

inundate nearly 40 acres of forest land. Rayalaseema is a permanently drought hit area and so this project will help thousands of farmers and lakhs of agricultural labourers. Hence there is urgent need for the Ministry of Environment and Forests to look into the matter and give clearance to enable the completion of Varadarajaswamy project at the earliest.

11.15 hrs.

SUGAR UNDERTAKINGS (TAKING
OVER OF MANAGEMENT) AMEND-
MENT BILL

(As passed by Rajya Sabha)

[English]

MR. SPEAKER : Now we take up items Nos. 11 and 12 together, for which one hour has been allotted. Dr. A. K. Patel, Hon. Member is not present. Rao Birendra Singh.

THE MINISTER OF FOOD AND CIVIL
SUPPLIES (RAO BIRENDRA SINGH) :
I beg to move* :

“That the Bill further to amend the Sugar Undertakings (Taking Over of Management) Act, 1978, as passed by Rajya Sabha, be taken into consideration.”

This is a very simple amending Bill to replace an Ordinance we promulgated in November. It is intended to increase the period of take over of mills from six to seven years, so that Government can further discuss the matter, or handing them back to the owners, after considering properly as to what safeguards can be provided so that the mills do not again become sick and Government dues also may be recovered.

I hope the House will also pass this Bill unanimously.

MR. SPEAKER : Motion moved :

“That the Bill further to amend the Sugar Undertakings (Taking over of Management) Act, 1978, as passed by Rajya Sabha, be taken into consideration.”

Mr. V.S. Rao, would you to speak on this Bill ?

SHRI V. SOBHANADREESWARA
RAO (Vijayawada) : Mr. Speaker, Sir, I disapprove of this Sugar Undertakings (Taking Over of Management) Amendment Bill because the Government of India which is expected to show the same interest regarding the Sugar problems pertaining to the sugar industry in all the States, is unfortunately taking greater interest in the problems of the sugar industry in Uttar Pradesh. There are many other sugar factories which are closed, which are not functioning, which have to pay crores of rupees as arrears to cane growers, and which are not taken over by the Government of India. The five factories which have been taken over under this Act, recently, are all in Uttar Pradesh. The original Act had contemplated to take over some factories and it was expected that they would take them over for three years. Subsequently it was increased by another three years. Now, in the seventh year they want to take over some more. I would like to bring to the notice of the hon. Minister that one factory the Chellapalli sugar factory in Krishna District, Andhra Pradesh, had to pay Rs. 1.5 crores to the sugar cane growers as dues. It has not worked during the last season. It is not working during this season and it owes to the workers a sum of Rs. 50 lakhs as arrears of wages.

I request the hon. Minister to take over the management of Chellapalli sugar factory because it satisfies all the requirements of this Act, as mentioned in the objectives, and fulfils the conditions which are mentioned for taking over of management of factories under this Act.

I also want to mention that by extending the period by one more year, it is not going to solve the problem of sugar industry. Mr. Speaker, Sir, you are well aware that several cooperative sugar factories as well as some sugar factories in that public sector are incurring losses to the tune of crores of rupees because of the unrealistic anti-peasant policy that is being pursued by the

*Moved with the recommendation of the President.

Government of India. With all respect to the hon. Minister I would like to submit that in spite of the fact that the Agricultural Prices Commission has recommended Rs. 16.50 as minimum statutory price for sugarcane and one hon. Member on behalf of the peasants in the A.P.C. Chaudhry Ranbir Singh, recommended Rs. 25/- on a recovery of 10 per cent, the Government has not accepted the judgment of this expert body. Because of the unrealistically low price, the cooperative sugar factories and those in the public sector are incurring losses worth crores of rupees. The State Governments have to help them by way of advance under ways and means scheme or as loan. In fact, the State Government of Andhra Pradesh has given nearly Rs. 35 crores to these factories. I request the Government to give a remunerative price to the cane growers. The sugar price should also be increased. What is the logic in keeping the price of sugar at a low level? The sugar cane price is even lower than that of firewood. The consumers are not subsisting only on sugar. They are taking rice, cloth and other items of daily use. Whereas you are allowing increase in prices in respect of other commodities, you are keeping the prices of sugar at a low level just to help the upper class people and salaried people. These people are being helped and not the poor cane growers, agricultural workers, etc. I request the Minister to take an impartial view so that the sugar industry can grow. It is an agro-based industry which is helping millions of people. This price increase will help not only the cane growers but also the agricultural labourers to get more wages.

I request the Minister to take over the management of Chellapalli sugar factory which satisfies all the conditions and requirements under this Act. I request the Minister to take a decision in this regard.

PROF. N.G. RANGA (Guntur) : I have a few points to make on this Bill. I agree with my hon. friend from the opposition that this Chellapalli sugar mill should be taken over by the Government.

He has stated quite correctly that the farmers have been made to suffer because of non-payment of the dues to them. So also

workers have had to suffer. I do not know why the Government is delaying any action to protect the interest of the farmers.

11 24 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

It is high time that some definite decision was taken by the Government.

In regard to other things I cannot say anything because it is for the Minister to give answers to all the points. But the remunerative price has to be there. Whether what the Agricultural Prices Commission has suggested is enough or not I cannot say anything here and now. But I do know that there is a need for maintaining two prices—one for the low income people all over the country and the other free market price. The free market price and the procurement price that is paid by the Government, should be such as to leave sufficient margin for the sugar mills to make a reasonable profit and at the same time allow remunerative price to be paid to the growers.

I hope and trust that my hon. friend will try to review the policy that has been followed till now and see if there is any scope for improvement so that the farmers as well as the workers could be protected and the sugar mills would not have to go on losing, if they are losing at all. I would also like the hon. Minister to look into the managements of the sugar mills. Why is it that so many sugar mills, even the cooperative mills, should be losing so heavily that they are not able to pay to the cane-growers the prices fixed by the Government and agreed to by the mill owners?

