because of the Government's mismanagement and wrong economic policies only. Inflation has caused several essentials like condiments, spices, eggs, fish, meat, milk and pulses out of the common man's reach. If the growth is moderate, inflation is acceptable. The growth rate is also going down. Hike is everywhere.

Hike in the interest rates, hike in fuel prices, hike in fertilizer prices, hike in EMIs are turning Aam Aadmi's budget into a nightmare. Instead of taking poverty alleviation measures, the Government thought that they can reduce poverty by fixing the daily earnings of a person at Rs. 32 per day. Can anybody survive with Rs. 32 per day?

Even the rupee value is going down. It falls to an all-time low. What has been done with regard to the report submitted by the Committee headed by Shri Narendra Modi? 20 recommendations with 64 detailed actionable points have been made. It was recommended that all essential commodities should be kept out of the future markets. Setting up a Price Stabilization Fund, rehabilitation of the agriculture markets, expanding the priority-sector lending, dissemination of information at all level, unbinding of the Food Corporation of India. These are some of the major recommendations. The Government, is not able to explain to the people what is the action they have taken on the report.

The price of petrol has been increased eleven times in twelve months in the name of rationalisation. It has an effect on the essential commodities. The price rise is mostly taking place in food articles. The price of every item, sugar, rice, steel, coal, tel, dal, etc., has gone up considerably. If you attribute this food inflation to lower production, it is not correct because there is record production. But, in the last six-and-a-half years you have not added one metric ton of storage capacity. You are increasing the MSP nominally. But, at the same time, the prices of agricultural inputs are increasing manifold. Farmers are leaving agriculture. Forty-three per cent of the farming community want to leave agriculture because it is not remunerative.

Is it not time for us to address the problems of the farming community and set things right? If you are not capable of controlling the prices, if you have run out of ideas, if you have become politically bankrupt with regard to ideas, better quit, and then, let the people decide.

DR. PRABHA THAKUR: Price rise is a serious subject and politics on this subject is not correct. It is our collective responsibility

to contain price rise and Government are making significant efforts for this. Price of petroleum and diesel are controlled by the international market and it is not only our problem. The Government has rolled back the price of petrol and diesel so that common man do not get affected unnecessarily with the extra burden of price rise. As far as possible subsidy has been given for the LPG. Minimum price of agricultural product of farmers has increased. The Government has opened Kendriya Bhandars like Safal where common man can get food items at the prices cheaper than market.

Protection should not be given to black marketing, hoarding and profiteering. It should be controlled by the State Governments also. Congress believes in the 'less talk work more'. Our Government and Prime Minister respect the sense of democracy and feelings of all political parties. Central Government has given thousands of crores rupees without any political discrimination for different schemes in the States. If the poor people are not getting full benefit of it then it is the responsibility of the State Governments to look after it. The Government is bringing Food Security Bill so that foodgrains could be made available for poor people at the reasonable and minimum price. People of the country should get rid of price rise and our income should increase.

SHRI SITARAM YECHURY: This discussion might have taken place under rule 168 as the Government has not taken any step. Concrete steps should be taken by the Government on the basis of morality and their commitments towards common man. Food inflation has increased more than 20 per cent in two years and now it is more than 12 per cent. If the income has increased then it is going in the hands of few people. We should consider that the income of common man is not increasing and he is badly affected by the price rise. Common man should get relief. Speculation in trade is contributing to the price rise.

Nobody will invest in forward trading unless there is profit. And, there cannot be profit in forward trading unless prices rise. If the prices do not rise, those who make speculation in the forward trading

do not make any profit. So, the pressure for prices to rise is automatically there. For this, first step is to ban all forward trading and speculative trading in agricultural commodities, and for every commodity. The corruption is linked with this forward trading. This is black money which is generating. You have said that prices of petrol were reduced. You have reduced the prices by two rupees while there was an increase of three dollar per barrel in foreign. It was being said that prices of petrol were increased as it's prices were increased in foreign. But it is not true. Our prices are not linked with the foreign prices. You add your price with your production.

