

pockets of other and they never get anything.

[English]

SHRI MOOL CHAND DAGA : Sir, it is 5.30 p.m. now. He can continue his speech tomorrow.

MR. DEPUTY SPEAKER : I am Deputy Speaker, I will do it. I will work to your interest. Please sit down.

Dr. Rajhans, if you want to Continue, you can continue tomorrow.

17.32 hrs.

HALF-AN HOUR DISCUSSION

[English]

Rise in Sugar Price

MR. DEPUTY SPEAKER : Now we can take up half-an-hour discussion. The subject is rise in sugar prices. Shri Mool Chand Daga, please be brief and put question.

[Translation]

SHRI MOOL CHAND DAGA (Pali) : Mr. Deputy Speaker, Sir I am raising the half-an-hour discussion on the reply given to my starred Question No. 85 on the 29th July.

The Sugar is selling at Rs. 8.50 per K.G. even today. I have with me the cash memo—Goyal Stores Groceries, General Provision Merchants, Krishna Menon Marg New Delhi—one K.G. Sugar—Rs. 8.50. It is the Cash Memo of day before yesterday and if you want I can lay it in the Table and you can verify it. While sugar is selling at Rs. 8.50 per K.G. here, it is available at Rs. 2/- per K.G. in London.

I should say Government have no Sugar policy. They say that they want

to sell sugar in controlled rates. May I know from the hon. Minister whether this sugar reaches the remote area consumers? There are three outlets of sugar—ration shops, Super Bazar and open market. What criteria here you adopted in releasing the imported sugar? The Sugar year starts from 1st October and ends on 31st December. At the beginning of the current year you had an opening stock of nearly 24 lakh tonnes of sugar and the production has been of the order of 60 lakh tonnes. There you decided to go in for import of ten lakh tonnes. You had thus a stock of 95 lakh tonnes as against the consumption of 83 lakh tonnes. I think this is totally wrong. However, what you say is correct.

AN HON. MEMBER : Wrong as well as correct.

SHRI MOOL CHAND DAGA : Yes, both. Sugar was cheap in the market. People used to consume more. Now it is no more sweet it is tasting butter. It is selling at Rs. 8.50 in the market. Hence no parties these days, neither from Keralites nor from the people of Karnataka. Dual official policy will not now work.

PROF. SAIFUDDIN CHOWDHARY (Katwa) : Official policy is responsible for this.

SHRI MOOL CHAND DAGA : Disorders are responsible. The 20-point programme requires us to supply essential commodities to those living in remote villages. Will the hon. Minister be pleased to state the statewide number of consumers and the quantity of sugar required for them? You said levy has been fixed for Sugar. There are 386 mills working at present which always under-weigh the goods. The *modus operandi* is secret. No body is there to check them the weight and Measurement Act has failed. Some people form their cooperatives and underweigh sugarcane. After weighment, the Sugarcane goes for Chemical processing, which is done after every two hours to ascertain the recover factor. But this chemical analysis is never done. When Sugar is ready it is

[Shri Mool Chand Daga]

packed in bags, where there is again leakage. Thus mill owners indulge in these types of leakage. Then come in the excise duty people. The sugar is under-invoiced and the multi-owners earn crores of rupees, still they say they are incurring losses, and, on the other hand they diversify their business and set up other types of factories. But sugar is becoming costlier. Such types of things particularly take place more, in West Bengal. So I would like to know what is the per K.G. production cost of sugar you went for import of sugar to bring down its prices, to supply to the consumer at reasonable rates. But then why did you think of auctioning system? Who advised you to do so? My first question is why injustice is being done to consumers secondly, when did you come to know of the short stock of sugar—whether it was January or February and when did you import sugar? When were the import orders placed and at what rate? How much did it cost government on reaching India? Would you sell us sugar at Rs. 8.50 per Kg. after procuring at Rs. 1.60? You had announced in May that you were going in for import of 9 to 10 lakh tonnes of sugar, but only 3 lakh tonnes of sugar has reached so far.