SHRI THAMPAN THOMAS (Mavelikara) : Mr. Deputy-Speaker, Sir, I would like to bring to the notice of the hon. Minister the problems of the sugar industries, especially those of the agriculturists. They are not getting back even the expenses which they incur for cultivating sugarcane. On the one hand, there are no such activities by the Government which can support the cultivators and, on the other hand, the workers working in sugar factories, are getting very low wages. Now some of the industries, especially the industries based on by-pro-

ducts, are facing crisis because of the policy of the Government in not giving sufficient return for their production. I have seen two major sugar industries in Kerala—one in my constituency, Travancore Sugar Mills, Tiruvella and the other Chittoor Sugar Mills, Palghat. Both these mills are facing very big crisis because they are not getting sufficient quantity of molasses and whatever quantity they are getting is being allotted to them from U.P. though it is available in Karnataka or in Maharashtra. So, the Government has no uniform economic policy to safeguard the interests of the workers. That is why I say that the agriculturists as well as the workers connected with this industry are facing problems. When the Government wants the period to be extended by one year more, it should at least take necessary steps to see that the interests of both the workers and the agriculturists connected with this industry are properly safeguarded. I would like to point out that instead of the management being in the hands of bureaucrats who are not aware of the style of functioning of the industry and the agricultural sector, it may be better to set up a forum where the representatives of both the workers and the agriculturists are there who may formulate a coordinated policy for industry and where the interests of both the workers and the agriculturists can be properly safeguarded.

SHRI R P. DAS (Krishnagar) : Sir, this Bill has been brought to extend the period of take-over of the management of sugar undertakings from six to seven years and for framing new rules and modalities. I do not support the crucial statement of the Minister in which he says that the mills would be returned to the owners. The original Bill had stated that the sole purpose of the Bill was to reduce the outstanding arrears of the eight sugar units and to see that the mills ran continuously so that the interests of the workers and the employees and the farmers were properly safeguarded and the sugar-consuming public could also derive their interests from the continuous running of the mills.

Now we find that the Minister wants to give back all these benefits to the owners,

which was not intended in the original Bill, which was not the purpose when it was taken over from the management.

Since the sugar industry is one of the most important industries, which produces an essential commodity, it should be nationalised. When the management of these units was taken over, it was felt that the ultimate decision would be to nationalise them. But the Minister intends otherwise.

The main reason for the sickness of these mills is bad management. The managements are inefficient and sometimes corrupt. The owners of the mills never provided proper management. Whenever the Managing Director or the management found a downward trend in the profitability of an undertaking, they generally went in for some other business. In other words, they always tried to transfer the funds from one business to another.

Further, there was no attempt at modernisation of the mills. These mills were run with old and outdated machinery, which could not ensure profits. Without modernisation, none of the mills can be run profitably, nor could the mills attain economic viability. This modernisation can be effected only when the mills are under the control of the Government.

Besides that, the sugar mills have to establish industries for the by-products. Without the establishment of the industries for the by-products, these mills cannot be run at a profit.

It is also noticed that the managements of these sick mills were maintaining very bad relations with labour and the farmers who supply cane to the mills.

The owners of the mills never cared to pay a remunerative price for the sugarcane, so that the farmers will be encouraged to produce more cane. That is why there was a hue and cry for nationalisation of these mills from all round. I would like to know from the hon. Minister the total outstanding arrears due to the cane growers from the mills and whether it has been completely liquidated. There may be arrears for the

workers also in the form of wages, bonus or other dues. Have those arrears been liquidated ?

Finally, I would say that the cane prices should be adjusted in such a fashion that the farmers get a remunerative price. At present, they are not paid a remunerative price. Further, the yield from cane in this country is low, compared to other countries. Also, the cane production in Bihar and UP is less compared to that of Andhra and Maharashtra. The cane production in West Bengal is far less than its production in other States. Therefore, I would point out that for better cane production remunerative cane price should be ensured to the farmers. Without remunerative prices to the farming community, farming unit cannot be made viable. Therefore, in the end I would demand that the sick units should be retained under Government control and finally they should be nationalised. Their nationalisation should be the first step towards nationalisation of the entire sugar industry.

SHRI B. K. GADHVI (Banaskantha) : Mr. Deputy Speaker, Sir, I rise to support this measure. When we talk in this House or outside, we always talk in terms of the farmers. It is a fact that our country is predominantly a farming country. Eighty per cent of our population is dependent on farms. Therefore, even in the sphere of industries, particularly those which are agro-based, a scientific approach is required. Up till now, it appears the trend of the thinking for industries is mostly in favour of those which are not agro-based. In fact, most of our industries in India, whether they are sugar, textile or jute, are agro-based industries. But, particularly with regard to sugar industries you would appreciate that majority of the farmers, whether they are in the North, or in the East, or the South or in some parts of the West, or even in Central India, find that sugarcane growing is becoming more and more unprofitable. It is true that in some of the States where there is canal irrigation or where there is perennial cheap irrigation, people do plough sugar. Sugar is one of our agricultural produce which heavily supports our Exchequer. Moreover, because of the sugar production we are in a position to maintain

the stability of prices in the country. Therefore, my primary submission would be that we should realise that this industry should survive, progress and prosper. Its maladies and the causes of its sickness have got to be tackled. For quite a long time we have been hearing complaints from the farmers that they are not being paid sugar cane prices in time and further that the sugar-cane prices are becoming more and more unremunerative to them. It is unfortunate, that in this country whether it is profitable or not the farmer is compelled to go on growing his farming products. That is his weakness. He cannot think in other terms. If you apply cost benefit ratio principle here, you will find unlike other industries, the farmer has got no choice to divert to other fields. Therefore, this industry needs the utmost attention by the Government.

My friend from the opposition rightly said that it is well-known how the profits and capital of these sick industries have been siphoned off. Today we know that 600 textile mills are suffering because of its maladies and sickness. We know that millions of people are out of job and that they are likely to be out of job because of this malady. Similarly, if you do not give scientific attention to the sugar industry, the fate of the farmers and workers in the sugar factories would be in jeopardy. Therefore, my submission is that until we make the entire farming community stand on its own legs, our goal of making our economy self-reliant as early as possible will not be achieved.

Therefore, Sir, my submission is that today we export our sugar at a subsidised rate. People also say that sugar should be made available at cheaper rates in cities. No doubt, the consumers' interests have to be protected.

The something is happening even with regard to milk industry, our dairy industry. The farmers and the women who are rearing animals do not get remunerative prices for milk and milk products. But we want to provide them at cheaper rate because butter should be available at the table for the morning breakfast. Ghee should be available at the dining table at cheaper rate.

All these are the demands made by the vocal people. And so far we are going on yielding to the demand made only by the vocal people and not by the people who are perspiring and toiling on the soil. So far, we have not paid any attention to the difficulties of the farmers. I come from a village and I know the difficulties of villagers. There is no 8-hour shift. There is no dearness allowance with the rise in the price index level. There is no *hartal*. Indian farmers cannot go on *hartal*. But does it mean that he should not get even the remunerative price for the products he provides—may be sugarcane, may be milk, may be foodgrain, may be castor oil, may be pulses or anything. Now, the time has come when we have to pay attention to their needs and aspirations.