Last point is about foodgrains. Today we have a stock of foodgrains of more than six hundred lakhs tonns in our central godown which is two and half times to the norms of buffer stock. Why do you not give the excess to states on BPL prices. So that it can be distributed under public distribution system and it will effect curbing price rise. So there are three steps, first ban the speculative trading, second roll back petrol prices and third release the excess foodgrains for public distribution system.

SHRI N.K.SINGH I would like to bring six issues before this Government. The first is the relationship between inflation and poverty. So, the first is that inflation has a deep impact on enhancing poverty. The Second ghost is the inflation and growth. But rates of growth would only lead to a very tolerant increase in prices. So, there is no symbiotic relationship between inflation and growth. My third important point is at the heart of the Government's macro-economic policy and it is that a disproportionate burden on inflation management has been put on monetary policy alone. Indeed what the Government needs to place emphasis on is vastly better supply side responses and vastly better supply side management. Improvement in agricultural supply side and the credit penetration to Eastern Region has platitude off. The penetration of formal credit remains miniscule. It is a profound tragedy of equating improving agricultural supply chain, cold storage, rural network, improving farm prices to be co-terminus with bringing retail into FDI through the instrument which by Government have just put in abeyance. So, the first and most

important thing is how to improve short-term supply elasticity in agriculture by doing the things which they had promised to do. Second, the centerpiece of any macro economic stability policy is fiscal rectitude. He has himself now admitted that this year, there will be a huge slippage in fiscal targets. If fiscal profligacy continues, the centerpiece of macro economic stability is in huge danger. The last point, which I Would like to raise, is clearly improvement in investment gearing ratio is inextricably linked with improving investor sentiment. It would have been better for Government at a time when there is slowdown in the economy to rekindle reform agenda.

To revive investors' sentiment and to get structural reforms going, would be a critical factor. Issues of transparency, long-term investment decisions, is an act of faith. But in the lack of faith of reviving investor confidence. It would require an integrated action.

DR. K.P. RAMALINGAM: The prices of oil and every other commodity are increasing hitting the common man worst. This is the price for our liberalization and globalization . We have been saying that our growth rate is increasing but the ground reality is different. Our economy is based on agriculture. More than one-third people of our country are agriculturists and we have the labour class in the unorganized sector. Their life is pitiable. Our goals for prosperity through liberalization are lopsided as we have not taken into consideration the condition of our farmers. People deserting villages and agriculture. This is because of the unequal growth that we find in the liberal economy. Only the middlemen and the men in the online trade are reaping the benefits. Our civilization gave the knowledge of cultivation to the world. Our agriculture, when ignored, gives rise to the extinction of artisans and small merchants who are part of our national life and culture. Neglect of farming sector leads to the sufferings of agriculturists, agricultural labour, unorganized labour in other sectors. The increasing price rise causes sufferings to the vital sections of the society who are becoming poorer and poorer. The middle class people and the salaried class who get various benefits through different service sectors are still a minority in our population. The real growth in production must be in our agriculture and agro-

industries sector. The Government must also ensure that the wasteful expenditure is curbed.

State Governments are increasing milk price and bus fare and throwing the blame on the Centre. When the Central Government agrees to petrol price hike, the State Government uses the opportunity to increase bus fare. Thus the common man is being crushed by the price-rise.

DR. YOGENDRA P. TRIVEDI: We are all consumers who are suffering the brunt of increase in prices. My party revised the price rise in two parts. Price rise in essential commodities is a cause of concern for the common man. Their plight has to be considered. There is also a price rise in luxury goods. They are mainly consumed by a few. As a result of increase in prices and slowing of production, the economy has suffered. Merely monetary control or fiscal measures will not be sufficient to arrest this decline in our economic growth. If production is falling, it has to be arrested. I believe that instead of increasing the interest rate, we should think in terms of selective interest grading. The industry which is suffering should be given money at concessional rate of interest on its borrowing, and the industries, which are prosperous, can be given money at higher rate of interest. The price rise is not a problem only of the Ruling Party or of the Opposition Party. It is a concern for all of us. I believe that it is no use blaming one factor or the other. We do not need the abolition of the commodity exchange but we need a proper regulation of the commodity exchange. If there is a bullish tendency, it has to be curbed by the Government. Our granaries are full. Our farmers are very happy. Our distribution system is not wrong. But, there must be proper distribution centers. There must not be hoarding of the goods. If all this is properly implemented, the prices of commodities and foodgrains can be brought down. I believe that subsidies are not always to be supported. There should be subsidies on food items and kerosene. But, there need not be any subsidy on petrol which is consumed by some selected people. All the parties should come together to find out a solution, in respect of the State Governments. They have to examine what is their role, what they are doing and

