

may arise to use palaces and college buildings, if necessary.

Modernisation of Sugar Mills

*399. SHRI D. D. DESAI: Will the Minister of AGRICULTURE AND IRRIGATION be pleased to state:

(a) whether Government propose to take steps for the modernisation of sugar mills, specially those in U.P. and Bihar; and

(b) if so, steps proposed to be taken in that direction?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI SHAHNAWAZ KHAN): (a) Yes, Sir.

(b) The Central Government are formulating a scheme for the rehabilitation and modernisation of sugar factories in the country having old and obsolete machinery and working with uneconomic capacities.

SHRI D. D. DESAI: May I know from the Minister the impact of operating uneconomic sugar mills with machinery in depleted condition on the agriculture sector, particularly sugarcane growers. How much is the sugar recovery loss occurring and the total computed loss on account of loss on recoveries and under-payment to cane growers? How does it compare with the cost of rehabilitating or modernising the sugar factories in U.P. and Bihar?

SHRI SHAHNAWAZ KHAN: It is obvious that the losses that the country is incurring are very heavy indeed. The cost of modernisation and rehabilitation would be comparatively much less and that is why the Government of India have taken a decision to rehabilitate and modernise the out-dated and out-moded mills.

SHRI D. D. DESAI: We had recently, last year, nationalised sick mills, not sugar mills, but textile mills, and we are now on the verge of nationalising these sick sugar mills. The Levy Sugar price difference in this case is very high. The hon. Minister had given a general idea, but I may say that the levy price difference in the case of sugar we had to compute was between Rupees 442 for South Bihar against rupees 118 for Andhra Pradesh. I do not want to dilate on this unfortunate imbalance, but now that Government have already felt the heavy losses they are incurring on textile mills so much so that in the course of a year or so they might be forced to auction away those sick mills to get away from the debit entries operating junk textile mills which had been bought at high cost, will the Government take over the sugar factories or scrap those factories or will they consider putting up new factories of their own in these two States?

SHRI SHAHNAWAZ KHAN: Where Government have found sugar mills which are not functioning properly, Government have not hesitated to take over those mills. We would like to give a chance to sick sugar units or mills which are not functioning properly or which are having a capacity which is rather low for crushing, to modernise themselves.

SHRI S. M. BANERJEE: The hon. Minister has stated that some of the mills which are sick to be modernised. I am sure Government are going to spend a few crores on them to modernise. Instead of that, I would like to know whether Government has taken a final decision to take over the sugar mills in Bihar and UP, and if not, the reason therefor? Is it due to pressure from the millowners that a decision has not been taken?

SHRI SHAHNAWAZ KHAN: There is no pressure from the sugar mill-

owners. Anyhow, even if there is any pressure, Government would not succumb to it.

SHRI S. M. BANERJEE *rose—*

MR. SPEAKER: He has said there is no pressure. Shri Ram Gopal Reddy.

SHRI S. M. BANERJEE: What about takeover? What about nationalisation? Has a decision been taken by Government?

MR. SPEAKER: Takeover of sick sugar mills has been described as 'socialism being made a dustbin of capitalism'.

SHRI S. M. BANERJEE: Shri Reddy is a sugar mill magnate. Why should he ask a question?

MR. SPEAKER: has said that whenever necessary, they will be taken over.

SHRI S. M. BANERJEE: He has not said so. You have said so.

When Shri N. N. Pandey raised a discussion here, we were assured that Government was seriously thinking over it. Has a decision been taken to take over the sugar mills or is a decision the policy of my party.

SHRI SHAHNAWAZ KHAN: I have stated on a previous occasion that my party is committed to the nationalisation of the sugar industry. That is the policy of my party.

SHRI S. M. BANERJEE: which is his party—Congress or INA?

MR. SPEAKER: What is Government's policy?

SHRI SHAHNAWAZ KHAN: It is the policy of the Government of my party. What the opportune moment for that would be has yet to be decided. The Sugar Inquiry

Commission also has made some recommendations. Those are under the consideration of Government.

SHRI M. RAM GOPAL REDDY: Has any programme been drawn up to modernise these old mills, and if so how much money is needed and in how many years they are going to modernise the whole industry?

SHRI SHAHNAWAZ KHAN: It has been decided in principle that all the sick mills would be modernised and rehabilitated. A provision has been made for it in the current year's budget. We hope that the work on modernisation will start very soon.

Nagarjuna Sagar Project

+

*393. SHRI S. A. MURUGANANTHAM:

SHRI Y. ESWARA REDDY: Will the Minister of AGRICULTURE AND IRRIGATION be pleased to state:

(a) whether Government have sanctioned any special assistance for the Nagarjuna Sagar Project during the current year; and

(b) if so, details thereof and when this Project is expected to be completed?

THE DEPUTY MINISTER IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI KEDAR NATH SINGH): (a) and (b). A special advance Plan assistance of Rs. 3.5 crores has been sanctioned by the Government of India to the Government of Andhra Pradesh for Nagarjuna Sagar Project for the year 1975-76.

The project is likely to be completed by the end of March, 1981.

SHRI S. A. MURUGANATHAM: In order to complete the excavation of channel to power ayacut of 11.19 lakh acres and to realise early irrigation benefits and food production, how