

73-Judl. in Delhi Gazette dated the 21st March, 1975. [Placed in Library. See No. LT-9328/75].

RAILWAYS RED TARIFF (SECOND AMENDMENT) RULES, 1975

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI BUTA SINGH): I beg to lay on the Table:

A copy of the Railways Red Tariff (Second Amendment) Rules, 1975 (Hindi and English versions) published in Notification No. G.S.R. 360 in Gazette of India dated the 15th March, 1975, issued under section 47 of the Indian Railways Act, 1890. [Placed in Library. See No. LT-9329/75].

ANNUAL REPORT OF REGISTRAR OF NEWSPAPERS FOR INDIA ON PRESS IN INDIA, 1973

THE DEPUTY MINISTER IN THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI DHARAM BIR SINHA): I beg to lay on the Table:

A copy of the Annual Report (Part I) (Hindi and English versions) of the Registrar of Newspapers for India on Press in India, 1973. [Placed in Library. See No. LT-9330/75].

MESSAGES FROM RAJYA SABHA

SECRETARY-GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:

(i) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Gujarat Appropriation (Vote on Account) Bill, 1975, which was passed by the Lok Sabha at its sitting held on the 21st March, 1975, and transmitted to the Rajya Sabha

for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

(ii) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Gujarat Appropriation Bill, 1975, which was passed by the Lok Sabha at its sitting held on the 21st March, 1975, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

12.13 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE REPORTED CLOSURE OF HALF OF 7,000 KHANDSARI UNITS

MR. SPEAKER: Mr. Ram Gopal Reddy, Mr. Jyotirmoy Bosu has objected to your raising the calling attention on the ground that you have some pecuniary interest in it.

SHRI M. RAM GOPAL REDDY (Nizamabad): Absolutely not.

SHRI JYOTIRMOY BOSU: (Diamond Harbour): Under Rule 371, I have given you this notice. Shri Ram Gopal Reddy is a founder and Chairman of Board of Directors of Nizamabad Cooperative Sugar Factory Ltd., Chairman, Andhra Pradesh Federation of Cooperative Sugar Factories Ltd., Hyderabad, Director Nizam Sugar Factory Ltd., Shakarnagar and National Federation of Cooperative Sugar Factories Ltd., New Delhi. This establishes that he has personal pecuniary and direct interests in production and sale of sugarcane, sugar and allied products. The spirit of rule 371 is to prevent such persons from participating in any discussion on the floor of the House where he can further his personal, pecuniary or direct interests. So, I submit that Shri Ram

Gopal Reddy be requested not to participate in the discussion in the context of this clear rule.

SHRI M. RAM GOPAL REDDY: It is a fact that I am a founder of Nizamabad Cooperative Sugar Factory. I am not its Chairman now. I am not a director of the National Federation of Cooperative Sugar Factories any more. Of course, I am a Director in the Nizam Sugar Factory. But khandsari sugar mills and sugar factories are quite different. The rule has been wrongly quoted. If you in your wisdom think I have some interest, you can ask me not to vote. But you cannot stop me from speaking. The rule is clear.

MR. SPEAKER: The rule is very clear. It pertains only to voting.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): Is not the Chairman of the Public Accounts Committee supposed to know it before he raised this objection?

SHRI JYOTIRMOY BOSU: I read each and every rule and that is why you are worried.

MR. SPEAKER: There are 7,000 units in the country. How is Shri Reddy supposed to represent 7,000 units?

SHRI JYOTIRMOY BOSU: Sir, both khandsari and sugar are produced out of sugarcane.

MR. SPEAKER: Sometimes I wish there must be some device which I can use from my seat so that he cannot speak. Yesterday, while he was speaking to members were whispering and he was disturbed. Yet, all the time he goes on talking.

SHRI M. RAM GOPAL REDDY (Nizamabad): I call the attention of the Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon:

"The reported closure of half of 7,000 khandsari units in the country

due to abnormal increase in Excise Duty."

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): Mr. Speaker, Sir, khandsari sugar is chargeable to a duty of 17.5 per cent. *ad valorem*. However, there was a scheme of compounded levy under which khandsari sugar units, opting for the scheme, paid a fixed sum by way of duty for every week of working, depending on the number and size of the centrifuges used by them. As the compounded levy resulted in a disproportionately low duty incidence on these khandsari units in comparison with the incidence on regular vacuum pan sugar mills the compounded levy scheme was withdrawn as a part of the Budget proposals for the year 1975-76. As a result, the standard effective rate of duty at 17.5 per cent *ad valorem* became leviable on khandsari sugar.

After the above changes a number of representations have been received from the different khandsari interests. Some of the Members of Parliament have also written on the subject. Some of the Associations have also met me and other officers of the Ministry.

Recently some senior officers of the Finance Ministry have visited the khandsari producing areas in Uttar Pradesh for on-the-spot study of the problems faced by the khandsari industry after the Budget changes. According to information gathered by them a number of khandsari units in Uttar Pradesh closed down even prior to the budgetary changes announced on 28-2-1975 following certain disputes arising out of the Uttar Pradesh Khandsari Sugar (Levy) Order, 1975 promulgated by the State Government. Some units had also closed down later though many were working. The exact number of closed units or the number of workers affected could not be ascertained at short notice. Since many units appear to

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have closed down as a result of the dispute regarding Khandsari Sugar (Levy) Order mentioned above the report of closure of half of the khandsari units in the country due to abnormal increase in excise duty, is not correct.

In October, 1974 there were only 2,034 khandsari units licensed by the Central Excise Department. There is no ready information of the number of khandsari units which are not required to be licensed by the Central Excise Department, being non-power operated.

The Finance Minister has already stated on the Floor of the House on the 14th March, 1975 that all the taxation measures might be gone into in detail at the time of the consideration of the Finance Bill and the question of any relief of some other adjustment to be made, will be considered at that time. Keeping in view the concern expressed by the Members I am getting the matter examined in respect of khandsari sugar on a top priority basis. The difficulties brought to notice by the Members will be kept in view while taking a decision in the matter.

