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With the Compliments

of

Swatantra Party

Central Office

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A note from Dr. R. C. Cooper, Hon. Treasurer, Swatantra Party on some aspects of the A.I.C.C.'s Ten Point Programme

By adopting the resolution on Economic Policy, the All India Congress Committee has put its seal of approval on a ten-point programme which includes <u>inter alia</u> (i) State Trading in foodgrains; and (ii) progressive nationalisation of import and export trade.

It is difficult to understand how these steps will help solve the country's current economic problems which are crying for an urgent solution. The business community justifiably feels that these measures are perhaps intended to make a scapegoat of it for the economic ills for which it is not responsible and for which the Government has failed to find effective solutions.

Dealing only with the question of taking over of retail trade, I would like to point out a few facts which deserve careful attention. I feel certain that the Press will place these facts before the public so that people can draw their own conclusions:

(1) <u>Some facts about retail sales of Petrol in Bombay City</u>:

Year	Retail Selling Rate per Litre, including dealers' commission: Paise per litre.	Dealers Commission per Litre. Paise per litre	Percentage of Dealers' Commission to Selling Price of Petrol. (Gross Margin)
July 1957	60	4.18	7%
July 1962	68	4.18	6%
May 1967	98	4.18	4.25%

<u>Note</u>: (a) The Dealers' Commission is a gross figure from which the Dealer is supposed to bear all his establishment Expenses.

(b) The general price level has gone up by about 90% between 1957 and 1967.

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(c) During the last 3 years, the general price level has gone up by 50%.

(d) The rate of interest on borrowings has gone up from 5% in 1957 to more than 10% in 1967.

(e) The Establishment expenses have almost doubled since 1957, due to application of the Minimum Wages Act, Bonus Act, etc. to Petrol Dealers as also heavy general rise in prices.

(f) Innumerable representations since 1961 by the All-India Petrol Traders' Association to the Government of India, the State Government and the Oil Companies have received no response whatsoever.

(2) Facts about Retail Sales of High Speed Diesel Oil in the Bombay City:

Year	Retail Selling Rate per litre, including dealer's commission Paise per litre.	Dealer's commission per litre. Paise per litre	Percentage of Dealer's commission to selling price of H.S.D. (Gross Margin)
July 1957	36	1.76	5.1%
July 1962	54	1.76	3.4%
May 1967	78	1.76	2.1%

Other facts are the same as in case of Petrol.

(3) Retail sale of Kerosene:

Town	Margin allowed to shop-keepers. Paise per litre.
Bombay City	$1\frac{1}{2}$
Thana	$2\frac{3}{4}$
Poona	$3\frac{3}{4}$
Bangalore	5
Ahmedabad	3

(a) Even in other parts of Maharashtra State, the margin allowed to retailers is more than in Bombay City where the cost of living is the highest.

(b) Since 1st July 1966, by virtue of the Maharashtra Kerosene Dealers' Licensing Order 1966, all dealers and hawkers are required to take out a licence; deposit a sum of Rs.50 with the State Government; and comply with various other formalities. All this for a gross margin of $1\frac{1}{2}$ paise per litre, which is supposed to take care of all the establishment expenses at a time when the prices on an average have gone up by 50% during the last three years.

(c) Representations to the Central and State Governments have yielded no results.

(4) Sale of Rationed Foodgrains in Bombay (1943-1967)

Year	Gross Margin per Bengal Mound	Gross Margin per quintal
1943	Re. 1/-	Rs.2.68
1967	Re. 1/-	Rs.2.68

(a) The margin which was fixed in 1943 has remained static for 24 years.

(b) During last 3 y ars, the prices of foodgrains have gone up as under:

Wheat	from Rs.37.5 to Rs.60.3	per quintal
Coarse Rice.	" Rs.42.8 to Rs.83.8	" "
Medium Rice	" Rs.53.5 to Rs.89.3	" "
Super Fine Rice No.1	from Rs.80.3 to Rs.115.3	" "

(c) Out of the gross Margin of Rs.2.68 per quintal, the transport, loading and unloading charges come to about one rupee.

On the above facts, I would leave the public to judge to what extent the decision of the A.I.C.C. is just and fair to the business community and in what way State Trading on foodgrains trade will benefit the masses of India.

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