Of course, I welcome and support this Bill. But I would say it will be in the strict relevance of the situation, if I impress upon the hon. Minister, and the Agricultural Department in the Government of India to pay more attention to the difficulties of our farmers. Now the time has come that even with regard to agriculture and agro-based industries, a scientific approach and thorough examination has got to be done. Otherwise, the discontent and the poverty that you want to eradicate, you would not be in a position to eradicate.

In the sugar industry, modernisation is not there. Depreciation funds which are being collected are not used properly. Siphoning out of funds, as already mentioned, is done for the other industries. And the farmers who sell the sugarcane are not paid in time. What should we do with those industries? We will nationalise those industries. They wish it. Sometimes the management and the industry behave only with the motive that it should be nationalised so that they would go scot-free. I think, a penal provision has got to be inserted that if anybody or the management deliberately renders any unit sick or non-viable, then they should be punished. There should be recovery of arrears. There should be penal provisions as well as a provision for the recovery of loss sustained by the factory, from the management people. But, as it is, I am afraid the management would go on behaving in a recalcitrant manner despite

all these measures. Therefore, now the time has come to put some penal provisions in regard to that.

Since you have rung the bell, I would not take much time. But I would once again urge that the agro-based industries—not only sugar industry but all industries—should be given scientific attention and thorough examination so that our agriculture can flourish, farmers as well as the workers can benefit and we can alleviate the problem of shortage of foodgrains and price-rise so far as essential commodities are concerned.

[Translation]

SHRI MOOL CHAND DAGA (Pali) : Mr. Deputy Speaker, Sir, we have been hearing for the last so many years that all sugar mills in the country would be nationalized but I understand that the Government have so far taken no decision in the matter. We have already taken a decision and have repeatedly stated and debated in the House that sugar industry should be nationalized but today when we go through the present Bill, we find that it speaks only of the taking over of the management. I think the Government should take a decision to nationalize the entire sugar industry in the country, which is consistent with our policy so that cane-growers may get remunerative price for their produce, the problems of workers are solved and they may devote themselves to their work. In the statement of objects and reasons of the Bill, it has been stated that originally a period of three years was stipulated for the takeover of the management which was later extended to six years and now it is being extended by one year more. It further says —

[English]

“for administrative and logistic considerations.”

[Translation]

What are those considerations? Would the Government tell us whether after the expiry of seven-year period, the Government would restore management to them? What is the scientific base for extending time-limit again and again? What has been

stated is not a base, but it reflects your ideology. May I also know the extent of investment, that the Government has made in those industries for which you propose to extend the time-limit? What are the figures of profit earned or loss incurred by the Government after such investment? What is the amount that has been earned by sale of sugar and what is the number of machines purchased with that money? What is their financial position at present?

May I also know from the hon. Minister whether the workers have been paid bonus as per the labour laws in the Sugar industries under Government management and if so, the number of persons paid bonus? What means are being adopted to improve the condition of agricultural labourers? What wages are being paid to agricultural labourers working in sugar industry and what is the minimum wage? I want this information about U.P., Madhya Pradesh and Rajasthan. I understand that they do not even implement the provisions of Minimum Wages Act. They do not pay bonus also. We want that the Government should nationalize the entire sugar industry. This will benefit the workers. It would be better if we proceed in this direction.

SHRI RAM NAGINA MISHRA (Salempur): Mr. Deputy Speaker, Sir, I rise to support this Bill. I would, however, like to draw the attention of the hon. Minister to the problems being faced by the sugarcane-growers in the country.

Laws have been formulated on the subject before also. There is a Sugarcane Purchase Act also which *inter alia* provides that if a sugarcane grower supplies sugarcane to the sugar mill and the mill fails to make payment therefor within 15 days, it would be liable to pay interest to him. I know about Uttar Pradesh. Not millions but hundreds of crores of rupees of sugarcane growers are outstanding there. I want to know from the hon. Minister whether he is aware of a single instance where even a penny had ever been paid to the sugarcane-growers on account of interest? It has never been paid.

The position is that the sugarcane grower is not paid for years together for the

sugarcane he grows and supplies to the sugar mills. If he fails to pay Government dues, be it land revenue or bank loans, his belongings are attached and he is put behind the bars. What sort of law is this? I would request that the provisions of the Sugarcane Purchase Act should be enforced strictly. The sugarcane growers should be paid interest by the sugar mills on the arrears which run into billions of rupees. I cannot think of any department where payment is not made for the goods supplied. It is only this unfortunate sugarcane grower, who toils for growing sugarcane and supplies it to the mills and then waits helplessly for years for his dues.

Last year, the dues ran into hundreds of crores of rupees in Uttar Pradesh and the Government of India had to advance loan and the State Government had to give about Rs. 70 crores as grant to the Mills. Why are the public as well as private sector factories of Uttar Pradesh in North India in bad shape? I would like to be enlightened whether even a single factory is not in the red? Sir, there are many types of factories; we have mills in the private sector; some are corporation mills; some co-operative mills and there is one mill named Kanpur Sugar-workers Limited mill also in which Government have 48 per cent shares and others 52 per cent. The condition of this concern is such that dues amounting to Rs 15 crores are outstanding against it in Uttar Pradesh only. Recently, four factories were not paying a sum of Rs. 4-1/4 crores on account of cost of sugarcane. The Government of India also refused to pay, and a lot of efforts had to be made to clear this amount of 4-1/4 crore. I, therefore, think that this factory is neither in the public sector nor in private sector. It is a new kind of factory.

I would request the hon. Minister to order an enquiry into the working of the 6 factories of Kanpur Sugar Works Limited—three in Bihar and three in Uttar Pradesh. None of these factories is such as may not owe crores of rupees. When the arrears will mount to such an extent that the Government will not be able to get even the sum equivalent to the cost of a nut, then the Government will say that they are taking it

over. I would like to suggest that when the Government already have 48 per cent shares, they should acquire 2 to 3 per cent more shares and take it over. There are officers there who are drawing a monthly salary of Rs. 8 to 9 thousand. I would like to submit that certain officers there had been drawing salaries on two posts while the rule is that Government Officer cannot draw salary on two posts. And when the Government of India raised an objection, their designations were changed and their pay was raised by Rs. 1-1/2 thousand and now they are being paid Rs. 9-1/2 thousand while the condition of the factory has been worsening.

