

Shri Hath: That depends upon the three Governments. They first suggested that this should be taken as a part of the first phase of the project. That was not possible because surplus water would not be available and the first phase of the project was only up to 135 miles. If they want to take it as an independent one, the Central Government would consider it later on.

Shri S. V. Ramaswamy: May I know if the canals would be constructed only for the purpose of irrigation or whether these will be utilised for inland water navigation also.

Shri Hath: The present idea is for irrigation only.

Export of Sugar

*16. **Shri Bishwa Nath Roy:** Will the Minister of Food and Agriculture be pleased to state whether any country has recently approached India for the purchase of Indian Sugar?

The Deputy Minister of Food (Shri M. V. Krishnappa): Yes, Sir. Enquiries for the purchase of Indian sugar have been received from a number of countries in Europe, West and East Asia. Indian sugar has been sold to Persian Gulf Ports, Ceylon, Burma, Malaya and United Kingdom.

Shri Bishwa Nath Roy: May I know whether India is in a position to compete with the other sugar producing countries regarding sugar rate?

The Minister of Food and Agriculture (Shri A. P. Jain): Yes, at the moment we are exporting sugar at the world price and making some profit.

Shri Bishwa Nath Roy: May I know whether the sugar rate would be reduced in view of the fact that India has got surplus sugar and the export of surplus this year?

Shri A. P. Jain: It is not possible for me to envisage the future trends of market prices. But, I feel that India is in a position to export some sugar. The question has to be viewed

particularly from the point of view of our needs of earning foreign exchange.

Shri D. C. Sharma: May I know what is the agency employed by Government for the export of sugar and whether that agency is functioning very efficiently?

Shri A. P. Jain: Sugar is, at the moment, being exported through the Indian Sugar Mills Association. Ordinarily, Indian sugar cannot be exported at world prices because our cost of production is high. Originally, when the scheme was taken up, we felt that we shall have to suffer some losses. Later on, on account of the closing of the Suez and the failure of the wheat crop in Europe and of sugarcane in certain other parts of the world, the prices went up; and the arrangement with the Indian Sugar Mills Association is that any profit made should be funded so that, later on, when sugar cannot be economically exported this money will be used for exporting sugar.

Shri Heda: How many tons of sugar has so far been exported and what is the total target or how much sugar will be exported?

Shri A. P. Jain: Firm commitments to the extent of 46,000 tons of sugar have been made for export. Our idea at the moment is to allow export up to 1 lakh tons. May be, if later on we find that conditions so warrant, we may allow further export.

Shri Joachim Alva: Is Government contemplating the setting up of a State Trading Corporation for the export of sugar just as it has done in other spheres or does it want to permit the Indian Sugar Mills Association to export and reap rich profits?

Shri A. P. Jain: I do not think the question of setting up a separate State or Export Trading Corporation or any such thing arises. For the time being we propose to carry on with

the present machinery which is quite efficient and which is not a profit making machinery.

Dr. Rama Rao: In view of the new markets that we are finding for our sugar, do Government contemplate expanding our sugar production further?

Shri A. P. Jain: We have already decided to expand sugar production by 1 million tons per year, and, for the present, we propose to go on with that programme. Later on, we may think of expanding it further. The question has to be viewed from one particular point of view that we are not making the whole machinery for sugar manufacture. In two years' time we hope to produce a major portion or a highly substantial portion of that machinery. On account of our difficulties of foreign exchange we may have to stagger the programme of further expansion.

Shri B. D. Fande: May I know the names of the countries to which sugar is exported?

Shri A. P. Jain: Those names have been mentioned in the answer to the question. I may repeat them here. They are Persian Gulf Ports, Ceylon, Burma, Malaya and the United Kingdom.

Shri Ramachandra Reddi: May I know the difference between the world prices and the Indian prices and the amount of profit that Government will be making by the export of 1 lakh tons of sugar?

Shri A. P. Jain: The sale price works out to about £59/2 per long ton F.O.B. Indian Ports, leaving a profit of about 2/17 per ton. The profit on the 46,000 tons is estimated at Rs. 17.4 lakhs.

Shri Bishwa Nath Roy: May I know whether the price rate of sugar in India would be reduced in view of the present surplus position of sugar?

Shri A. P. Jain: The sugar market is a free market and I cannot give any such undertaking.

Budameru Reservoir

*17. **Dr. Rama Rao:** Will the Minister of Irrigation and Power be pleased to state:

(a) the progress of work on the Budameru Reservoir;

(b) the work carried on the (i) diversion channel (ii) widening and deepening the outlet from the Kolleru lake and (iii) subsidiary reservoir on Tammileru;

(c) the acreage that will be protected from inundation during an average flood, if the whole work is completed; and

(d) the additional acreage that will be irrigated after completion of the composite scheme?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No work has yet been started on the Budameru Reservoir scheme.

(b) to (d). The Budameru Diversion scheme involves 530 lakh cubic feet of earthwork, out of which work to the extent of 180 lakh cubic feet was done up to the end of January, 1957. By the completion of this scheme, an area of 3,500 acres will be protected from floods in the Budameru and an area of 13,000 acres brought under irrigation. The schemes for widening and deepening the outlet from the Kolleru lake and for the subsidiary reservoir on the Tammileru have not yet been received from the State Government.

Dr. Rama Rao: May I know at what stage is the controversy about the Budameru Reservoir?

Shri Hathi: The controversy was, as the hon. Member knows, that fertile lands were being submerged if the dam was constructed there. The C.W.P.C. has suggested an alternative site. The other controversy was that the diversion scheme would give benefit to about 3/4 of the areas and that expenditure on the second scheme may not be commensurate with the benefits accruing therefrom.