what remedies they can have. Now, it is time to take united action, not merely by the ruling party, but even by the Opposition to bring down the inflation.

SHRI MANGALA KISAN: Prices of commodities have been increasing for the last four years. As a result thereof, the problems of the common man are also aggravating. The people having low income, are very much perturbed. Even after 64 years of Independence, there is the shortage of foodgrains. The kind of progress, which the country is making, is of no use. There is no programme for the people living in remote areas who have no sources of income for their livelihood. We will have to change the development process. The Government will have to provide employment for the poor people, 'adiwasis' and labourers. The villagers are changing their profession of agriculture and migrating to the cities because there is no solid programme of irrigation for them. As a result thereof, the production of foodgrains is decreasing. There is more demand of goods than their supply. That is why prices are increasing.

SHRI D. BANDYOPADHYAY: When prices rise at the level beyond 3 to 7 per cent, for a long time, we have a situation of inflation. We are having that situation of inflation for the last three consecutive years. In the last two years, food prices have almost risen by 75 per cent. Such a high increase of inflation is having deleterious effects on the economy as well as on the household sector. We are having a very horrendous situation, in our country. Such a high rate of inflation affects people in various ways. Fixed income groups suffer very much. They substitute the lower-priced food for a high-valued food. The Government has blamed the global increase in the commodity prices. It is true to some extent, but is not wholly true because the rupee value is going down. It is true that India has achieved a high rate of growth. But indiscriminate pursuit of economic expansion is having its deleterious impact on India's social development. The Government blames the hike in crude oil price. When the price of crude oil was very high and the petrol price was Rs. 40, we have almost 25 per cent growth rate.

In fiscal matters, the Government has abolished tax on dividend income in order to promote investment. It has also abolished estate duty. It is the time to think about some fiscal measures, because we are increasing disparity in our own country. We can only solace ourselves by saying that we have billionaires. Indirect taxes on consumer items push the prices up. The exemption of direct taxes on the rich only enhances the production of luxury items, while the people in the lower income bracket suffer for want of adequate supply in terms of food.

The RBI has been following an ineffective monetary policy in combating inflation. The culprits of the food price inflation are the hoarders and speculators. They do not operate with bank money. They operate with liquidity money that leads to the situation. They are beyond the RBI. The policy which benefits only a minuscule and causes distress to many is against the basic tenets on which our sovereign, socialist, secular, democratic republic is founded.

SHRI MAHENDRA MOHAN: I expect that, after the discussion on the price hike, there should be some changes in the Government's policy. There are several reasons for indiscriminate increase in the prices of foodgrains and other edible commodities. With the increase in the price of petrol, the transportation cost also increases. This enhances the prices of vegetables and foodgrains. Though the income of employees in the organized sector has increased, the plight of the common man is pitiable. The purchasing power of common people has not increased because their minimum wages has not been revised. No attention is being paid towards the fact that less supply of commodities and more demand thereof is the major cause of price hike. Increase in interest rates of banks and devaluation of rupee affect the common man. The expenses of farmers are increasing, while the sources of their income are not enhancing. The PDS has totally failed. Hoarding is increasing and foodgrains are being destroyed. If the commodities are made available in sufficient quantity, their price will come down. We make eloquent promises to people, when we go to them for votes after every fifth year. But after

that, we forget them. Strict measures should be taken to control the said price hike.