SHRI M. RAM GOPAL REDDY:
Mr. Speaker, Sir, I have tabled this Call Attention not to plead the cause of khandsari mills but to plead the cause of workers. About 2 million workers are working in the khandsari mills and also there are lakhs of cane-growers who are supplying cane to khandsari mills.

For levying any tax, there must be some purpose. I cannot understand what is the purpose of increasing the excise duty here. Last year, the excise duty on khandsari was increased by 100 per cent. This year, it has been increased by 500 per cent. The total increase in one year, from February, 1974 to February, 1975, in excise duty is about 1000 per cent. I think, in no other case such a steep rise has been

in the excise duty. I want to know what is the purpose behind it. If the purpose is to collect revenue for the Government. I say, he is not going to get anything out of it.

In Bareilly, there are some khandsari mills which are paying the *ad valorem* duty and some khandsari mills are paying the compound levy. The khandsari mills which are paying compound levy are paying about Rs. 50,000 to Rs 60, 000 per year whereas the khandsari mills which are paying *ad valorem* duty are paying Rs 5000. I want to know from the hon. Minister where the money has gone. It has gone into the pockets of the lower rungs of officialdom in the Excise Department. If this system is introduced, I am sure, the entire money will go into the pockets of lower officers of the Excise Department and nothing will come to the Exchequer.

Now, if the excise duty is increased, the khandsari units cannot pass on to the consumers. Already, the price of sugar has reached its saturation point. These khandsari mills, if at all they work, have to pass on to the cane growers. The khandsari mills are paying very good price to cane growers, Rs. 145 to Rs. 160. If this levy is enforced, it will come down to Rs. 115. By having this kind of levy, only the cane growers will be affected.

The cane growers are having their cane standing in their fields. The hon. Minister says that he will consider it at the time of the Finance Bill, that is, after a month. By that time, the sugarcane that is standing in the fields will be dried out. It will neither go to sugar factories nor to khandsari mills. The khandsari mills are spread over the entire country. About 10 per cent of khandsari mills are located in sugar factory zones. The sugar factories are all working to full capacity, to the extent of 90 to 95 per cent. capacity. If the khandsari mills are closed, where will the cane go? All the cane will be dried out. Neither sugar nor khandsari will be produced.

Now, most of sugarcane which is going to khandsari mills is produced and irrigated by wells. The cane growers have already planted new cane. They have to irrigate old cane and also new cane from the same well. The electricity supply is not there. One of the crops will be completely ruined. About 1/3 of the cane is being supplied to the khandsari mills.

Such a colossal waste there will be. The Government is not going to get anything out of it.

Moreover, the main argument of the Government is that recovery in Khandsari mills is less and that in sugar factories it is more. Suppose all the cane is diverted which is an impossibility to sugar factories. Then, the sugar factories will have to start crushing either in the month of September or continue after April-May. It means, the sugar recovery will go down. It will be less than what the khandsari mills are giving. Sugarcane will also get reduced in weight by 50 per cent on account of drought.

In the interest of the nation, therefore, I request the hon. Minister to immediately pass orders to the concerned authorities not to levy excise duty on *ad valorem* basis. It is a cruel blow on the cane growers and also the poor workers. Every khandsari mill employs in each shift not less than 50 to 60 persons. There are three shifts. So, on the whole, every khandsari mill employs about 200 persons. The people are without work for the last one year. There may be some political repercussions also. I want to warn the hon. Minister about it.

The whole House, from all sides has been demanding the withdrawal of excise duty on *ad valorem* basis. I do not know, in its wisdom, why the Government has not taken any action about it. The hon. Members, Mr. Sambhali, Mr. Salve, Mr. Sathe, Mr. N. N. Pandey, Mr. Genda Singh, Mr. Pilloo Modi, Mr. Jagannathrao Joshi and many others who are an authority on cane growing have represented to the Minister several times.

If he does not withdraw it, I would like to tell the Minister, he will have to pay for it very heavily. There will be political repercussions; there will be strikes, there will be hartals, and unnecessarily the kisans will have to become violent because no kisan will tolerate his crop getting dry. That is why, in the name of two million workers and four lakhs of cane-growers, I appeal to the Minister to withdraw this levy immediately. If at all he wants some more money, let him double the amount of the compound levy; instead of Rs. 10 he can take Rs. 20, but he should not ask for Rs. 50. I want that the Minister should announce the withdrawal of this levy immediately.

(SHRI PRANAB KUMAR MUKHERJEE: Mr. Speaker, Sir, in the text of my statement itself I have mentioned that the Government is seized of this problem. It is not a fact that we are not aware of the problem. Members of Parliament and various Associations have made representations. We had sent our officers to make an on-the-spot study. They have come back and submitted their report which is under the consideration of the Government. On the floor of this very House when various members raised this point, the Finance Minister has told them that the taxation proposals require a detailed examination and that, before passing the Finance Bill, if some relief can be given or if some adjustments are possible, in what form it could be done, all these things would be considered in detail at that time. The whole question is whether the Government's policy is to close down functioning of these units, and my answer is 'positively 'no'. We are not going to close down the khandsari units. It would be incorrect to come to the conclusion that the incidence of the duty has increased to 500 per cent. The incidence of duty is 15 per cent basic plus 2.5 per cent additional, totalling 17.5 per cent; this was the duty before the Budget proposals and it would be the same after the budget proposals. The whole

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question is what would be the *modus operandi* of collecting this levy, whether it would be compound system or standard system. In the Budget statement itself it has been pointed out that the last year's collection on khandsari so far as compound system was concerned was of the order of Rs. 4 crores, and as a result of the new system of realising the levy, i.e., standard system, it would be in the order of Rs. 19.60 crores. The hon. Member has said that there is no purpose of realising the levy. This is not correct.

In this connection I would I like to appeal to the hon. members not to pass sweeping aspersions on the officers of the Excise Department.

SHRI M. RAM GOPAL REDDY: I have said, lower rank.

