

SHRI C. M. STEPHEN: Before you pass on to the next item, I would like to know one thing...

MR. SPEAKER: I am looking into the matter. He has written to me a letter. I have not been able to go into the matter. Mr. Banatwalla.

12.41 hrs.

MATTERS UNDER RULE 377

(i) COMMUNAL SITUATION IN VILLAGE ROLE, DISTRICT NAGOUR (RAJASTHAN).

SHRI G. M. BANATWALLA (Ponnani): Mr. Speaker, Sir, I rise to mention, under Rule 377, the following matter of urgent public importance.—

It is most unfortunate and a matter of serious concern that the communal situation in Village Role, District Nagaur of Rajasthan State, has precariously deteriorated. Violence has already flared up. One Muslim was murdered and several have been attacked and beaten. Serious sacrilegious acts have been committed with damage caused to Dargah and mosque. Damage has also been done to a graveyard.

A deplorable aspect of the ugly situation, which causes great anguish and anxiety, is that the police was allegedly a passive spectator and favourably disposed towards the rioters. This is fast becoming a general pattern as recently in Jamshedpur too the Bihar Military Police reportedly did not initially obey the order to fire at the unruly job. This reveals the collusion of the local police force and the consequent panic and growing feeling of insecurity among the minorities.

I urge upon the Government to move promptly and effectively in consultation with the State Government to avert any bigger calamity.

(ii) REPRESENTATION BY FARMERS OF RAMPUR DISTRICT (U.P.) REGARDING REMOVAL OF EXCISE DUTY AND PURCHASE TAX ON MENTHOL.

DR. VASANT KUMAR PANDIT (Rajgarh): Mr. Speaker, Sir, with your permission, under rule 377, I raise the following matter of urgent public importance:

The farmers growing menthol of District Rampur have represented to the U.P. Government as well as to the Centre that if the excise duty and purchase tax are not completely removed, there will be hit very badly. The small scale industries, who are the main buyers of menthol oil have been dictating terms to the farmers paying very low price compared to large scale industries. This year the large scale industries have to get out of purchasing oil from the farmers, due to the 15 per cent excise duty and 8 per cent purchase tax. The small scale industries will not have to pay any excise duty.

The small scale industries paid to the farmer Rs 30/- per kg. while the large scale industries were paying Rs. 50/- per kg. which supported the farmers. The farmer represented to the State authorities in U.P. regarding the unfair tactics of the small scale industries. The Collector of Rampur called a meeting of Industries, farmers, traders, etc., and warned all concerned to pay the highest price of Rs. 50/- per kg.; otherwise, they would be arrested. The small scale industries did not follow the Collector's advice and the Collector had to arrest some people. This low price for menthol oil has affected the next year's crop pattern. Farmers are aware of the excise duty evasion by the small scale industries. They do not insist on any bill and the small scale industries are having a very good time by avoiding all taxes and excise duty.

The farmers are afraid that, if this continues and the large scale industries do not purchase their oil, they will have to bear heavy loss. This problem, they have referred to the Prime Minister, the Finance Minister and the Industries Minister and various other Ministers in U.P.

The large scale industries have informed the farmers that they will not purchase menthol oil as it is uneconomical for them to compete with small scale industries with their unfair tactics.

If no immediate relief is given in the excise duty, the ultimate sufferers will be the farmers.

Bhavana Chemicals Ltd. and Hindustan Richardson, the two large manufacturers of menthol in U.P. have set up oil distillation units for farmers in backward areas of U.P. The farmers approached the Mentha distilling units and requested them not to close down as Mentha is the backbone of their economy. It is high time that Government should take a lenient view of the situation and remove 15 per cent excise duty on finished product Menthol. If not done, the large units of Menthol manufacturers will close down altogether their activities in UP and the sufferer will be the marginal farmers.

The small scale industries are cheating the government by avoiding excise duty, sales tax, purchase tax, etc. If 15 per cent excise duty is not removed, the small scale industries will monopolise Menthol, ruining the economy of marginal farmers.

Small scale industries claim that they are distilling on behalf of farmers 350 tons of oil. The figures are correct, but the small scale industries are showing incorrect official figures, merely 200 tons officially are shown in the books and the balance is unaccounted. You can imagine how much loss the country suffers.

I urge upon the Government to take urgent steps to remedy this situation and save the small farmers from heavy losses.

(iii) RENEWAL OF LICENCE OF SRI SITHARAMA COOPERATIVE SUGARS LTD.; KOTTAKOTA (VISAKHAPATNAM).

SHRI P. RAJAGOPAL NAIDU (Chittoor): Sri Sitharama Co-operative Sugars Ltd., Kottakota, Narasipatnam Taluk in Visakhapatnam District was registered in April 1974 in pursuance of the grant of licence. The promoters collected Rs. 16.35 lakhs by admitting about 2800 shareholders by 27-2-1979 when the licence expired. The promoters requested the Central Government to renew the licence. It has been renewed after one year 10 months but lapsed only after 2 1/2 months.

The agriculturists of that area are poor when compared to other districts and therefore they were not able to pay the shares. They have accepted to take loans from Co-operative Central Bank, Vijayanagar and from the Agricultural Development Banks in that area. They have actually submitted loan applications amounting to Rs. 12 lakhs and they wanted to raise the loans upto Rs. 40 lakhs which was the target. They would have completed collection of shares long back if the licence was renewed in time. Even now they are in a position to fulfil their obligation of collecting the shares before 31-12-79. Narasipatnam Taluk is completely a sugarcane growing area and they have to depend upon that crop for their livelihood. It is not possible to change the crop also as sugarcane is best suited to that area.

About 2800 agriculturists have already become shareholders by paying about Rs. 16 lakhs already. The poor peasants are losing heavily as they have to pay interest on the money borrowed towards shares. If the renewal of licence is delayed they will be put to a great loss and