[English]

MR. DEPUTY SPEAKER: Mr. Daga, you put the question. The Minister has to answer for you, and then there are four Members yet to speak. So you put the question.

SHRI MOOL CHAND DAGA: I have just start.

MR. DEPUTY SPEAKER: You are interested to know the price of sugar...
(Interruptions)

SHRI NARAYAN CHOUBEY: Only preface is there now.

MR. DEPUTY SPEAKER: You put the question straight now. Otherwise Half-

an-Hour discussion will take more time.

(Interruptions)

[Translation]

SHRI MOOL CHAND DAGA: What was the quantity of sugar announced by you for import in May and what quantity have you received against that? When there was shortage of sugar and you announced its import, the trader community came to know of it and they felt that Government were merely making announcements ..

SHRI NARAYAN CHOUBEY: They knew that Government was making mere announcement.

SHRI MOOL CHAND DAGA: The traders felt the pulse and seized the opportunity to indulge in blackmarketing. Why did you auction the sugar? They purchased the entire quantity and hoarded the same and increased the price. When you knew that you had depleted sugar stocks, you should have supplied it to consumers first. You went on making announcements of three lakh tonnes in May, 2.75 lakh tonnes in June, but you actually got loss and at the same time there was slackness in releasing the sugar and all this pushed up the price sugar.

The hon. Finance Minister says it is not within his purview, it has no relevance to budget, but he admits that that delay did take place in the release. Two lakh tonnes should have been released in July as against one lakh tonnes. The business community became alert after May announcement and hoarded the entire quantity they got in auction. Then the release was short by one lakh tonnes in June and again in July with the result that sugar is selling at Rs. 8.50 per Kg. today. Please answer my queries. My first question is this. What is the per quintal production cost of sugar and how much sugar is needed for consumption? You know the production cost of sugar is below Rs. 2.98 and to be more precise Rs. 2.71 per K.G. But see at what price it is selling despite such a low cost price.

My second question is this when did you come to know of the short stock of sugar and why did it happen when you already had 95 lakh tonne stock? Why did you not base your announcements of May, June and July on the facts and figures that were available with you? I would also say that prices did not come down following auction of sugar, they increased instead and people started hoarding. I would like to know how many hoarders, blackmarketeers and profiteers were punished, and how many jailed in Delhi and other part of the country this year and number of sugar bags seized and of the cases in which checking was done?

I would also like to say a few words about your sugar policy. Government have said that it would not be easy now to set up a new sugar mill you have made a law in this regard. At present Government do not issue permit under the Essential Commodities Act. Co-operative Societies will be given preference in the matter of setting up of sugar industry. There are big guns in co-operatives also. An amount of Rs. 2,14,000,00 is given for distribution to the Food Corporation of India, a public sector undertaking. It is its duty to distribute this amount but it did not take these things into account and held the auction violating all the prescribed norms. I want to know why such thing has happened.

You have nationalised many industries. I want to know by what time sugar industry will be nationalised. What are the reasons for not nationalising it so far particularly when it is an essential commodity and has become a necessity of life. Why do you not take over all the factories specially when it has become your policy to do so? The profiteers are earning huge profit and people are getting sugar at high prices. The sugarcane growers are not getting timely and remunerative prices their product. Government has got dual policy in this regard. Under this policy there is levy sugar and free sale sugar.

[English]

65% will be levy sugar and 35% will be free sale sugar.

MR. DEPUTY-SPEAKER: Hon. Member's time is up.

SHRI MOOL CHAND DAGA: Why are you taking the pain of ringing the bell?

MR. DEPUTY-SPEAKER: I cannot allow you as much time as you want. Please conclude.

SHRI MOOL CHAND DAGA: The sugar will go dearer, that is the problem. I am just finishing my speech.

In October, 1981-82, levy sugar was 59% and free sale sugar was 41%. In October 1982-83, levy sugar was 55% and free sale sugar 45%. In October 1983-84, levy sugar was 49% and free sale 51%. In October 1984-85, levy sugar was 49% and free sale sugar was 51%.

[Translation]

Now tell us what is your sugar policy. New sugar mills are not permitted to be set up. What are the reasons for this? Who fixes the percentage of levy sugar?