SHRI PRANAB KUMAR MUKHERJEE: ... by saying that whatever would be the additional duty would go to the pocket of the excise officers. It would be an unfair comment. The performance of the Excise Department, during the last financial year, as we have indicated by figures, has been, if not excellent, fairly good. Therefore, it is not correct to cast aspersions on them. It is also a fact that, when the compound system was introduced, we had some administrative difficulties; we had inadequate administrative machinery to collect it. But now the Excise Department has spread its net widely. Now it is possible to look into the whole thing. In spite of all these, the Finance Minister has assured the hon. members on the floor of this House that we are looking into this aspect, we shall consider the genuine difficulties that these units are facing and it would be possible for us to arrive at a decision as early as possible.

श्री गेंदा सिंह (पदरौना) : अध्यक्ष महोदय

अध्यक्ष महोदय : इसमें माननीय सदस्य का नाम नहीं है।

कुछ माननीय सदस्य : श्री गेंदा सिंह को सवाल पूछने दिया जाये।

अध्यक्ष महोदय : अब जो माननीय सदस्य कह रहे हैं कि आपको इजाजत दे दी जाये, कल फिर वही उठ कर कहेंगे कि चूंकि श्री गेंदासिंह को इजाजत दे दी गई थी इसलिए हमें भी इजाजत दी जाये।

SOME HON MEMBERS: Please allow him a question, Sir.

MR. SPEAKER: He was in hospital and he has come. As an exceptional question, I allow.

श्री गेंदा सिंह : अध्यक्ष महोदय मिनिस्टर साहब ने कहा है कि सरकार जो कर वसूल करना चाहती है, उस का सारा रुपया अधिकारियों की जब में नहीं जायेगा। मेरा कहना है कि वह आधा रुपया भी क्यों उन लोगों की जेब में जाने देते हैं। हम सिर्फ इतना चाहते हैं कि खण्डसारी वालों से जो रकम ली जाये, वह सरकार के पास जाये, वह दूसरों की जेब में न जाये, और किसानों तथा मजदूरों को न मारा जाये।

मैं श्री मुकजी से यह कहना चाहता हूँ कि वह इस कदम को उठाने से पहले एक मर्तवा नहीं, सौ मर्तवा सोचें। खण्डसारी के यूनिट बन्द हो गये हैं। खण्डसारी का सारा काम यू० पी० में होता है, और यू० पी० को तबाह किया जा रहा है। मैंने श्री मुकजी और श्री सुब्रह्मण्यम् से हाथ जोड़ कर प्रार्थना की है कि गन्ने को मिलें जन और जुलाई तक चलें श्री हमारा गन्ना पेड़, हमारी रीकवरी कम हो, हमारे खेत बर्बाद हों

बार हम बर्बाद हों, वह ऐसा काम क्यों करते हैं। यह सरकार एक्सपर्ट लोगों की है। क्या वह इस बात को नहीं सोच सकती है कि वह काम नहीं करना चाहिए? सरकार यह गारण्टी दे कि फ़ैक्टरियां अप्रैल के बाद नहीं चलेंगी, और अप्रैल के बाद जिन किसानों का गन्ना खेतों में पड़ा रहेगा, सरकार उन को हर्जाना देगी। लेकिन सरकार यह गारण्टी नहीं देगी। यह सरकार के सामर्थ्य के बाहर है कि वह यह काम कर सके, इसी लिए मुझे इस बात पर थोड़ा श्रावश आ जाता है कि यह एक्सपर्ट और होशियार लोगों की सरकार है, लेकिन वह इस तरह का काम करती है, जिस से देश के किसानों की बर्बादी हो। मैं निवेदन करना चाहता हूँ कि श्री मुकर्जी और श्री सुब्रह्मण्यम् को इस बारे में गम्भीरता से सोचना चाहिए।

उन्होंने इस बारे में जो कुछ फैसला करना हो, वह आज करें, अभी करें। अगर वह आखिर में फैसला करेंगे, तो उसका कोई फ़ायदा नहीं होने वाला है। 30 मार्च के बाद खण्डसारी चालू नहीं होगी।

श्री नरसिंह नारायण पांडे (गोरखपुर) : अध्यक्ष महोदय, मैं आप की आज्ञा से एक मिनट में एक बात कहना चाहता हूँ।

MR. SPEAKER: I am sorry not even half a minute I can give.

यह तो एक एक्सपेशन थी।

The Minister.

SHRI PRANAB KUMAR MUKERJEE: I appreciate the fears and concern of the hon. Member.

As I have already mentioned, it is not the desire of the Government to close the chapter once for all. As my senior colleague, the Finance

Minister has assured the hon. Members on the floor of the House, we are very much concerned with it. It has its implications. What would be the position of the sugar-cane growers, what would be the position of the small units—all these aspects will be looked into. But my predicament here is: whether we can make a decision just here and now and make an announcement here. It is just not possible. Mr. Speaker, you yourself are aware and the hon. Members are also aware that whatever tax reliefs are given as a result of the consensus arrived at out of discussion, it is usually done during the passage of the Finance Bill.

Therefore, when the Finance Minister has assured the hon. Members, all these aspects will be looked into. I am not saying that this is a closed chapter and nothing will be done. But it is not possible for me to indicate what type of reliefs would be announced because a good deal of exercise has to be made. Our officers have just returned from the areas. We have sent them to meet the cultivators and the factory-owners to assess the situation. Their report we are considering and we hope it would be possible for us to arrive at a decision as early as possible.

What I wanted to emphasize in reply to the question raised by Mr. Reddy is that it is not a fact that the collection which will be made as a result of the new mode of tax collection will be appropriated by the officers. It will go to the Exchequer and we are there to check it and the Members of Parliament are also there vigilant on that point.

