

How you would hold the price line

What is it that is uppermost in the mind of the house wife today? What is it that perturbs the common man every moment? What is it that has become a permanent headache for the govt.? It is nothing but the spiral of rising prices in the country.

Whether we are sitting in the small family circle or having a chat with our friends, the talks would ultimately turn to the present rise in prices. Hardly a day goes by when we do not come across a news headline or do not listen to a radio broadcast touching on the problem of prices.

The Devil of Prices is growing powerful day by day. In case it is not checked in time, it may swallow up everything and cripple the whole Indian economy.

First of all we have to increase production in the country. To step up agricultural production we have to arrange for the distribution of better seeds and fertilizers. We have also to look to big and small irrigation schemes and other agricultural programmes. Besides this we have to increase the factory production as well so that there is no shortage of consumer goods in the country.

On the other hand a check is also essential on the consumption of things because rise in the demand of things brings a rise in prices. This can be achieved by imposing more indirect taxes, which will limit the purchasing power of the people and bring down the demand of things.

Increase in production and restriction on consumption can bear fruit only when the govt. keeps a close watch and fixes the minimum and maximum prices of essential commodities. For instance the govt. must take upon itself the fixation of prices and distribution of things like steel, cement, cotton and sugar, etc.

Presently there is a great shortage of edible oils in the country. Mustard oil is available only in the black market at a price of Rs. 15/- or 16/- per kilogram. The govt. is importing Rapeseed oil and selling it at Rs. 7.60 per k.g. through Fair prices shops. However, people are not happy on using this substitute.

The biggest factor that gives rise to prices is deficit financing by the govt. For years together the govt. has been taking help of this weapon to carry on its five year plans. But the govt. must now put a stop to this policy of issuing more and more currency notes to finance the plans as it brings down the value of money and increases the price level.

Sometimes speculation and hoarding also raise the prices of things in the country. The Reserve Bank of India must increase the Bank rate so that credit becomes dear and difficult to obtain and prices remain static.

A check on the inflation of currency and credit is also essential. For this more and more saving schemes should be introduced. This will decrease the supply of money in the market, increase the value of money and bring down the prices of commodities.

Will a day ever come when nobody starves for his bread, and hungers for his cloth or shelter? Yes, it may, provided the consumers, the producers, the businessmen and the govt. all cooperate with one another in this great venture of national importance.