Action should be taken against the hoarders to check the hoarding. Surplus foodgrains should be distributed either through Public Distribution System or otherwise. If the prices are on the incessant rise in this manner, anarchy is sure to prevail. When the rupee is weak, India also becomes weaker internationally. Minimum wages should be increased with a view to increase the purchasing power. Demand and supply should be rectified. Such steps should immediately be taken as this can contain the price-rise and general people may feel relieved.

SHRI D. RAJA: The price rise is the most burning issue. The same House passed the Resolution urging upon the Government to take adequate measures to contain inflation and to control prices. I think the neoliberal policies and financial policies pursued by the Government are primarily responsible for this situation. The acceptable range of inflation rate in India lies between three and seven per cent. The Food Security Bill that is available in the public domain is nothing but a food insecurity Bill. But there is a need to ensure right to food for the people of our country. The Government, is pleading helplessness before the market forces. Regarding supply and demand, I honestly feel that it is a kind of mismanagement of our policies.

The cash transfer idea needs to be reconsidered. As a long-term policy measure, the Government will have to multiply the public investment in agriculture. As a short-term measure the Government will have to universalize public distribution system. The Government should pay remunerative prices to farmers and ban on-line trade or forward trade or future trade particularly in food items and essential commodities. The rupee is depreciating; the unemployment is growing; the poverty is growing; the industrial production is declining; the manufacturing sector is showing a decline. The allied parties of the Government are also critical of the situation. The Government will have to review its neo-liberal economic policies and

try to go in for a mid-course correction. The Government can really reduce the tax component in the fuel prices. There is a need for rationalization of the duties on petrol and petroleum products. The Government should be very realistic in addressing the price question. The prices are very high. Even the congressmen are also concerned with the price rise. But, the Government is continuously failing. The Government can contain inflation or control price rise. The Government should speak on the problems of the Government—whether it is the question of governance or any programme.

SHRI A.W.RABI BERNARD, making his maiden speech, said: I salute the Indian Democracy which has given opportunity for people like me to come into this House. I would like to give an assurance that I will in my own modest way preserve the honour of this House. Foodgrain prices are zooming; medical bills are mounting; even water has to be bought. Only polluted air is free. The situation of the poor is, indeed, desperate, and we cannot remain mute spectator. One reason for the price rise is constant and regular increase of fuel prices. On the plea of helplessness, the Central Government should not be callous. Pro-poor action is called for. The nutrition status of pregnant and lactating women and the pre-school children is affected when the prices of foodgrains, vegetables and oil are hiked. The health status of women and children go down drastically. There is an increase in child labour due to withdrawal of children from schools caused by lack of food at home. The loss in purchasing power would affect buying of other goods and services which are essential. So, you have stopped talking about very impressive growth rates now. Poverty, price rise are universal phenomenon. But, in India, it has a different colour. Poverty is inherited in India. Thus, in the case of SCs, STs and Muslims the malnutrition rates turn out to be high. I urge the Government to take measures which are, specifically, oriented towards the poor, towards all poor and poorer among the poor. The All-India Anna Dravida Munnetra Kazhagam Party's Government in Tamil Nadu, specifically, targeted to alleviate the sufferings of the poor. 35 kilos of free rice per month are given for special categories of families. There are many other such targeted measures. I believe

that these schemes deserve to be replicated in other parts of the country.

I request the Government of India to implement a universal public distribution system whereby all households are entitled to food subsidies unless they meet the well-defined exclusion criteria.

DR. ASHOK S. GANGULY: I just want to touch upon two issues. The point of the fact is that in spite of a record output of foodgrains, oilseeds, sugarcane, cotton, fruits, vegetables, prices are still going up. Therefore, there is a disconnect between output and demand. That is a reality. The fact that 20 per cent of foodgrains are being wasted is well known. And, there is no instant solution to that. Fifty per cent of the potatoes were rotten on the field. This has been going on for the last 50 years and not enough warehouses could be built. Now, *rabi* production is going to be another record production. But, because of anticipation of *rabi* production, already, the inflation is coming down.