श्री शक्रकृत जंग (कैराना) : अध्यक्ष महोदय, मैं आप के जरिये गवर्नमेंट का ध्यान इस तरफ़ दिलाना चाहता हूँ कि हमारे मुल्क में जहाँ गन्ना बत्तीर कौश फ़ायदा होता है, वहाँ खण्डसारी की स्माल-स्केल इण्डस्ट्री को बड़ी प्रहमियत हासिल है। हमारे मुल्क में तकरीबन 150 करोड़ रुपये

[श्री शफत जंग]

के सरमाया से लगभग 7,000 यूनिट्स लगे हुए हैं, जिन में गांवों के 18 से 20 लाख तक बेघर और बेजमीन मजदूरों को रोजगार मिलता है। अगर ये यूनिट बन्द हो जाते हैं, तो ये तमाम मजदूर बेकार हो जायेंगे।

यह बड़े ताज्जुब की बात है कि इन यूनिटों पर इतना जुल्म किया गया है। यह समझ में नहीं आता है कि गवर्नमेंट ने क्या सोच कर इस बारे में फ़ैसला किया है। पिछले साल तक खण्डसारी पर कामपाउडिड ड्यूटी थी, जो 9 रुपये से 12 रुपये फी-क्वटल या फी-बोरा पड़ती थी। इस साल सेंट्रल गवर्नमेंट ने कामपाउडिड ड्यूटी के बजाये 17½ फीसदी की एड वेलोरम ड्यूटी लगा दी है, जो तकरीबन 50 रुपया फी-क्वटल या फी बोरा पड़ती है जिस का मतलब यह है कि पिछले साल की ड्यूटी के मुकाबले में इस साल 400 फीसदी का इजाफ़ा कर दिया है।

इस के अलावा यू० पी० सरकार ने 25 फीसदी लेवी लगा दी है जिस की कीमत वह 235 रुपये फी क्वटल अदा करेगी जब कि फी क्वटल खण्डसारी तैयार कर/की लागत 350 रुपये फी क्वटल आती है। इस के अलावा यू० पी० गवर्नमेंट नेपरचेज टैक्स में भी 400 फीसदी का इजाफ़ा कर दिया है।

इन इकदामात का यह नतीजा हुआ कि तकरीबन 80 फीसदी यूनिट बन्द हो गये हैं। मैं समझता हूँ कि शायद गवर्नमेंट जानबूझ कर इन फ़ैक्टरियों को बन्द कराना चाहती है। इसके पीछे शायद यह ख्याल है कि इस तरीके से मिलें ज्यादा शूगर तैयार करेंगी और हम उस को बाहर एक्सपोर्ट कर के फ़ारेन एक्सचेंज हासिल करेंगे।

लेकिन मैं समझता हूँ कि इस फ़ारेन एक्सचेंज को हासिल करने के मुकाबले में बीस लाख मजदूरों को रोजगार देना ज्यादा जरूरी है।

आंकड़ों को देखने से पता चलता है कि मैं जहां खंडसारी यूनिट ज्यादा हैं वहां मिलों के क्रशिंग के दिनों की तादाद ज्यादा है बनिस्वत उन इलाकों के जहां खण्डसारी यूनिट कम हैं। वैस्टर्न यू० पी० में जहां खण्डसारी फ़ैक्टरियां ज्यादा हैं, मिलों के वकिंग डेज की तादाद 1970-71 में 171 थी जब कि ईस्टर्न यू० पी० में 133 और सेंट्रल यू० पी० में 139 थी। इसी तरह 1971-72 में वैस्टर्न यू० पी० में वकिंग डेज की तादाद 100 थी जब कि ईस्टर्न यू० पी० में 72 और सेंट्रल यू० पी० में 100 थी। 1972-73 में वैस्टर्न यू० पी० में वकिंग डेज की तादाद 161 थी जब कि ईस्टर्न यू० पी० में 133 और सेंट्रल यू० पी० में 157 थी। 1973-74 में वैस्टर्न यू० पी० में मिलों के वकिंग डेज की तादाद 188 थी जब कि ईस्टर्न यू० पी० में 97 और सेंट्रल यू० पी० में 159 थी। इस से जाहिर होता है कि जहां खण्डसारी यूनिट ज्यादा हैं वहां शूगर मिलें ज्यादा दिनों तक चलती हैं और जहां खण्डसारी यूनिटों की तादाद कम है वहां मिलें कम दिनों तक चलती हैं।

अब मैं यह बताना चाहता हूँ कि खण्डसारी इण्डस्ट्री को खत्म करने से क्या नुकसान होगा। हिंदुस्तान में जहां बेरोजगारी एक गैर-मामूली प्राबलम है, 20 लाख ग्रामीण और भूमिहीन मजदूर बेरोजगार हो जायेंगे।

मेरी यह फर्म ओपोनियन है कि फोरेन एक्सचेंज हासिल करने के लिए चीनी एक्सपोर्ट करने के मुकाबले में 20 लाख लोगों को रोजगार देना ज्यादा जरूरी है। चीनी की एक्सपोर्ट के ख्याल से इतनी बड़ी तादाद को बेकार कर देना हरगिञ्ज अकलमंदी की बात नहीं है। इस के अलावा खांडसारी इंडस्ट्री मिलों की क्राशिंग में किसी तरह बाधक नहीं है इसलिए कि गन्ना मिलों जो हैं वह हमारे गन्ने की पैदावार का ज्यादा से ज्यादा 35 फ्रीसदी गन्ना क्राश कर सकती हैं बाकी 65 फ्रीसदी गन्ने से या तो गुड़ बनाया जाता है या खांडा बनाई जाती है। खांडसारी यूनिटें बन्द हो जाने की वजह से किसानों में हाहाकार मचा हुआ है इसलिए कि इस वक्त किसान का आर्घ से ज्यादा गन्ना खतों में खड़ा हुआ है और गर्मी का मौसम आ गया है। जितने किसान मेम्बर मौजूद हैं वह जानते हैं कि गन्ना ऐसी फसल है कि न इस की गर्मी में कटाई ठीक तरह से हो सकती है न बोवाई ठीक तरह से हो सकती है। 15 दिन में हमारी रबी की फसल कटनी शुरू हो जायेगी, तो मैं नहीं समझता कि हमारा जो गन्ना खड़ा हुआ है इस का क्या हथ होगा। अगर किसान का गन्ना खड़ा रह गया तो किसान जो पहले से ही खाद की कीमत, बिजली की कमी और लगान में इजाफ़ा से बेहद परेशान है तब हो कर रह जयेगा। इस का तरफ़ गवर्नमेंट को खास तौर से तवज्जह देने की जरूरत है और जो यह इजाफ़े परचेज टैक्स में या लेवी की शकल में या सेंट्रल गवर्नमेंट की ड्यूटी की शकल में हुए हैं इस को सोच समझ कर अगर इस में इजाफ़ा भी हो तो बहुत मामूली होना चाहिए और ऐसा होना चाहिए कि यह खांडसारी का कारोबार बिल्कुल तब न हो जाय जिस में करीब डेढ़ करोड़ रुपये का सरमाया लगा हुआ है। मेरी यही दरखवास्त है कि आप इस का फ़सला जल्दी से जल्दी क्या घाज ही हमें सुना दे कि आप इस सिलसिले में क्या करने जा रहे हैं ?