I have put these specific questions. I hope that you will give reply to these questions. People want that auction of sugar should be stopped and interests of consumers should be protected. Please also tell at what price you purchase sugar?

[English]

THE MINISTER OF FOOD AND CIVIL SUPPLIES (RAO BIRENDRA SINGH): Sir, there has been a lot of discussion in the House over the price of sugar. I admit that price of sugar has been rising in the past in spite of Government's best efforts to check this.

The main reason for this situation is the big gap between demand and supply.

[Rao Birendra Singh]

Sugar production fell down to a level of 59 lakh tonnes last year. We have been trying to increase production and you will be glad to know that in spite of the fact that the area under sugar cane during the current season is less than last year's area by about 2 lakh hectares, he have been able to increase production by about 2 lakh tonnes in the current year in spite of the fall in area of about 2 lakh hectares and it is due to our vigilance, proper monitoring and ensuring payment of cane dues to the farmers in time. We have taken these steps to meet the shortage and the shortage was substantial because of increased consumption level in the country.

In the past 4-5 years, sugar has been selling at a very reasonably low price. It was only in 1979 and in 1980 that we were in great difficulties. Sugar was selling at about Rs. 12-14 at festival time. But then we have promised after the formation of Mrs. Gandhi's Government in 1980 that people would get relief in the next Diwali season and within one year, we brought down the price between Rs. 5 and Rs. 5.30 and the production went up to 84 lakh tonnes in one year and then naturally the consumption increased. We have not been able to see that production keeps pace with the increased consumption. The only way to meet the demand is to import sugar.

Shri Mool Chand Daga has replied to most of the queries that he himself made.

MR. DEPUTY SPEAKER : That is why he took lot of time.

RAO BIRENDRA SINGH : It seems Shri Mool Chand Daga knows all the factors responsible for the present condition. He seems to know all about the manipulations by factories and traders and other things. This is exactly what I have been saying from time to time. But when I say the same thing, the hon. Member himself is not satisfied. He himself has diagnosed the illness. I agree with him.

MR. DEPUTY SPEAKER : He is satisfied.

RAO BIRENDRA SINGH : He wanted to know when the decision was taken to import sugar. You know after the elections it took some time to take stock of the situation. A decision was taken in March quite early that because we shall not have sufficient sugar in the open market and, therefore, we must resort to imports. It was a hard decision because India having reached the top in the world in sugar production in 1981-82 leaving behind Brazil and Cuba, we were not happy over the fact that the sugar production had come down to such a low level. Then, import was necessary for protecting the consumers' interests. We took a decision that one million tonnes of sugar would be imported. It takes time for the STC working under the Ministry of Commerce to float tenders, to enter into contracts, and then to arrange for shipping, and for the sugar to arrive in the country. It started arriving some time in May, 1985, in about the middle of May, and we formulated a policy for distribution of this imported sugar both for consumers to be supplied through the State Governments' agencies and for the open market to augment the supply in the free market. It was a multi-pronged drive to increase the availability so that we did not depend upon one channel only, that is, the trade channel ; it could be risky. Mr. Daga himself has been blaming the trade, but at the same time he questions me as to why we had resorted to auction. We had to find several methods of reaching sugar to the market and to every area in the country. That is why we decided that the States' machinery should be geared up. 75,000 tonnes of sugar in the month of June, and then again 1,25,000 in July, were allocated to the States. They were asked to look after the bulk consumers to relieve the pressure on the market—so that the hoteliers, restaurant—owners, hostels, colleges, hospitals, etc., could be looked after and sugar could be given to them at a fixed price below Rs. 6/-. Then they were also asked to sell this imported sugar through consumer stores in the districts and small towns, wherever they could. The States were asked to lift the

allocated quantity at a price of Rs. 5.40 which has now been reduced to Rs. 5.20—My colleague, the Finance Minister, declared it the other day in his speech. Because we can afford to reduce the price, this being a fact that we are getting sugar very cheap from outside. Mr. Daga has correctly said that our landing cost is about Rs. 2/-. But about the same is the duty and cess—Rs. 2/- more; then, the distribution charges, the STC administration charges...