But, in the long term, we face even a bigger crisis. Do not underestimate the crisis in Europe. We will be affected. The European economy is in the disarray. Our own currency is going down. Our stocks are being uncertain and our growth is under enormous stress. Therefore, do not look for short-term and instant solutions. Our resistance against both domestic and Foreign Direct Investment is a great calamity that we are bringing upon ourselves. Let us acknowledge our own mistakes and do something about it. We cannot have any differences about what this nation needs. We have to do it jointly. We have to look to the people of India.

SHRI M.V. MYSURA REDDY: The previous speaker mentioned about the supply and demand. This is the cause for the price rise. There has been no action for the development of infrastructure projects in the supply chain side to minimize the waste. It is total failure of the Government policies and they were unable to fulfill the gap between the demand and supply. There is a large gap in the farm gate and retail market prices of fruits, milk, vegetables, eggs and other foodgrains. In this, producer and consumers are not the

beneficiary. Only the middlemen are the beneficiaries. The Government might have taken action against these hoarders.

There is a monitoring cell, which monitors 14 commodities from 18 centers, and, there is also a high-powered monitoring body to regularly monitor the availability and the price of these commodities. I demand that the Government should come forward with details on actions taken by these bodies to check the price-rise. Because of MSP, price stimulation is there. The MSP for only wheat and rice is protected by the Government. The remaining MSPs are there only for namesake, and, there is no control for that. My another point is regarding the future trading. It is nothing but gambling. Because of inaction, ineffectiveness and incoherent policies of this Government, this price rise is there. I demand that the Government to take appropriate action to reduce the prices.

DR. BHARATKUMAR RAUT: This is the fourth time that I am speaking on price rise. We keep on talking about price hike, and nothing is happening. I am not going to go into the blame game. However, this is the time for introspection. Each stakeholder should do introspection and see why the prices are rising and finally they are affecting the much talked-about *Aam Aadmi* of the nation. I am not an *Arthshastri*. However, what is the tolerable limit for price rise. Various committees appointed to review the monitoring system had regarded increase in price between three to seven per cent of inflation as the limit. We have crossed that upper limit of inflation. It is not that the Government mechanism is not empowered. There is no will to ride over the tide of price rise and some vested interests do not want the prices to drop because that goes against their selfish interests. Poor people in the unorganised sector are the worst hit because their income is not linked to the price index. However, the business firms gain during the price rise. It is the business houses which are benefited by the price rise. Is the Government playing in the hands of business houses? The rich is becoming richer and the poor is becoming poorer? The Government cannot be a silent spectator by saying that it is not a party to it. That gap should be bridged. There is a slash in the prices of high luxury items. On the other hand, the prices of

commodities, which are used by the common man, are increasing. I think that the Government has to awaken now and I am sure that this issue can be sorted out.

SHRI GANGA CHARAN: First of all, I thank the hon'ble finance Minister for ending the deadlock in the parliament . I want to say that image of politician is not so good and such things add more to this. Adjournment Motion moved by opposition political parties was not accepted. Price rise have been discussed in the house number of times earlier. Government does not take any action. No action is taken against the middlemen. There is lack of cold storage.

Take action against the middlemen. They are Anti-nationals. Today the cost price of the farmers production is increasing but the price of agricultural produce is the same as ten years before. There is hue and cry over the price rise of the vegetables. But there is no hue and cry over the price rise of diesel, DAP, and Urea. This is the reason the farmers are committing suicide. All people are affected by the price rise. What would be the fate of the people who earn Rs. 29 and 50 paise a day, whose population is 44 per cent in the country and who are BPL card holders. If there would be decrease in agricultural produce, there would be further increase in price rise and the farmers would commit suicide. They are several schemes whereunder grant is not being provided to Uttar Pradesh. I want to suggest to do away the MCX, the middlemen and the future trading. Price is increasing due to future trading. The day you control the future trading, the price rise would be controlled. My suggestion is that attention should be paid to farmers. One lakh crore which is being provided under MNREGA should be given directly to the farmers. It would bring some changes in farmers life.

Corruption is also a big cause of price rise. There is movement across the country. It is a peoples' movement. Unless corruption is controlled, price rise can not be checked.