As regards the position of sugarcane, there are thousands of cane-crushers in Uttar Pradesh, particularly in the Western Uttar Pradesh, which are paying lower price to the growers than that paid by sugar factories and the recovery is also lower which amounts to national loss. Some rules should be framed to ensure that, as in the case of sugar mills, sugarcane should be supplied to the cane-crushers only through sugar cane growers unions and the growers should be paid at a rate not less than the rate being paid by the sugar factories. A study should also be conducted to make these cane-crushers viable. Suitable measures should be adopted to ensure that they do not incur loss and run smoothly, sugar cane-growers get remunerative price and national loss being incurred is also made up. These measures should be enforced strictly. The sugarcane grower must get his money within 15 to 20 days or a month after the supply has been made.

I come from Uttar Pradesh. I am a sugarcane grower myself. I can tell you that due to non-payment of their dues in time, the growers have to suffer untold woes. They have to mortgage their sugarcane receipts on a very prohibitive rate of 15 per cent interest to meet their pressing needs, such as paying of fees of their wards or meeting expenditure in connection with marriage ceremonies. Sometimes, they cannot arrange money for meeting their needs even with these receipts and are put to avoidable hardships. There should be strict orders that the grower be paid for the supply of sugarcane immediately. Other-

wise, all the factories in North India would be closed down. I want that a survey should be conducted because the position of the factories in North India is deteriorating constantly. The position of such factories in South India is better because of better recovery factor, higher production and lower cost of production. There are co-operative factories there and the growers also get bonus. The position in North India is just the reverse. The cost of production is higher, recovery percentage is lower and the cane-grower is not paid remunerative price. Therefore, the growers have stopped cultivation of sugarcane. I would say that it is because of non-payment of dues that the production of sugarcane and sugar in North India has gone down even though half of the sugar factories in the country are in Uttar Pradesh and Bihar. Therefore, I would like to request that with a view to save sugar factories of North India, small units with outdated machinery and lower recovery should be modernised and at the same time Government should state clearly whether their policy is to nationalise these factories or they are against nationalisation. The advantage would be that mill owners would instal new machinery and modernise their mills. What happens is that when the mills are worn out, they request the Government for take-over and the Government takes them over. We have three mills which are running in the Central Sector. The Government's policy is that they take over mills when these are in the red and once they start looking up, their management is handed back. I think it is a policy of wasteful expenditure. Therefore, I would like the Government to declare clearly whether they want to nationalise them and if so, they should do it. A controversy has been going on for long. It should end. In my opinion, Government should go in for nationalisation of all those small units which are in bad shape and in the red, and all the existing rules should be enforced strictly and vigorously. With these words, I support this Bill.

SHRI PRAKASH V. PATIL (Sangli) :
Mr. Deputy Speaker, Sir, references have been made about sugar factories in Maharashtra. These factories are running very well and recovery is also very good which has given a fillip to the sugar industry there. About a question just raised by hon. Member,

I want to say that in the beginning we had taken 5 to 6 crores of rupees from Government but within a short span of 15 to 16 years, we have deposited with Government 100 crores of rupees by way of revenue. This is the position.

As far as Uttar Pradesh is concerned, the sugar industry there is not on sound footing because of poor recovery factor and outdated machinery and you may go on investing any amount—we know you are making investment with a view to generate employment—mill owners cannot manage them properly and earn profit under these circumstances. Therefore, a Committee should be appointed to ensure proper management, some sort of co-operatives should be encouraged in place of private ownership in the interest of their proper management or they should be nationalised to make them profit-earning units. This will also ensure profit to growers. As some hon. Member [has said, some other factories should be set up there. They would work better there. You should also think of affecting certain modifications in those mills which do not work profitably. Some new factories should be set up there keeping in view the abundant supply of water. Some other type of industry, such as tobacco, oil, etc. should be considered for being set up in the co-operative sector because it is impossible to earn profit from sugar industry due to poor recovery.

[English]

SHRI K.S. RAO (Machilipatnam) : Sir, while supporting the Sugar Undertakings (Taking Over of Management) Amendment Bill, I wish to mention about one factory in Andhra Pradesh where crores of rupees have been invested—Challapalli Sugar in Krishna District. It is unfortunate that it has become sick for the last more than two years, and a couple of crores of rupees are to be paid by the millowners to the local farmers. This is causing a great hardship to the farmers whose resources are very meagre and who had high hopes on this factory. No action has been taken to take over this mill by the Government. I am sorry to find that this undertaking is not included in the proposed units to be taken over by the Government. Here not only are the farmers suffering very heavily, but

12.00 hrs.

even the workers, a good lot of them are on starvation for want of work and the employees—even the skilled people were not put to use for the last couple of years. A good amount of public money is being lent to this big unit only with the impression that the management will be able to create more employment and improve the production and all that is in vain. I understand that some vested interests connected with the factory are coming in the way of taking over of the unit. It would be extremely advisable and it is in the interest of the public that this particular unit also must be included in the units proposed to be taken over by the Government and it should be taken over immediately.

One good thing I understand is that a lot of machinery installed in the factory is of the latest technology. Particularly, this machinery which could be put to optimum use, if it is to be kept idle, for some time, for some years, then this also may become a junk causing great loss to the people in the area and also to the nation at large. So I request this unit also to be included along with the other undertakings.

SHRI B. B. RAMAIAH (Eluru) : I want generally to speak on the principle of sugar industry also and not about any particular undertaking only. As our friends on both sides of the House mentioned about the Challapalli Sugars in Andhra Pradesh, this is a very important unit and that should be included in the Bill and it should also be taken over.

The sugar industry in India three years back produced more than 8 million tonnes of sugar and now it has come down to as low as 6 million tonnes. We were exporters only a few years back but this year we had to import a huge quantity of sugar because of our sugar policy.

As our friends on both sides mentioned, the price of sugar cane is not properly remunerative in spite of the Agricultural Prices Commission recommending prices taking into consideration the basic aspects like the price structure and various other costs. It is repeatedly mentioned that the

Government will be able to announce the sugar cane price at least one year ahead so that the farmer should be able to decide what is the remunerative price and what crop he should plant. In spite of discussing this policy for so many years and repeatedly laying stress on it, even this year the sugar cane price was not announced even at the start of the sugar cane crushing season. That puts the farmers in a confusing stage and our sugar production is going down in spite of our capacity and efficiency. As I mentioned earlier, we have to incur a lot of expenditure of foreign exchange for import of sugar—not encouraging our own industry, not encouraging our own farmers. It is a most unfortunate thing and this is a policy matter the Government has to consider and deal with.

As some of our friends have mentioned, we have to see what is the performance in the factory being taken over, whether they will be able to give efficient management and whether they will be able to modernise it, whether they will be able to run it up to the mark, whether they have got enough technology and scientific management—all these have to be looked into.