SHRI PRANAB KUMAR MUKHERJEE: Mr. Speaker, Sir I agree with the hon. Member that khandsari industry has an important role to play in the economic life of our country. They can take care of a big quantum of the sugar production. The sugar mills cannot take care of all the sugarcanes. There are two aspects in this which have to be looked into. We have to take the khandsari industries as a whole. When hon. Members talk of the khandsari industries, perhaps, they are keeping in mind only those industries which are operated manually and not sulphitation units. Out of so many units only 2,034 khandsari units are registered with the Central Excise Department. And as many as 1,026 units are with the sulphitation plants. There are a good many mini-sugar plants whose conditions are quite different from other khandsari units. When the hon. Members are speaking. I presume what they have got in mind are the conditions of those khandsari mills which are not run with sulphitation plants. In view of that, I have already mentioned that the whole problem will have to be considered such as what would be the effect of the duty incidence as a result of the levy at the standard rate and how far it would affect the rate of production of sugar and what would be the productivity of the khandsari units and the effect on the employment opportunities. We are aware of all these things and we are looking into them. I have never said that Government has closed its mind and it will not look into that. What I wanted to impress upon the hon. Member was this. It is not possible now to indicate the type of relief, the mode of relief etc. that would be given to these khandsari units. We have yet to wait till the consideration stage is over.

In this connection, I would like to point out one thing that whatever be the number of khandsari units—some Hon. Members said that they are 5,000 units while some others said that they are 7,000 in number—I would like to say that only 2,034 are registered

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with the Excise Department and they are licensed units. Excepting these 2,034 units, we won't bother about others who are not brought within the purview of this system. Secondly, it has also to be kept in mind that the rate of duty was 17.5 per cent—15 per cent basic duty and 2.5 per cent additional duty. Putting these together, 17.5 per cent is the advalorem duty. The mode of collection of the duty is on the number and size of the centrifugal units of these khandasari units. Even the number and size of the centrifugal units of the khandasari units comes to one or two in a lower order. But, their production capacity may be more. As a result of this, there is no link between the excisable quantum of the production and the actual production. As per the Agriculture Ministry, the total production of khandasari sugar is in the order of 5 lakhs tonnes but the duty leviable quantity is of the order of 2 lakhs tonnes of khandasari sugar. In order to do away with this anomaly, what we now propose is that instead of having the compounded levy system, the standard levy system should be introduced. I would like to reiterate that the whole issue will be looked into and we would like to see that the difficulties faced by the units are done away as soon as possible.

श्री शफकत जंग : एक हमारी इस बात का जवाब नहीं आया कि जो हमारा गन्ना 65 फ्रीसदी फ़ालतू है इसका क्या होगा ?

श्री विजय पाल सिंह (मुजफ़्फ़रनगर) : अध्यक्ष महोदय चौदहवीं सदी में एक आदमी को अगर यह समझाया जाय कि जमीन घूमती है सूरज नहीं घूमता है तो शायद वह समझ जाये। वह समझ सकता है कि जमीन घूमती है सूरज नहीं घूमता है लेकिन आज के मंत्री को अगर यह समझ या जाय कि आप की ब्यूरोक्रेसी आप को गलत

रास्ते पर ले जा रही है तो मंत्री नहीं समझ सकते हैं। गैदा सिंह जैसे तपस्वी देशभक्त यू० पी० के 85 एम पी और दूसरे प्रदेशों के एम पी जो आप को मशविरा दे रहे हैं वह गलत है ? बड़ा अफ़सोस है इस बात का।

अध्यक्ष महोदय सोचने की बात है 7 हजार यूनिट, 7 हजार परिवार इन के कहने के मुताबिक आज क्रशर चला रहे हैं वह जहन्नुम में जले जाय बरबाद हो जाये इस की कोई परवाह हमें नहीं हमें कोई उन से लेना देना नहीं। मैं आप से कहना चाहता हूँ एक छाटांक गोश्त के लिए आप पूरी भैंस को मार रहे हैं। इस सवाल का सम्बन्ध क्रशर यूनिट से नहीं इस का डायरेक्ट सम्बन्ध इस देश के करोड़ों किसानों और मिल मालिकों से है। क्या हालत है आज किसान की ? मेरे मुजफ़्फ़रनगर जिले में पचास साल पहले चार मिलें लगी थीं। आज भी चार मिल हैं। कोई मिल बढ़ाई आपने ? और गन्ना की प्रोडक्शन 40 परसेंट बढ़ी है। आप पेल न उस को जा कर आप के अफ़सर पेल न उस को जा कर। नौकर-शाही आ कर कहती है कि क्रशर बन्द नहीं है आप अपने पांच एम पी कांग्रेस के भज दीजिए या आप चलिए और देखिये आधे से ज्यादा क्रशर बन्द है या नहीं ? अगर बन्द नहीं तो मैं इस्तीफ़ा दे दूंगा या आप दें। आप नौकर-शाही के हुकम पर चल रहे हैं। यह नौकर-शाही हम को बरबाद करेगी। 1600 क्रशर मुजफ़्फ़रनगर में हैं। आप उन को बन्द कर दीजिए किसान नुकसान बर्दाश्त कर लेगा लेकिन आप दो मिल कम से कम वहां खड़ी कर दीजिए मिलों को नेशनलाइज कर दीजिए। खांडसारी यूनिट बन्द करने का मतलब एक तरफ़ तो मिल मालिक ज़ब्र नहीं बोरियां भर रहे हैं और दूसरी तरफ़ किसान जो प्रेशर डालता था मिल मालिकों के ऊपर स्ट्रच कर के वह प्रेशर नहीं डाल सकेगा। एक तो उस की कमर तोड़ दी दूसरे

किसान का गन्ना 14 रुप 1 बिक रहा था, आज 8 और 9 रुपये में बिक रहा है। कत्ल कर दो किसानों को। किसानों का भारत है ?