SHRIMATI MAYA SINGH: The rise in prices has affected the common man the most. The policies and decisions of UPA Government are destroying employment and livelihood of the

common man. The economic policies are hurting the poor people and benefiting the rich. If the same policies continue, there would be further increase in the number of the poor and starved. The frequent rise in the prices of eatables, petrol and even in the LPG during the last 2-3 years has disturbed the housewives budget. The figures released by the various domestic and foreign organizations on increased malnutrition recently put the picture of various ill effects of the price rise. The people expect a meaningful effort from the Government to check the price rise but the Government instead of making effort simply make estimate. Certainly the people have become richer in this country but the poor and helpless people of this country do not have money. The people have collected the money from the unprecedented corruption and black money during the regime of this Government.

On the one hand the people were hearing that the market would decide the prices, on the other hand it was witnessing the concern of the UPA Government to save a company. There are 70 % people in the country who do not have a fixed income. It includes farmers and labourers. The UPA has pushed this country 14 years back during the seven years rule. It would be better that Government focus to control the price rise. It is good for the people, Government and all.

MS. MABEL REBELLO: I stand to speak on the issue of price rise. Price rise is not only in India, it is a global phenomenon. I do realize that price rise hurts and hurts the poor the most. The Government of India is not solely responsible for the price rise. The State Government are equally responsible. When there is price rise in the outside world, it affects us. The main problem is the disconnect between the agricultural output and the availability of it to the consumers. The State Governments are responsible for infrastructure, shortage of power, shortage of irrigation. The middlemen are hoarding. Why was the FDI in retail stopped? Why is this price rise? It is because there is mismanagement and there is a disconnect between the demand and supply.

Only urban dwellers are enjoying the benefits of subsidy not the villagers and the tribal people. But we talk about the fertilizer subsidy. Unless we make ample finance available farmers cannot produce enough. Not only in emerging economies but also in developed economies, there is price rise. I am not trying to justify the price rise. Libya and some of the other Arab countries were in turmoil. Because of that, the oil prices have gone up. Although we have tried to isolate our country from its impact. State Governments are levying so much of taxes on petrol. That is also giving rise to prices. Our economy is dependent on commodity imports. Wherever there is growth, there will be some price rise. This year, we had excessive rains. This has also led to the price rise on vegetables and fruits. We must dismantle Agricultural Produce Marketing Act. We need to improve agricultural productivity. The Government of India has increased the storage capacity by four million tones. The Public Distribution System has to be streamlined by the State Governments.

DR. BARUN MUKHERJI: Unless this grave problem is not tackled on war footing we cannot contain the price rise. We must think of production and supply mismatch. Agriculture has a great impact on our economy. Sometime agricultural growth rate has gone down to as low as 1.4 per cent. There should be more public investment in agriculture. Unless we increase productivity in agriculture, we cannot contain the price rise. Corruption also leads to price rise. The anti-people economic policy of the Government goes on giving enough scope for higher profits for the corporate houses and ultimately it leads to price rise. There should be a ban on forward trading in all the agricultural commodities. We should encourage universal Public Distribution System. We should check the loss of huge amount of foodgrains in the FCI and other godowns. We must take stern action against black-marketeers and hoarders. It is a national crisis. We should reverse the de-regulation of petroleum sector. It should not be left to the market forces.

SHRI RAJNITI PRASAD: Price rise is not being checked notwithstanding there is no spark of resentment is visible. I have discussed it many a time. You ban forward trading. Unless you stop

forward trading, you would not be able to provide the basic requirements of common man like bread, medicine, cloth, houses etc. Do something as history will remember you.

SHRI VIJAY JAWAHARLAL DARDA: The Government have done its best consequently we have been able to check the inflation. The rising prices of essential commodities are the question of concern. The value of Rupees have come down in comparison to Dollars, due to this imports became more expensive. The rising price of oil have also contributed to inflation. For oil we are dependent on imports. Today's world is a global village. If an event affects a corner of the globe, entire world gets affected. The situation is the same for the Indian economy. Although we have tried our best to control the situation, some situation is not always under our control. Today entire world is suffering from recession. The Government is going to introduce the Food Security Bill in the Parliament very soon. We must take care of production and distribution of food.

Discussion concluded and Minister to reply later.

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