What is going to happen to this industry? This is one of the basic agro-based industries and it is going on for a long time. I may assure you on behalf of the technicians and scientists that we have got enough talent in our country. It is a policy matter in the hands of the Government. If they take the policy decision, we can not only increase our production to 8 million tonnes and we would have reached by now more than 10 million tonnes. But this is a policy matter to be considered by the Government. Simply taking over the units will not do. It should improve the efficiency, the management and the technique and also give a remunerative sugar cane price. Sugar is produced in the farm and unless the Government is able to give a remunerative price, sugar cannot be produced. The factory can only extract it. They will recover the sugar available in the cane. So the Government should see that the farmer is encouraged to produce better varieties of cane. Better prices should be given. Then only you can improve our sugar industry and you can have a better performance.

With these words, I request the government to take more interest in the sugar industry and take a policy decision as early as possible.

SHRI R.S. MANE (Ichalkaranji) : Mr. Deputy-Speaker, Sir, I am supporting neither the nationalisation of the sugar factories nor the private sector industries. I want that all sugar factories should be brought in the cooperative infra-structure. Wherever there is no possibility to run the factories in cooperative infra structure they should be taken over by the Government of India but remunerative prices must be given to the farmers.

Secondly, Sir, I would like to say that prices should be paid in one lot at a time. At present they are paying in two-three lots. It is an undesirable practice and not conducive to the interests of sugar producers.

My next point is that modernisation and good management are the basic needs of this industry, then there is a flaw in the issue of licences. I want wherever there is a bumper sugar crop, sufficient irrigation potentiality and better recovery licences should be issued liberally irrespective of the guidelines. Guidelines have got to be revised. I would also like to submit that one expert from the sugar growers should be taken on the Agricultural Prices Commission. Sugar industry is a very important industry and I would like to suggest to the hon. Minister, Rao Birendra Singh to appoint a study team or a Commission to examine the new sugar policy. Till now the policy of the sugar industry is being implemented on trial and error basis. This is not desirable. A scientific and modern study of this industry has got to be made.

SHRI NISSANKARA RAO VENKATA-RATNAM (Tenali) : Mr. Deputy-Speaker, Sir, as far as taking over the sugar industry is concerned I want to draw the attention of the Central Government to one particular case in Andhra Pradesh. Challapalli sugar factory is one of the renowned sugar factory in Andhra. It is the second season since it has been closed. This factory has to pay arrears of Rs. 1.5 crores and also Rs. 50 lakhs are due to the workers. It is a fit case

for the Central Government to take over this factory thereby we will be saving the rights of the workers and also the industry in that area. People in that area have appealed to the State Government to see that this factory is not purchased by private management, though the private management is able to come to their rescue. It is not that the Government is not in a position to take over the unit. So, I would request the hon Minister for Agriculture kindly to consider taking over the unit by the Central Government. It is a most befitting case for the Central Government to take over Chellapalli sugar unit.

[Translation]

SHRI BANWARI LAL PUROHIT (Nagpur) : Mr. Deputy Speaker, Sir, I rise to support the Bill introduced by the hon. Minister in the House. However, I would like to submit that some radical changes are required to be made in the sugar policy in view of the fact that while the prices of sugar fluctuate very frequently, the prices of sugarcane remain fixed. I fail to understand as to why it happens. Why the prices of sugar fluctuate when the prices of Sugarcane are fixed. This needs serious consideration.

We have also seen that the problem has not been resolved even after bringing the sugar factories under the cooperative sector. The cooperative sugar factories having efficient management are working well but in the factories where the management is not good, the farmers are not getting due benefits because office-bearers are filling their own pockets. This should also be given a serious thought.

It has also been observed that many sugar mills are incurring losses. The point is why are they incurring losses? I feel that their modernisation is imperative. We will have to ensure that the yield does not fall short. Otherwise, we shall not be able to provide remunerative prices to the farmers. The outmoded and obsolete machines should be replaced by modern machines. I would suggest that a survey of all the sugar factories be conducted and wherever old machines, responsible for causing losses, are found, they should be replaced by modern

ones and the Government should give all possible assistance for such replacements.

Another important point that I want to bring to the notice is that wherever the sugar factories have by-product units, such as alcohol factory or paper factory, in their vicinity they always earn profit but where such arrangements do not exist or where the waste has to be moved to distant places, the mills are deprived of this profit because of the transportation cost. I would, therefore, suggest that every sugar factory should have its by-product units nearby. This will ensure more profits as well as remunerative price to farmers. Some of my colleagues have suggested increased price for sugarcane. I fully support their suggestion but I would like the Government to consider the measures which will enable the factories to give enhanced price to the farmers for their sugarcane.

The sugar being distributed by Government at fair price through public distribution system is not reaching the consumers. Several black marketeers take undue advantage of it and the sugar does not reach the consumers. This should also be looked into. The Government should utilise one year time available to it for making radical changes in the sugar policy and make such arrangements as would ensure that not only the consumers get sugar at fair price but the farmers also get remunerative price for their sugarcane. Hoping that right policy will soon be formulated by the Government, I once again extend my support for this Bill.

SHRI ANOOPCHAND SHAH (Bombay North) : Mr. Deputy Speaker, Sir, I rise to support the Bill introduced in the House to provide for the takeover of management of sugar undertakings, but in view of our experience of Maharashtra, I would like to say a few words. Whenever any industry is in difficulty, the only solution that is put forth is nationalisation. Is nationalisation the only remedy for all the ills an industry suffers from? Sugar factories are running efficiently in Maharashtra on cooperative basis and if they are kept away from politics, they will continue to work efficiently. But the people at the helm speak in two veins. In urban area, they will advocate low price

for sugar and among cane-growers they will plead for remunerative price for their produce and in factory areas they will demand enhanced wages for workers. We do agree that a cane-grower should get good return for the hard work he puts in and a worker should also not be deprived of the justified wages but at the same time we cannot say that sugar should be made available at the rate of Rs. 2.50 per kg. at which it was being sold during Janata regime. We all had seen the results of this the following year. Since the cane-growers did not get remunerative price for their produce, they reduced the sugarcane cultivation area with the result that there was considerable fall in production. I would, therefore, like to submit that merely by following the policy of nationalisation we cannot give a better management or increase production in those factories which are showing good results under cooperative sector. In view of our experience of textile industry we should proceed with utmost caution. I would, therefore, submit that a decision should be taken as soon as possible as to the basis on which we propose to run this industry. If the entire sugar industry of the nation is to be nationalised, then a decision in this respect will have to be taken at the earliest. Leaving aside the factories that are being run on cooperative basis, the other factories have been brought to such a state that in case the Government takes them over they would be in difficulty.