SHRI SAIFUDDIN CHOWDHARY (Katwa) : Who gets the duty ?

RAO BIRENDRA SINGH : Government gets the duty. But that is not the question, Mr. Chowdhary. I am asking him through you, Sir. It is not a question of supplying this limited quantity at a very low price because you would agree that the larger the differential between the price of imported sugar and the price of indigenous sugar, the more are the chances for malpractices. This would also be finding its way into the open market and selling high. We want to keep the difference as small as possible. Even this differential between the levy price of sugar which we give through the public distribution system and the open market price also results in some leakage of the levy sugar—going into the open market or to bulk consumers. So we thought that the States should be able to distribute as much as they can themselves.

Then, to augment the availability in the free market, we resorted to a system of auction of 50000 tonnes a month. Any wholesaler who wanted to get his trade going and who was not getting enough from the mills could opt for this imported sugar and could sell it in the open market. There is not control at the price that he has to sell it.

Sir, it is a fact that initially in June, as I have said earlier, the State Government agencies were not fully geared up. Even the FCI took some time in properly managing the whole thing. Sugar arriving ships to be discharged, railway wagons to be arranged, it had to reach the interior most areas and particularly the areas where

sugar prices were soaring high and auctions also were ordered to be made in towns where prices were high, so that prices could come down and availability increased.

Sir, Hon'ble Members know that it has been already announced by the Finance Minister during the course of the debate that for the month of August the availability of sugar is the highest compared to any other month or in several years in the past. As against an average of 350000/ to 380000 tonnes earlier released for the free market, we have released four lakh 18.00 hrs.

tonnes for the month of August for the free open market. Apart from that, instead of 3,13,000 tonnes, which is the levy quota we have given an additional quota of 50,000 tonnes on account of festivals during this month. During the coming months also we want to maintain the supply because they also are festival months. For festival season we want to increase the supply.

I agree that all one million tonnes of sugar has not reached and has not come into our hands. All at once it could not be possible. We have to arrange for shipping for which a schedule has to be framed, we have to see the capacity of ports and various other constraints are there. It is not only sugar that this country is importing and it is not only this work which keeps the ports busy. We are exporting also. Therefore, we can only give high priority to sugar import. After arrival distribution has to be done.

Sir, you would be glad to know that the States which could not take their allocation for distribution in the month of June have done much better in July. They have been lifting sugar. Their machinery has now come into operation fully. We are monitoring the situation from day-to-day. We are personally talking to the State's authorities at the officer level and even at the Chief

[Rao Briendra Singh]

Ministers' level, I myself have been talking.

We hope that with the increased availability of sugar and with the increased distribution through our-public distribution system at the rate of Rs. 4.40 for consumers, things will improve. In fact, already reports are coming in. You must have read in the papers. I have got some cuttings from "Hindu" and from "The Times of India" saying that there is "Sharp-drop in sugar prices", "Sugar slump in Bombay". These are the reports of 3rd.

Sir, there is no denying the fact that the trade, as usual, has been trying to take

The millers also have been trying to increase their profits unduly. It is also a fact that there has been a consumer preference for this large grain crystal sugar which is the indigenous sugar, compared to the imported sugar, though it is pure, it is whiter, and it is sweeter. The people have probably acquired a taste for it...

SHRI SAIFUDDIN CHOWDHARY : Because they are nationalists.

RAO BIRENDRA SINGH : People have been used to this large crystal sugar and the preference can probably be partly on account of the canard spread by the trade and millers and partly because of the consumer's own experience because the small grain indigenous sugar is easier to adulterate. It also absorbs moisture easily. The large grain crystal sugar cannot be drenched with water and there can be no foreign matter easily mixed with it. Therefore, consumers pay a little higher price for it. The price we have talked all the time is the price for this indigenous large grain sugar. I assure you—I have myself tasted the imported sugar—that this imported sugar is really very good it is a pure and sweet sugar. Its purity is 99.8% ..(Interruptions) May be 99.9%. Your experience may be better than mine. But, what I am worried about is that once the consumer acquires a taste for this imported sugar, in future we may probably keep on importing this

goods sugar to serve the needs of the Connoisseurs in this country and the oil who can pay. (Interruptions).

