

Shri Basappa: Is it not a fact that the Mysore Government have not ratified the agreement of 1951?

Shri Alagesan: Yes, it is true that that the Mysore Government which was a part to the conference did not subsequently sign that agreement.

Shri Hari Vishnu Kamath: What are the reasons for Government's apparent tendency to procrastinate, and their reluctance to take a firm line in such disputes, with the result that they assume undesirable, if not menacing, proportions? What are the reasons for the procrastination or the delay?

Shri Alagesan: There are a lot of suppositions in the hon. Member's question to which I should not subscribe. When there arises matter which concerns the interests of various States, naturally, we have to proceed with certain caution and care, and that is precisely what is being done in this matter.

Shri Venkatasubbaiah: From the statement of the hon. Minister it appears that the Madras State is also one of the States, that is involved. May I know whether even after the partition of the old Madras State into Madras and Andhra Pradesh, the Central Government still maintains that Madras also is a party to this?

Shri Alagesan: That is not being maintained, but the Madras Government have made certain representations to the Gulati Commission, and the main purpose of the Gulati Commission is this. They have been asked to assess the available supplies in the two rivers of the Krishna and the Godavari, so that it will be possible to allocate the waters that will be available in these two rivers in as useful a proportion as possible.

Price of Sugar

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*653. { **Shri A. S. Saigal:**
 { **Shri D. N. Tiwary:**

Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that in several parts of the country such as Kanpur, Calcutta, etc. the price of sugar went very high in the market; and

(b) the reasons for such rise when the sugar is abundant in the country?

The Deputy Minister in the Ministry of Food (Shri A. M. Thomas):

(a) Yes, Sir. There has been some rise in the market price of sugar.

(b) This is largely due to the release of new sugar in March-April this year. Being of better quality sellers demand higher price for it.

Shri D. N. Tiwary: May I know whether it is a fact that the rise in prices occurred mostly after the quotas were allotted to the suppliers, when the mills made certain objections and afterwards took some more money and then only supplied the quota?

Shri A. M. Thomas: It is not correct. The fact is as follows. Even when decontrol was introduced, it was understood that the prices would not be allowed to fall below a reasonable level. This industry is highly regulated. The minimum price of sugarcane is fixed. The wages are standardised. There is the payment of sugarcane cess to the State Governments. There is payment of excise duty to the Central Government. So, the Central Government have to see, when the leases are made—for, that is the only mechanism to regulate the prices, which is now vested with the Central Government—that these payments are also made, and that the prices prevail at a reasonable level so that the sugar industry, the sugarcane grower and the public at large are all benefited.

Shri D. N. Tiwary: May I know why when there are regular releases....

Mr. Speaker: It appears as if the hon. Member is talking to the hon. Minister. I am the most concerned

person in whatever is said here. So, everything should be said to me and directed towards me.

Shri D. N. Tiwary: I am sorry.

May I know why when there are regular releases and regular supplies to the markets, the prices rise?

Shri A. M. Thomas: The prices have begun to rise from the middle of April. Till March, the prices were prevailing even at a lower rate than the controlled prices which were prevailing before the introduction of decontrol. The main reason is that there is definitely a preference for the sugar that has been released out of the current season's production, because that would be of better quality. When control was prevailing, the factories were not very particular about the quality of the sugar that they produced, and the quality of sugar available from most of the factories was yellowish in colour and also somewhat moist, so that the prices prevailing soon after decontrol were even below the prices that were prevailing before that.

Shri A. S. Saigal: May I know whether any statistics has been maintained by Government about the rise and fall of sugar prices in the country during the last three years?

Shri A. M. Thomas: Yes; I have got those prices here with me. I have got with me here the prices prevailing previous to decontrol and also the prices in April, in respect of Kanpur and Calcutta which have been specifically referred to in the main question. In the case of Kanpur, the price prior to decontrol was Rs. 40.04. Now, the prevailing wholesale price is Rs. 40.59, so that there is only an increase of Rs. 0.55. In Calcutta, on 15th September, 1961, it was Rs. 41.85, and now it is Rs. 42.50. I have already explained the reason for the higher price; it is because of the better quality of sugar.

श्री शिव नारायण : हमारी कंस्टिट्यूएन्सी में दो शुगर मिलें हैं। उनकी चीनी बन्द पड़ी

है। मैं जानना चाहता हूँ कि क्या सरकार इजाजत देगी कि वे अपनी चीनी को बेच सकें ?