4 करोड़ आप को मिलता था 19 करोड़ आप चाहते हैं। आप 15 करोड़ कम्पाउंड लेवी कर दीजिए 12 कर दीजिए, 16 कर दीजिए आप 19 कर दीजिए। आप जो भी जवाब दें लेकिन अगर 4 करोड़ के बजाय आप 19 करोड़ चाहते हैं अगर आपने 12 और 10 करोड़ भी ले लिया और आप की नौकरशाही जो 25 रुपये बोरी आज भी ले रही है खा गई उसको आप को दस करोड़ भी न मिला तो उस की जिम्मेदारी किस पर है ? शुरू में आप ने क्रशर बन्द रखे मिले चलवाईं। अब यह जुल्म कर रहे हैं। किसान की गेहूं की प्रोडक्शन आ गई है। जुलाई तक ये गन्ना पेलेंगे। ये यूनिट बन्द पड़ी हैं। जून और जुलाई में किसान गन्ने को ले कर जायगा। अप्रैल और मई में किसान गेहूं की फसल काटेगा और उठाएगा। ये सब चीजे आप को जाननी चाहिए। मंत्री जी मुस्करा रहे हैं—अगर आप का गन्ना होता तो आप के होंठ भी मेरी तरह से सूख जाते और आप इस तरह से न मुस्कराते। आप लेवी वसूल कीजिए मुझे एतराज नहीं है कम्पाउंड लेवी हिसाब लगा कर बढ़ा दीजिए। लेकिन मुझे अफसोस है दूसरी तरफ मिल-मालिकों को आप हर जगह छूट दे रहे हैं नेशनलाइजेशन तो दूर की बात है।

बहुत शोर सुनते थे पहलू में दिल का

जो काटा तो एक कतरे खू निकला।

नेशनलाइजेशन की जगह आप मिल मालिकों को आसमान पर पहुंचा रहे हैं। छोटी छोटी इण्डस्ट्रीज को छोटे छोटे परिवारों को बरबाद कर रहे हैं उन में लगे हुए करोड़ों मजदूरों को बरबाद कर रहे हैं किसानों को बरबाद कर रहे हैं—यह आप की नीति है।

मेहरबानी कर के इस पर पुनर्विचार कीजिए इस में जल्दबाजी की बात नहीं है एम पीज को बुला कर बात कीजिए और अफसर-शाही के चंगुल से बाहर निकलिये। अफसर-शाही ऊपर से नीचे तक अपने खाने-कमाने की बात कर रही है मिल-मालिकों से उन की सांठगांठ है। अब यह सवाल सिर्फ आर्थिक ही नहीं, पोलिटीकल सक्ल भी बन गया है—अन्त में मुझे यही कहनी है।

SHRI PRANAB KUMAR MUKHER-
JEE: Sir, neither I am misled by the bureaucrats nor I have any design to mis-lead the hon. Members. What I would like to emphasise it that, we are exposed to these sorts of criticisms which are coming from the hon. Members of Parliament. We discuss with them the problems. The whole question is, when will be the decision be announced and what will be the decision. My submission is, at this moment, it is not possible for me to indicate, what will be the decision and by what time it will be announced because just now we have completed the examination and this will be considered in detail. Hon. Members has raised various issues and I have already mentioned that Khandasari can take care of a percentage of the total sugar cane production in the country. Vacuum pan sugar mills can take care of a percentage of the total production and the conventional way of having gur can take care of a certain quantum of production. It will be our effort to see that there is no distortion in any particular sector which can disturb the interests of the cane-growers and the general economy. But, perhaps, it would not be correct to say that Government did not try to increase the compounded levy. Sir, if the hon. Members takes the trouble of turning the pages of last year's proceedings, he would find that many hon. Members spoke with the same force when there was a proposal to increase the compounded levy. It was found by experience that in spite of the compounded levy the total quantum of duty which was available for

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the current financial year was in the order of Rs. 4 crores. As a result of this new system, it was found that the duty would be of the order of Rs. 19.60 crores. There too, perhaps, in his quiet moments, he would think over and make a distinction between the sulphitation units and the other types of Khandsari units. I feel that the units which do not have sulphitation plants should not be treated at par with the units which have sulphitation plants. All these details are to be looked into and then it will be possible for us to make an announcement of the Government's decision as early as possible.

DR. KAILAS (Bombay South): Sir, I am satisfied with the statement of the Minister. He made the statement with these words which I am quoting out of his statement. I do not think that these words will be implemented as usual, but will remain on paper. I quote:

"Keeping in view the concern expressed by the Members I am getting the matter examined in respect of khandsari sugar on a top priority basis. The difficulties brought to notice by the Members will be kept in view while taking a decision in the matter."

I totally and fully agree also with the statement and the remarks made by the hon. Member Shri Vijay Pal Singh but the reply given by the Minister is totally unsatisfactory and ununderstandable when he says that he is not falling into the trap of the bureaucrats and further that he will not believe their statements as well as the statement made by my friend Shri Vijaypal Singh who spoke earlier.

12.55 hrs.

(Mr. Deputy-Speaker in the Chair).

This is equating a Member of Parliament with a bureaucrat. I am not prepared to swallow it. The Minister says in the statement; I quote:

"According to information gathered by them, a number of khandsari units in U.P. closed down even prior to the budgetary changes announced on 28-2-75 following certain disputes arising out of the U.P. Khandsari Sugar (Levy Order, 1975.)"