AN HON. MEMBER : We do not want.

RAO BIRENDRA SINGH : That is what should worry the factories and the millers also. We get this imported sugar which you always like when you travel abroad, and also in the international airlines you get this fine sugar for your tea and coffee. In all the hotels outside in the foreign countries, you have this sugar there and we do not find that it is not so sweeter. Then why is it so in India? Sir, the industry and the trade has been spending millions of rupees on publicity, on trying to run down the government on taking over all this imported sugar for their own distribution network...

SHRI SAIFUDDIN CHOWDHARY : Then why don't you take them over?

RAO BIRENDRA SINGH : I can show you this recent advertisement in a newspaper. This is *Hindustan Times*. This two-thirds of a page advertisement is from the Association of Sugar Mills inserted by the Indian Sugar Mills Association. It portrays a man sipping his tea with imported sugar and is trying to show that the imported sugar is not so sweet. He is shown twisting his nose. Is it for the consumers' benefit that they are spending this money? The industry and trade are only trying to get the maximum benefit and to get the highest price for their sugar and blame the Government so that the government may change its policy and give all the sugar to these mills and the trade. To some extent, because of the demand here and there and the criticism of the hon. Member we have succumbed to this pressure to some extent...

SOME HON. MEMBERS : What is that?... Why?... Who told you?

RAO BIRENDRA SINGH : Because I want to satisfy you all, 50,000 tonnes

more of this indigenous sugar have been diverted to the trade for free sale. Probably they have sucked part of our blood. Let us see if the situation improves now. If the prices do not come down then Government will have to think of some other means. We have several methods up our sleeves. But we sincerely believe that sugar industry in India has to sustain itself. It has to be supported not only in the interest of consumers—because consumers' interest can be served from imports—but in the interest of farmers, the sugarcane cultivators. Industry and the farmer has to support each other. That is why I put a question to my hon. friend, Shri Daga, out of so many alternatives which I can place before him and before the House which one would the House accept.

AN HON. MEMBER : Nationalisation.

RAO BIRENDRA SINGH : This Government has explained time and again that this dual pricing policy, this partial control has proved to be the best system so far. The Janata Government in 1978 abolished it. They came to grief in 1979. They reverted back to this system. Can't we learn from their experience? Should we also make the same mistake? Nationalisation of entire sugar means rationing; rationing of sugar for the entire country. Firstly, nationalisation of mills. Secondly, it has to be followed by complete control of sugar and rationing.

Sir, I myself am not satisfied with our distribution system—the small amount of sugar that we want to give to the poor consumers at the rate of 4.25 gm. per head per day. I agree with Mr. Daga that it may not be reaching every consumer or that every poor villager may not be getting his due share. It may be sold in the large towns and cities because the people there are more vocal. It may be falsely entered into the ration cards of poor villagers. I know all this but I have my limitations. Once we allocate this sugar to the States, the States say that now this is their business. We know

where to distribute it. What can I do in this matter?

Nationalisation will be a much more difficult task. Rationing will be a much more difficult task than this small distribution system that we are running to try and check prices in the open market by giving sugar at a lower rate. Sir, we have not been able to look after properly a few sugar mills which went sick and we took over. We are returning some of them to the owners. Can you imagine any Government looking after 350 and odd mills? What is happening with our textile mills? Are we able to run them properly? Shall we take on our hands the sugar mills and shall we take the burden of looking after farmers on our shoulders? Government has many other more important things to do. Sugar is not the only item. Sugar is not the entire food. Foodgrains are just as important. Cloth, coal and kerosene are also just as important for consumers.

Now, Sir, we have been trying to persuade, to cajole, to prod the States to take action against blackmarketers and hoarders. We have been trying to get figures, for the last two months, as to what they have been doing during this critical period. I do not mind giving information to the House. Only 9 States and the Union Territories have replied to me about the raids conducted by them. These States are: Andhra Pradesh, Chandigarh, Madhya Pradesh, Tripura, Uttar Pradesh, Pondicherry, Punjab, Maharashtra and Goa.