अध्यक्ष महोदय : अपनी कंस्टिट्यूएन्सी की बात इन से अलहदा मिल कर कर लीजिये। वह ज्यादा अच्छा रहेगा।

श्री शिव नारायण : चीनी उत्तर प्रदेश में पड़ी हुई है।

Mr. Speaker: Order, order. Shri Tyagi.

Shri Tyagi: Is it in response to the demand put forward by some of the sugar mills that sugar should not be liberally released so that its price may be maintained at a higher level that the Government are not liberally releasing sugar?

Shri A. M. Thomas: Such representations were received. But Government are constantly keeping an eye on the price level. We found prices going up a little bit. So after the usual release last month, we made a further release of 50,000 tons a few days back. We are going to release another substantial quantity, perhaps much larger than the usual releases, next time.

Shri Tyagi: What is the hitch in Government's releasing sugar freely without any restriction?

The Minister of Food and Agriculture (Shri S. K. Patil): Even the sugar that is released is not taken up totally. If all of a sudden there is a big release and prices collapse, it would be impossible for the mills to pay the cane growers also. Therefore, this mechanism has to be very carefully and tactfully handled.

Shri S. M. Benerjee: Is it a fact that retail prices in Kanpur have gone up by 15-20 nP recently? If so, what steps have been taken by Government to control the retail prices also, not only wholesale prices?

Shri A. M. Thomas: I am not aware of the retail price going up

beyond any proportion. The retail prices should certainly bear relation to the wholesale prices.

Shri S. M. Banerjee: I want to know what effective steps have been taken. He is talking theory.

Allowances for P. & T. Employees

***654. Shrimati Renu Chakarvartty:** Will the Minister of Transport and Communications be pleased to refer to the reply given to Starred Question No. 170 on the 24th March, 1962 and state:

(a) the special considerations for which Central Government employees were given city compensatory allowance and house rent allowance in North Barrackpur Municipality;

(b) in view of the fact that in contiguous municipal areas and cantonment boards, exactly the same conditions prevail, why these privileges should be denied to them;

(c) whether it is a fact that for several months employees living in Barrackpur enjoyed these privileges; and

(d) whether any representation has been received in this matter?

The Deputy Minister in the Ministry of Transport and Communications (Shri Bhagavati): (a) Some years back the non-gazetted employees of a Defence Ministry's establishment at Ishapore were given the allowance on *ad hoc* basis. The concession admissible to those drawing pay up to Rs. 200 p.m. was extended to other Central Government employees working at Ishapore, and later this was extended to the North Barrackpore Municipality of which Ishapore forms a part.

(b) Compensatory allowance is admissible on the basis of population of a locality or its contiguousness to a locality, declared to be a compensatory allowancy station, on the basis of population. Ishapore, which does not qualify for compensatory allowance

on the basis of population, was a special case.

(c) Yes.

(d) Yes.

Shrimati Renu Chakarvartty: In view of the fact that all the areas from Baranagar right up to Kalyani is almost a contiguous area, contiguous to Calcutta City, as far as living conditions and house rent are concerned, and in view also of the fact that North Barrackpore Municipality is not physically contiguous to Calcutta, why should all the other smaller municipalities which form one contiguous area as a suburb of Calcutta be denied what has been given to the North Barrackpore Municipality?

Shri Bhagavati: The industrial belt contiguous to Calcutta seems to have a case for special consideration. But there are certain difficulties. The yardstick of cost of living index cannot be applied to all the areas which fall within this industrial belt. Then again the question of applying this principle to other categories of employees under the Central Government is also to be considered. So, there are certain difficulties.

Shrimati Renu Chakarvartty: May I know whether the Government is going to consider this matter which the hon. Deputy Minister says has a good case, and whether that matter is going to be looked into because three of the municipalities out of the ten or twelve municipalities are already getting city compensatory allowance?

Shri Bhagavati: This is a suggestion for action. It is proposed to re-examine the whole situation.

Shri Priya Gupta: What is the criterion for extending the city compensatory and house rent allowances? Is it the basis of declaring a particular city to be A, B or C class, or is it any other criterion like the cost of living being higher in particular areas.

Mr. Speaker: That was the principle.