It may be that one or two units closed down due to the U.P. levy order but to say after believing the bureaucrats that they have not closed down due to the budget proposals is ununderstandable and proves that the Minister is in the trap of officers. Let him send another team and find out facts. Then only he is supposed to be believing in what the members of Parliament say. Now I ask the questions.

(1) Has the Minister or his officers examined the memorandum submitted by the Maharashtra Khandsari Manufacturers Association which explains that under the earlier system they were being charged Rs. 7 per quintal as levy which has now been increased to Rs. 49? I may inform the House that last year Mr. Chavan put a levy of 50 per cent on permanent magnets. I took up the matter with the Finance Minister and discussed it with the officers. The credit goes to Mr. Subramaniam the present Finance Minister that he saw the reasoning of my arguments last year and reduced the levy on magnets from 50 to 25 per cent. So, the Minister is working with an open mind and takes care of what we say. Hence I feel the Minister is going to reconsider this issue of khandsari also but delay is dangerous and so the decision should be quick.

The other plea that khandsari units cannot recover sugar from sugarcane is misleading and ununderstandable. The sugar mills today are crushing only 35 per cent of the total crop. 10 per cent is reserved for seeding and only 7 per cent is crushed by khandsari units. The balance 48 per cent is being crushed by gur units. Now I am told the Government is thinking

of manufacturing sugar out of gur, which is a costlier process. I would not go into this problem now due to lack of time. The budget proposals will bring an extra Rs. 2.5 lakhs from khandsari units. Every khandsari unit is prepared to pay more as they wish to contribute honestly. Instead of levy of Rs. 7 charged per quintal last year, if it is increased to Rs. 21 or even 28 per quintal it is all right, but to raise it to Rs. 49 is understandable and beyond the burden of khandsari units. Hence the Minister may consider my suggestion.

(2) Does the Government know the number of khandsari units in the country, especially in U. P., Bihar, Maharashtra and M.P.?

(3) Does the Government know the number of minisugar Plants? There is difference between mini sugar plants which use machines and more electricity and khandsari units which use very little of electricity but work more of manual labour.

(4) Then is it not a fact that even before the Finance Bill is passed, the inspectors have started harassing the khandsari units? Let the Finance Minister send a senior officer to find out this fact.

(5) Is it not a fact that last year production of khandsari was 5 lakh tonnes but the levy came from only out of 2 lakh tonnes? Why and how this happened?

We care more for rural industries and this is the time when we are trying to wipe out rural unemployment. But here now the Minister is trying to create rural unemployment because I am told 12 lakh labour, i.e. 60 lakhs people if we take five in a family, are on the roads and unemployed. In Bareilly there are 3 units working under the standard system and 60 units working on the compounded levy system. How much money has the Government received out of them to prove which system is better? Definitely corruption is the root cause which should play on the mind of

the Minister, and so let him go into the details. I repeat that is it not a fact that the compounded system has earned more money for the Government as it does not allow corruption. I am sure the Minister will reply to all my questions.

13 hrs.

SHRI PRANAB KUMAR MUKHERJEE: At the outset, I would like to correct the wrong impression in his mind. I never equated an hon. Member of Parliament with a bureaucrat. I would never venture to do it. What I said was—the record will bear me out—I am neither misled by the bureaucrats nor am I misleading the hon. Member.

About the number of khandsari units closed, in reply to a question by Shri S. N. Mishra and Shri Nimbalkar in this House the Agriculture Minister replied on 10th March that 652 khandsari units had closed, but 231 of them have already started crushing again in UP. We have received several representations from various associations including the Maharashtra Association. We are examining them. It is not that Government have taken a final decision. Had it been so, the Finance Minister while replying to the debate would have said that it is a closed issue. The hon. Member asked whether it is only a paper assurance or it will be implemented. I can assure him, it is not a paper assurance and we will implement it.

AN HON. MEMBER: How much time will you take?

SHRI PRANAB KUMAR MUKHERJEE: We will expedite it. It is not possible to indicate here and now the time limit.

The number of units working with sulphitation plants is 1026. The number of the other type of units is 1008. At present we have 2034 units registered with the Central Excise Department.

[Shri Pranab Kumar Mukherjee]

I do not think the hon. Member made any other points. Again, I can reassure the hon. Members that we shall look into it and we shall try to see how the difficulties faced by the units could be done away with as soon as possible.

SHRI S. M. BANERJEE (Kanpur): Mr. Deputy-Speaker, Sir, it is a fact that this is the gravest injustice done to small-scale units in U.P. You are aware that out of 6000 khandsari units in U.P., there are only 2000 units elsewhere in the country. It is a fact that in some of the districts like Muzaffarnagar, Moradabad, etc. practically 80 per cent of the units are closed. I do not know if the particular team which was sent, under whose Chairmanship I do not know, submitted a report that some of the units are closed, not on account of this particular levy but because of some litigation going on over some other issue. This is a sad commentary on our investigation and it has added insult to injury.

It is really surprising that without any consideration how the khandsari units have been affected so very badly because of this levy, the Government had increased the compound duty which was doubled in May, 1974. When they wanted to increase the compound levy, the Members objected to it. But it was doubled in May, 1974. Now, when they were fighting against the compound levy, the other thing has been introduced. It is just like when a man has gone to a person for begging a dog is let after him and he does not want anything except that the dog should be taken away. So, this is something surprising.

I would like to read out some figures about the closure of units. According to the information received from the Assistant Cane Commissioner—he is also an official, I do not know whether he is honest or dishonest in U.P., out of 864 units,

694 units are closed down since 28-2-75. Now, in the present Budget, the compound levy has been replaced by the standard excise duty and as a result the Government will charge excise duty of 17½ per cent on the fixed tariff rate of Rs. 280 per quintal for sulphur and Rs. 240 per quintal for non-sulphur units which works out to Rs. 49 per quintal and Rs. 40 per quintal respectively when formerly it was only Rs. 2360 on 175 bags, that is, about 13 per quintal to Rs. 49 per quintal.

MR. DEPUTY-SPEAKER: Please put your question.

SHRI S. M. BANERJEE: Why should I become the casualty? This is the factual information I am giving.

MR. DEPUTY-SPEAKER: Now, put your question.