SHRI V. KRISHNA RAO : What about Karnataka?

RAO BIRENDRA SINGH : I have given the names of the States and the Union Territories and according to the information received from them, raids conducted during these last two months are 2267. Quantity seized is 1330 quintals and 86 arrests have been made. I do not know the fate of the people arrested. Licences checked were 301 and the licences cancelled were 4. Now, I do not know I can do in this matter.

[Rao Birendra Singh]

I would like to ask Mr. Daga to tell me what I should do. What should the Government do ?

AN HON. MEMBER : How many have been punished ?

RAO BIRENDRA SINGH : This is again the question of Centre-State relations. Shall we change the Constitution over night and take all the powers of distribution all over the country ? Can we run the distribution system in the country ? We only supply certain important commodities from the Central Government and then we fix administered prices for them. Sugar is one thing which is given to the public through the public distribution system. Consumers are charged at Rs. 4.40 per kilo. The consumers are charged at a uniform price of Rs. 4.40 per kilo whether they are in the most interior villages, in the Himalayas, in the North-Eastern region or even in Ladakh. We bear the transportation charges. We try to reach it in the most interior place. But again it is for the States to open fair-price shops in the interior places. We request them, we persuade them that for every 2000 persons there should be a fair-price shop. We also said that in the interior areas hill areas, the population is scattered and dispersed. In the case of these areas and also in the case of desert areas and tribal areas, they should not stick to this norm of 2000 persons. They can even start a fair-price shop for smaller number of population. We are trying to increase the number of shops. But that is all I can do.

The cost of production in India is very high. That is why we could not export sugar when we had glut of sugar in this country. That is one reason why sugar production came down. This is a very strange phenomenon and it has probably occurred for the first time. When there is a glut of sugar, there is glut all over the world ; and when there was shortage of sugar in the past, there had been shortage all over the world. This time, there is glut of sugar in the international

market, and India is short of sugar. We are experiencing this for the first time. That is why, the prices of sugar in the international market are going down. And that makes it easier for us to import sugar, but again I would pose a question to Shri Daga, if he would like that our factories should close, and we should import all the sugar, and go on buffer-stocking and leave the farmers dry. What will they do with the sugarcane ? Nationalization of sugar industries is not the answer ; we have to keep a balance.

While we have to keep the prices down, we have to look to the health of factories, we have also to see that the factories observe some code of conduct. We are trying to discipline them.

Hon. Members have, time and again, teased me what my repeated warnings have brought about. I am myself trying to think as to how to make this warning effective. Any suggestions from hon. Members in this respect will be most welcomed. I shall feel grateful for that.

AN HON. MEMBER : What is the cost of production of sugar in India ?

RAO BIRENDRA SINGH : The cost of production of sugar in India is calculated on the basis of Rs 32/- to be paid for sugarcane to the farmers as per State advised price and it comes to about Rs. 405/- per quintal, and then we are taking from the factories levy sugar on an average price of Rs. 351/- per quintal. That is why, we cannot throttle them. Because when the cost of production is about Rs. 405/- per quintal, we are taking 65 per cent of sugar at Rs. 351/- per quintal, we cannot somehow prevent the factories from getting good price, and recover part of the loss from sale in the open market. That has to be appreciated by Shri Daga.

SHRI SAIFUDDIN CHOWDHARY : The cost of production in other countries is much less. Why this difference ?

RAO BIRENDRA SINGH : Because of low cost of production in other coun-

tries, better sugarcane, better recovery from sugarcane. Our yield is low, our recovery is low. I think, Shri Daga is more than satisfied, though it is not possible to fully satisfy him.

Things are improving and again, through you, Sir, I would submit this through earlier when I said the same thing, I was probably misunderstood.