While supporting this Bill, I would only submit that we should formulate a sound policy for the entire nation. If some sugar mills are not running as efficiently in certain areas as they are running in cooperative sector and the cane-growers are not being paid remunerative prices and the workers their wages, and the concerned people or workers are willing to run them on cooperative basis, such an arrangement needs to be given preference.

I conclude my speech with the hope that the hon. Minister will consider the points made by me.

SHRI MADAN PANDEY (Gorakhpur) :
Mr. Deputy Speaker, Sir, I am grateful to you that you have given me an opportunity to speak for the first time. Since the time

allotted to me is only five minutes, I would like to draw the attention of the hon. Minister to a few points.

In the sugar-industry-based economy in North India, particularly in U.P. and Bihar, people mainly depend upon sugarcane as a cash crop. Therefore, while formulating any policy in this regard, this fact should be kept in view. The sugar factories of North India are facing all sorts of problems and if proper arrangements are not made to bring about improvements in the sugar factories, the economy of North India would be in shambles. Most of the sugar factories of North India were set up in the decade between 1930 and 1940 and since then technology has advanced considerably. The entire funds of Government are simply being dumped in the factories that are being taken over. I say so because these funds are not being utilised as prudently as they should have been. I would cite an example in this regard.

There is a sugar factory at Siswa Bazar in Gorakhpur. The owner turned the factory into a sick mill and when the Government tried to take it over, the owner remained silent but later involved the Government in litigation. The Government have paid the arrears amounting to about Rs. 2 crores and 32 lakhs to the farmers but there is no hope of its being commissioned this year also. This is only one example which I have quoted, but you will find hundreds of such examples where huge funds of Government are being wasted.

I, therefore, request the hon. Minister that while taking over the factories, efforts should also be made to modernise them. Some amount should be earmarked for the modernisation of the factories that have been taken over and new machines be installed in two or more sugar factories each year. The modernisation of the remaining sugar mills should be accordingly carried on every year. In this way the lot of labourers and cane-growers can be improved with the money that Government invest in these factories.

Sir, I would like to draw your attention to one more point. At present sugar factories in U. P. are running in four sectors—private

sector, cooperative sector, State sector and Central sector. I suggest reduction in the number of these sectors. The factories running in State and Central sectors maintaining separate systems should be brought under one sector either State sector or Central sector. This will bring down the losses being suffered due to dual management. This is my suggestion.

I would also like to suggest to the hon. Minister that while taking over a sugar factory, necessary provisions should also be made to clear the dues of the worker. We are not concerned whether the dues are cleared by the owner or by the Government. The workers must be paid their dues. There are two factories in U P., namely, Siswa Bazar and Ghughali, which still owe lakhs of rupees to the workers on account of their gratuity and provident fund. The workers are suffering because of mismanagement on the part of the owners. The Government should make such an arrangement that the provident fund amount of the workers deposited with the owners is given back to the workers at the time of the takeover of a factory so that the workers may feel that they too have been benefited with the takeover of the factory by the Government. The Government should make immediate arrangements to ensure payment of arrears of gratuity, provident fund and wages etc. due to the workers. This will go a long way in removing the difficulties of the workers.

With these words, I support the Bill and thank the hon. Minister.

[English]

SHRI ANANDA GAJAPATHI RAJU (Bobbili) : Mr. Deputy-Speaker, Sir, I rise today to speak on the Sugar Undertakings Amendment Bill. I would like to make only two points.

There is a sugar factory in my constituency Bobbili, which has been running on very unsound lines for the last several years. After the Nizam Sugar Factory took it over, the working of this undertaking turned out to be a little better. And therefore, I request that all sugar undertakings, in view of the bad economics and in view of the mounting

losses, should be taken over by the Government, because the Government wants to look after the economy from the commanding heights. Government wants to nationalise the banks with a view to organise the economy on a more sound footing. Therefore, there is a necessity to take over this factory because it has been very badly managed. I request the hon. Minister to kindly consider this and I would definitely furnish him with further details regarding this matter.

The second point which I would like to make is that sugar industry *per se* is running into a big problem. You find that the pricing is very unremunerative. Nevertheless, there is a certain urban subsidy that has to be given. In urban areas, sugar has to be subsidised. Therefore, the only avenue left is to see that the by-products of sugar are priced in such a way that sugar pricing is done on a more rational basis. Again, exports of sugar need not help us a lot because the price in the international market is very low. So, taking into consideration the bad economics of running the sugar factories, taking into consideration the international position and taking into consideration the fact that sugar industry provides a lot of employment and a number of families are dependent on sugar factories, I would request the hon. Minister to consider taking over of these factories for running them on scientific lines.

[Translation]

SHRI MURLIDHAR MANE (Nasik) : Mr. Deputy Speaker, Sir, I support the Bill. In Maharashtra, sugar factories in the cooperative sector are running efficiently. The Central Government have suggested that those sugar factories in the Private Sector, which are not working efficiently, should be brought under the co-operative sector. I would like to draw your attention towards one thing, i.e., when the stock of the sugar factories was weighed, it was found short with the result that the farmers were paid less. The farmers, in turn, started sowing sugarcane in lesser area and factories started getting lesser quantity of sugarcane which resulted in losses to the factories.

The biggest hinderence in the way of the

farmers in increasing production of sugarcane is the scarcity of water. If water is made available in sufficient quantity, production of sugarcane can be increased to a great extent. The prices of the fertilisers used by the farmers should be reduced. This aspect should be given a serious thought.

Besides, sugar factories had been asked to maintain a buffer stock but the insurance claim and subsidy which become due to them have not been paid to them so far by the Central Government. If that amount is released immediately, that will help the sugar factory managements in tiding over the financial difficulties. So, this work is required to be done soon.

With these words, I support the Bill and thank you for giving me time to speak.

[English]

THE MINISTER OF FOOD AND CIVIL SUPPLIES (RAO BIRENDRA SINGH): Mr. Deputy-Speaker, I am thankful to the hon. members opposite and also on this side of the House for participating in the debate on this very simple amending measure that I have put before the House. They have all supported the amending Bill for increasing the time of take-over of sugar mills from 6 years to 7 years. At the same time, they have brought into focus the problems faced by the farmers, the workers and the factories in general. This is a very simple measure. Six year period elapsed in November last. We have taken over 8 mills in the year 1978-79, soon after the main Act was passed by the Parliament. The limited object of this amending Bill is to gain more time, to think how the factories that government has been managing for the last 6 years or so could be handed over to the owners, to the erstwhile managements, whether co-operative or private and the future of the workers and the cane growers could also be ensured simultaneously; at the same time, they could guard against, if possible, these mills going sick again.

This Act is a sort of a deterrent against mills going sick by various methods. Some of them are fraudulent methods, I do not hesitate in saying, as several of my friends have pointed out. There is leakage of revenues, there is manipulation of accounts and losses are shown in the balance-sheets

by methods which are not so desirable. At the same time some old mills run into genuine difficulties and we do not want that the farmers of those areas who cannot immediately switch over from one pattern of cultivation to another should suffer. We try to help the industry as well as the farmers and workers through this measure.

Hon. Members from both sides have pointed out several difficulties. Sir, I admit that this temporary take-over is no remedy for bringing back to permanent health these mills. Ultimately the Government either has to think of nationalisation or of putting pressure on the managements to modernise these mills.

PROF. N.G. RANGA (Guntur): Change the management.

RAO BIRENDRA SINGH: The question of nationalisation has been raised in this House from time to time. Even today, some of my friends have suggested that we should resort to nationalisation of sugar industry. One hon. Member Shri Mane suggested setting up of a commission to evolve a long-term policy for sugar. All I can say at the moment is that nationalisation of sugar industry cannot be thought of in isolation from the policy as regards the other sectors of industries. We have to take one view and we have opted for a mixed economy; public sector as well as private sector. And, I am not in a position to say that nationalisation even if Government thinks of it will solve the problem. Because we know that our experience with the public sector also is not very happy. Everybody will admit it. Therefore, we have to try and help the industry wherever possible bringing in public sector. That is what we are doing.

As regards sugar industry we are giving preference to cooperatives. In the matter of licensing of new mills they will be under the cooperatives as far as possible. If in an area where no cooperative societies are set up or public sector comes up but there is enough sugarcane then only we agree to new licences to be given to private sector.

Now, hon. Members will appreciate that the cooperative sector has done very well in

the matter of sugar production. More than fifty per cent of our sugar production comes from cooperatives. We heard a short while ago one hon. Member from Maharashtra asking for nationalisation, another Member was opposing nationalisation. He is also from Maharashtra. I do not know how these two views can be reconciled. We have to see that the farmers get remunerative prices. We also agree that there should be a long-term policy on sugar.

SHRI B. K. GADHVI
(Banaskantha) : We also oppose hospitalisation.

RAO BIRENDRA SINGH : Sometimes it becomes necessary. Sir, there have been difficulties created on account of wide fluctuations in sugar production from year to year. We have seen shortages for years in the past. We have also seen times of glut. After the period of Janata rule, the sugar production had come down to only 38 lakh tonnes from a previous high production of more than 64 lakh tonnes. Within two years, on account of the policies pursued to give remunerative prices to farmers and to help the industry to modernise, the production came up to 84 lakh tonnes in the year 198.-82. That was the highest production in any country in the world. In the year after that also it was 82 lakh tonnes. But then again within a year, it came down to only 59 lakh tonnes. This year we hope to produce between 65 to 70 lakh tonnes. I would not commit myself at this stage because the season is on. By 7th January the sugar production was two lakh tonnes over and above the last year's production during the same period. The trend is good.

Members have complained that farmers are not getting remunerative prices. They have quoted the figure of Rs. 14/- that is taken into account as a statutory minimum price accepted by the Government on the recommendation of the A.P.C. in the earlier current year. There was a slight deviation last year. But Rs. 14/- is not the price to be paid to the sugarcane growers. This is only relevant for fixing the price of levy sugar for the mills. 65 per cent of the sugar

is taken over by the Government as levy sugar. This is one of the factors that go into the cost. This 65 per cent is distributed through the public distribution system at a fixed price of Rs. 4/-. 35 per cent is for free sale. We try and control the price in free sale also by applying the mechanism of release from month to month so that if the prices tend to go high, then more sugar is released from the factory. We try to see that the difference between the price of levy sugar that goes through the public distribution system and the price in the free market does not become very big. On account of certain measures that we have taken in the past few days to try and limit the stock, to monitor in a better way the release of sugar from the factories and sale by the stockists, better supervision of the fair price shops through the State Governments—I have written to the Chief Ministers and I am trying to enforce the decisions of the Government—results have accrued and prices are not rising. They have come down slightly. We try to maintain the prices in the free market at a reasonable level.

The real problem with the sugar industry is that most of the mills that go sick are very old. Unless they are modernised, it will not be very profitable for the owners to run them like this. For that we provide financial assistance. We have the Sugar Development Fund. Unfortunately, the mills have not taken full advantage of these facilities. Sometimes probably they deliberately allow the mills to go sick if they do not find that they are very profitable. I would not accept the suggestion that sugar industry does not make any profits and that all mills are running at a loss. If that were so, there will be no rush for new licences for which people are coming forward everyday, even from the same area also. People want to set up more and more mills. If they were not profitable, why should there be applications for more licences from almost all over the country, from the cooperative sector and from the private sector, for new mills and for expansion of the capacity of the existing mills? If they want to expand the capacity, that means they are making profits and they want to make more profit by expanding their capacity because it becomes more economical to run a larger mill. Therefore, I would go to the extent of saying that it is abso-

lutely necessary that we look closely into the economics of these mills.

PROF. N.G. RANGA : What about commission ?

RAO BIRENDRA SINGH : I do not think commission would help because Government has plenty of powers given by this Parliament and we can take steps to see that accounts are properly maintained, and the mills try and modernise their machinery as soon as possible.

We have heard the Members asking for certain information which would not be very relevant on this occasion. Shri Mool Chand Daga wanted to know what wages were paid in each mill and what bonus was paid by each mill. All I can say is that wages are paid according to the Acts prevalent in different States. Bonus is also paid according to rules. If the mills do not make any profit, 8.33 per cent is paid as minimum bonus. But during the years when some of these eight taken-over mills made profits, bonus was paid at a higher rate as per rules. I hope that will satisfy Shri Daga. But it remains a fact that at present all these eight taken over mills are running at a loss. There is demand for nationalisation. Central Government, so far as our policy goes, is not finding it possible or practical to take over mills in different parts of the country and run them and manage them efficiently from Delhi because we have seen that, whether it is industry or agriculture or any other business, unless the people who have a stake in the matter are on-the-spot supervising the operations, it is not possible always to run a business or a mill or a factory profitably. But we had to take certain steps to take over these mills, to clear the arrears of the sugarcane growers, to clear the outstanding dues of the workers, and I am happy to say that in these taken-over mills, all dues of the past years have been cleared. Dues for the current season also, I hope, will be cleared because the season is still on. There is nothing outstanding for the previous years.