I will again request the hon. members in the House to consider whether talking about high prices, talking about sugar, criticising the imported sugar, would help those people who are putting those laws. Therefore, we have to accept the fact—and this fact is based on tests—that this sugar is sweet and that this sugar is pure. It is available now from super bazar outlets, from fair price shops and from consumer stores. We are trying to see that even the periphery towns, the satellite towns around Delhi are supplied with sugar by trucks from NCCF, going to these neighbouring towns—Ghaziabad, Rohtak, Sonapat, Gurgaon, Faridabad, etc., so that the pressure on Delhi market is reduced. In Bombay, all the sugar that came recently, about 8,000 tonnes, has been auctioned on 3rd or so and that is why there are reports now that sugar prices have come down in Bombay. So, now more sugar is coming in—and as I said arrivals are gradually picking up—we expect that by the end of September all the sugar will come in. Shipment are coming in. Even now, there might be some ships being discharged and we are now building up stocks. We will be able to look after the places where prices are high. States are also now playing the game. They have started taking interest and the traders with the cooperation of the hon. members will also probably come under discipline and so will the mills. I hope. If they do not, Government's arms are long. We may not be able to punish them during this period immediately, but then, once we know how they have behaved, as I said before, they will lose the sympathy of the Government. That is all I can say and that will not be in their interest. With these words, I thank you and all the hon. members.

MR. DEPUTY SPEAKER : Shri

Virdhi Chander Jain, you may please put one question. Only question and no discussion.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer) : The reply given by the hon. Minister is quite satisfactory. He has stated that this year 61 lakh tonnes of sugar was produced against 59 lakh tonnes of sugar produced last year. He has also stated that cost of production of sugar in our country is very high. We want that the country should be self-sufficient in the matter of sugar and we should not resort to import of sugar from abroad. At present we are importing sugar from abroad. Such a situation should not be allowed to continue for ever. What kind of incentive is being given to farmers to increase the production of sugar so that the country may become self-sufficient in this respect? This year 61 lakh tonnes of sugar was produced. In the coming years its production should be further increased so that we need not import it. Do you propose to issue certain guidelines as to what steps the Agriculture Department should take in this regard?

Secondly, I would like to know what steps are being taken by the Central Government to counteract the propaganda being made by the traders. It has appeared in the "Hindustan Times" also. You have stated that the imported sugar is pure and sweet. We agree with you. What steps are being taken by you to satisfy the public about it and to counteract the propaganda being made by the traders?

Thirdly, the price of sugar has increased. If you deal with the traders with an iron hand, by what time the price of sugar is likely to come down at the two month's old price of about Rs 6 per kg.?

[English]

MR. DEPUTY SPEAKER : Mr. Mohanty you can put the question.

SHRI BRAJAMOHAN MOHANTY : Sir, the total requirement of sugar is 83 lakh tonnes. We are producing about 62 lakh tonnes and we are running short of 21 lakh tonnes.

MR. DEPUTY SPEAKER : It is reduced accordingly. Production has gone down.

SHRI BRAJAMOHAN MOHANTY : But now we are short of 21 lakh tonnes and we are importing 10 lakh tonnes according to the Minister's reply. I would not like any commitment from the hon. Minister for further import because that will have an impact on the market. But my submission would be that too much reliance on supply-management may not be good. In the field of sugar, in the field of oil and in the field of tea, the entire strategy is around supply-management. Improve the supply or curtail the exports and then bring about balance. But there are other aspects which the Government should consider and that is about the fiscal policy and monetary policy. I would like to alert the Government. It is not only the Union Government which is to be blamed, but it is the total collective responsibility of the State Governments and the Union Government. The budgetary deficit this year has almost doubled in comparison with the last year's deficit. I would like to know from the hon. Minister whether we have made any stringent law to punish the corrupt middlemen, the unscrupulous traders. May I know what are the effective steps that have been taken at the State level? The Minister himself said that the responsibility lies with both. My submission would be whether the Government will take initiative. The Union Government have no control over them. I would like to know whether the Government would consider the convening of Secretaries' meeting or the Ministers' meeting and impress upon them and tell them that severe action must be taken against unscrupulous traders or anybody who is indulging in blackmarketing. The recent analysis indicates that in the production and distribution of sugar a lot of blackmoney is being generated. Unless

we are very rigid in enforcing the law to punish the culprits, to punish the black-marketeers, to punish the middlemen who are indulging in unscrupulous trades, there is no respite. So will the Government of India taken any initiative in convening the Conference of all the Ministers concerned, Ministers of States or the Secretaries even, in order to impress upon them and to act decisively in this matter.

[*Translation*]

SHRI RAM PUJAN PATEL (Phulpur) : Mr. Deputy Speaker, Sir, the replies given to questions by the hon. Minister are quite satisfactory. Despite all these things, the price of sugar has increased. I would request the hon. Minister to analyse the basic reasons for increase in price. In my opinion the main reasons for increase in price are that farmers have not been paid remunerative price for sugarcane in time and sugarcane was not crushed at proper time. I would like to submit that low price for sugarcane and is not being crushed in time ultimately results in its less production. If production is less, the price will go up and imports from abroad will have to be resorted to. In order to solve this problem every type of facility should be given to farmers. Unless their problem is solved, we shall continue raising our voice here and imports will have to be made from abroad. I would like to urge the hon. Minister to ensure on the spot payment to the farmers for the Sugar purchased from them. The hon. Minister has admitted this also that during the last year, the area brought under sugarcane cultivation was less by two lakh acres because of lack of facilities provided to the farmers. I do not say that Government machinery or somebody is at fault. Every type of facility should be made available to the farmers to increase the production of sugarcane so that production of sugar is also increased and the price, which are increasing day by day, could be controlled. I would like to know from the hon. Minister as to what facilities are likely to be made available to the farmers. The hon. Minister is a very learned man. Being a farmer he is an expert in this field. I hope that be

will try to provide all types of facilities to the farmers.

[*English*]

SHRI SURESH KURUP (Kottayam) :
One question, Sir.

MR. DEPUTY SPEAKER : No ; there are only five names. I cannot allow you. Now the Minister.

THE MINISTER OF FOOD AND CIVIL SUPPLIES (RAO BIRENDRA SINGH) : I have already replied in detail to everything that was relevant. One hon. Member suggested that we should call a conference of Ministers and Secretaries. We are constantly writing to the Chief Ministers ; I have been talking to them. The Secretaries have been called in my Ministry, and things are being discussed with them repeatedly. Even telephonically they are being contacted. Wherever we find that things are not all right, we are contacting the State authorities. We will soon be calling a meeting of the Ministers of Food and Civil Supplies. I will again discuss this thing threadbare in that conference.

About sugar arrears which my friend, the last speaker referred to, this year the amount of sugar arrears is the smallest amount that has been there in any year in the past so far. It is only Rs. 38 crores, and it is 3.3% of the total dues that were to be paid to the farmers for sugar cane. This is against 10.9% at this time of the year, last year. So, from nearly 11% this year it is only 3.3%. We are trying to activate the State Governments to take action to reduce even this.

Shri Virdhi Chander Jain raised some

points, which I do not think need any further clarification. Is there anything particular that he wants a reply for ? Everything has been explained.

One more point which ? I think, needs clarification. We are against imports. I agree with Mr. Mohanty and Shri Virdhi Chander Jain that we cannot always depend upon import for all time ; we have to be self-sufficient. This is accepted, but, then this is somewhat abnormal situation. The consumption has gone up, the production has come down, and we have to look after the consumer's interest, and if 10 lakh, out of which about 9.5 lakh tonnes has already been contracted and shall be arriving, the total amount by the end of September, we expect, though we thought that this should be enough and further imports are not...(*Inter options*).

Mr. Virdhi Chander Jain wanted to know if we can give a guarantee to fix the prices, or reduce the prices to a level...(*Interruption*). It is very difficult for me to fix it, time and date by which it can be brought down to Rs. 6. But we are trying to bring the prices down to a reasonable level ; yet there can be no fixed price line in a matter like this.

MR. DEPUTY SPEAKER : The House stands adjourned to meet tomorrow at 11 A.M.

18.41 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesd y. August 6, 1985/Sravana 15, 1907 (Saka)