Some hon. Members wanted to know the total arrears outstanding at present for the

whole country. We are at present not concerned with the entire number of 323 odd mills, we are only talking about the eight taken-over mills. But I can say that, according to information that I have with me, the arrears were reduced last year and came to only Rs. 14 crores and something for the whole country. That was only 1.3 per cent of the total price paid for sugarcane, which is not a very big percentage, as compared to earlier periods. Government tries to see that arrears do not accumulate. But I would like to emphasize that the initiative in this must come from the States.

Some hon. Members have demanded that certain sick mills, like Chellapalli in Andhra, some in Kerala, UP and Bihar should be taken over. We do not want that the States should be completely absolved of the responsibility in the matter. The States also have power to take over the mills. They can take them over temporarily or nationalise them. UP and Bihar have taken over a number of mills. Some of the States have set up corporations. The States should first take steps to see that the sugar industry in their respective States is managed properly.

[Translation]

SHRI RAM NAGINA MISHRA (Salempur) : In Kanpur Sugar Works Ltd. you have 48 per cent shares.

RAO BIRENDRA SINGH : Not shares. It might be an advance and it will be recovered.

[English]

As I said, the Central government want that the initiative must come first from the States. If the States want to take over the sick mills, we shall help them. We cannot go on adding to our responsibility. That is why we are thinking of returning even these 8 mills, which we have taken over. We shall not be very willing to take over any number of mills that the hon. Members may like to suggest. They should first put pressure on their State Governments, because the State Governments can supervise them better, as they are on the spot. They have also got all the powers.

[Translation]

SHRI RAM NAGINA MISHRA : You said that loan has been given. The loan has actually been given for making payment of sugarcane dues. You have 48 per cent share therein.

[English]

RAO BIRENDRA SINGH : I will find out the position. Probably, they have some textile units also.

AN HON. MEMBER : Only sugar units.

RAO BIRENDRA SINGH : I will get the information and let the hon. Member know later on the particulars.

But, as I said, all these things are not very relevant at this juncture. All the same, I am thankful to the hon. Members for high-lighting some of the problems that the sugar industry is facing.

PROF. N.G. RANGA : Kindly bring this to the notice of the State Governments.

RAO BIRENDRA SINGH : I will do that.

We try to give a remunerative price. As I was mentioning earlier, Rs. 14 is not the price paid to the cane-growers. At present, on an average, they are getting Rs. 22 for sugarcane ; some States are paying a little more, some a little less. These prices are fixed by the States, and not by the Centre. The Centre fixes only the statutory minimum price for sugarcane.

It is for the States to see that the arrears are not allowed to accumulate. They have to take action against the erring mills. They can bring it to the notice of the Central Government only in such cases where they have no power in the matter. They have also to see that interest for overdues over 14 day's period is also paid by the mills. For that, action has to be initiated by the State Government, and not the Central Government.

Since hon. Members have already indicated that the Government should be armed

with these powers, I hope the House will give unanimous support to it. If in future any mill needs to be taken over, and there is no help forthcoming from any quarter, we still have powers under the Act, and we shall continue to enforce it. Instead of for six years, it will be for seven years. In case in future we find that it is necessary to take over any mill, we will take it over.

SHRI V. SOBHANADREESWARA RAO : Sir, I have given notice of Amendment.

MR. DEPUTY SPEAKER : You cannot move it now. The Minister has finished his speech already.

AN HON MEMBER . I would like to ask one thing from the hon. Minister. Maharashtra sugar factories have made claims on account of the subsidy amount and insurance for the buffer stock ; but that has not been paid to them so far.

RAO BIRENDRA SINGH : You write to me and I will reply.

SHRI V. SOBHANADREESWARA RAO : Sir, I have already given the Amendment. It had been given on the 26th.

MR. DEPUTY SPEAKER : We have already discussed this. There is no question of it now. Please sit down.

The question is :

“That the Bill further to amend the Sugar Undertakings (Taking Over of Management) Act, 1978, as passed by Rajya Sabha, be taken into consideration.”

The motion was adopted.

MR. DEPUTY SPEAKER : The House will now take up clause by clause consideration of the Bill.

The question is :

“That Clauses 2 and 3 stand part of the Bill.”

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

*Clause 1 was added to the Bill.
Enacting Formula*

Amendment made :

page 1, line 1, for "Thirty-fifth" substitute
"Thirty-sixth" (1)

(Rao Birendra Singh)

MR. DEPUTY SPEAKER : The question is :

"That the Enacting Formula, as amended, stand part of the Bill "

The motion was adopted

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

RAO BIRENDRA SINGH : I beg to move :

"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER : The question is :

"That the Bill, as amended, be passed."

The motion was adopted.

MR. DEPUTY SPEAKER : Now we go to the next item.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Sir, I have given notice of an Amendment.

MR. DEPUTY SPEAKER : We have already completed it. That has been disallowed.

SHRI V. SOBHANADREESWARA RAO : When it is within the provisions of the Act, how has this not been allowed ?

MR. DEPUTY SPEAKER : Please sit down.

AN HON. MEMBER : Sir, I rise on a point of order.

MR. DEPUTY SPEAKER : We have taken up the next item. There is no point of order. Please sit down.

SHRI V. SOBHANADREESWARA RAO : I was trying to submit to you, but you did not allow me.

AN HON. MEMBER : Let me raise a point of order. During the course of the third reading, if the hon. Member wants to make a short speech, he should be permitted to do that. It is not that since it is the third reading, he should not be allowed.

MR. DEPUTY SPEAKER : He has already spoken on the Bill. He was not allowed because it is beyond the scope of the Bill.

AN HON. MEMBER : But he wanted to speak on the Bill.

MR. DEPUTY SPEAKER : The amendment was not allowed. That is why he was not allowed.

SHRI V. SOBHANADREESWARA RAO : My point is different. I have seen the original Bill.

MR. DEPUTY SPEAKER : Already everything is over and I have given one hour more than the allotted time and all the Members have spoken so much on it. Now, it is not allowed.

SHRI V. SOBHANADREESWARA RAO : But how can you disallow when it is within the scope of the Act ?

MR. DEPUTY SPEAKER : No discussion on the Act. Now we have gone to the next item.

12 55 hrs.

GANGTOK MUNICIPAL CORPORATION (AMENDMENT) BILL

[English]

THE MINISTER OF WORKS AND