SHRI S. M. BANERJEE: It is a serious matter.

MR. DEPUTY-SPEAKER: It is a serious matter. But we have a huge back-log of business.

SHRI S. M. BANERJEE: There are two small-scale industries. One is powerloom and the other is this one. These have been attacked by the Finance Minister as a result of which they are suffering. Shri C. Subramaniam has made a statement that he will consider the matter most sympathetically. The hon. Minister, Shri Pranab Kumar Mukherjee, for whom I have great regards has also promised in reply to various questions that he would consider it sympathetically. In that case, what is wrong if we keep this decision on the new system in abeyance till the Finance Minister has reconsidered it? Government is not going to lose anything. Heavens will not fall down if it is not implemented from 28th February right from the day the Budget was announced. My simple request on behalf of the khandsari unit-owners, the cane-growers and lakhs of people who are earning by working there is this. Let the present system continue, i.e., the compound levy.

Secondly, I find from the memorandum that Gandhiji used to take only khandsari and not sugar. So, whatever Gandhiji used, whether salt or khandsari, is taxed by the Government, I can see the difference between a sugar factory and khandsari unit. There is a vast difference. Even a blind man will be able to see the difference between sugar and khandsari; even a man with spectacles can see the whiteness of the sugar and the brown khandsari. But, unfortunately, both the Ministers in the Ministry of Finance, who use spectacles, not coloured glasses but white, can not see the difference. Let them see the difference. I appeal to the hon. Minister to stay collection according to the new system which has replaced the compound system till a final decision is taken in the matter.

If they do not do that, then there will be strike and so on. I want a categorical answer from the Minister whether they are going to stay implementation of the new system.

SHRI PRANAB KUMAR MUKHERJEE: Regarding the question of the hon. Member, I have already explained in reply to other questions, that, as soon as the new proposal comes, it becomes effective from the next day. Therefore, when the compound levy system was replaced by the standard system, it came into operation from 1st March. Perhaps it will meet the question of Dr. Kailas also. He raised the issue why, before the passage of the Finance Bill, the officers were going and charging taxes at the new rate. It is for this reason that, when the excise duty was announced on the floor of the House on the 28th February, from 1st March it came into operation. This is the fundamental principle of the Budget....

MR. DEPUTY-SPEAKER: It is the practice. Soon after the Finance Bill is introduced, it becomes effective.

SHRI S. M. BANERJEE: In this particular case, when the entire matter is being reconsidered, can

they not consider holding it over for one month?

SHRI PRANAB KUMAR MUKHERJEE: I am coming to that. On this point whether we could go back to the old system so far as khandsari units are concerned, I have already said that we are looking into the matter and we shall arrive at a decision as early as possible. But it is just not possible for me to indicate by which date it would be possible. The suggestion of the hon. Member, whether we could stay it for the time being, will also be looked into, what would be the repercussions and implications, we shall have to look into in certain details.

Regarding the other points, I have already replied that the reason for a number of factories in U.P. being closed down is not merely because of the direct impact of excise duty. Certain factories have been closed as a result of the new levies put by the UP Government as purchase tax and certain other taxes. But some of the factories have already been opened as indicated by my colleague Mr. Shinde, the other day on the floor of the House.

SHRI VASANT SATHE (Akola): Both the UP Government and the Central Government are jointly responsible for the closure?

SHRI PRANAB KUMAR MUKHERJEE: Partly it may be true. I do not deny it. I have mentioned in my main statement that as a result of the new levy some factories might have been closed. But what has been the actual number, etc. and all that detailed information is not with me and I have already given the House in my statement whatever information I have.

SHRI VASANT SATHE: As per our policy of taking over the closed mills, will you take over the closed khandsari mills also?

MR. DEPUTY-SPEAKER: No, please. That is not regular. The Minister need not reply to the questions of those who have not been called.

SHRI PRANAB KUMAR MUKHERJEE: I have already explained the position and I have nothing more to add.

13.17 hrs.

LEAVE OF ABSENCE FROM THE SITTINGS OF THE HOUSE

MR. DEPUTY-SPEAKER: The Committee on Absence of Members from the sittings of the House in their Nineteenth Report have recommended that leave of absence be granted to the following Members for the periods indicated against each in the Report:—

(1) Shri C. H. Mohamed Koya—15th November to 20th December, 1974 (Twelfth Session).

(2) Shri Shashi Bhushan—24th February to 12th March, 1975 (Thirteenth Session).

(3) Dr. G. S. Melkote—17th February to 10th March, 1975 (Thirteenth Session).

(4) Shri R. R. Singh Deo—17th February to 20th March, 1975 (Thirteenth Session).

(5) Shri Rasiklal Parikh—17th February to 18th March, 1975 (Thirteenth Session).

(6) Shri Yamuna Prasad Mandal—18th February to 4th March, 1975 (Thirteenth Session).

Now, I have to take the pleasure of the House on the recommendations of the Committee on Absence of Members contained in their Nineteenth Report. They have recommended that

leave of absence be granted to six members for the period indicated in the report. Do I have your pleasure?

SHRI S. M. BANERJEE (Kanpur): I have seen the list, but I do not find the name of Shri Tul Mohan Ram. Neither is he physically present nor leave of absence is recommended here. so I would like to know whether the House would grant him extra ordinary leave... (Interruptions).

श्री हुकम चन्द कछवाय (मुरेना) : वे छुट्टी पर हैं या नहीं और उन की तनख्वाह चालू है या भत्ता चालू है, यह बताया जाए ?

MR. DEPUTY-SPEAKER: Is it the pleasure of the House that leave be granted as recommended by the Committee?

SOME HON. MEMBERS: Yes.

MR. DEPUTY-SPEAKER: The Members will be informed accordingly.

13.21 hrs.

PUBLIC ACCOUNTS COMMITTEE HUNDRED AND THIRTY-EIGHTH REPORT

SHRI JYOTIRMOY BOSU (Diamond Harbour): I present the Hundred and Thirty-eighth Report of the Public Accounts Committee on Action Taken by Government on the recommendations contained in the Hundred and Twenty-fourth Report relating to the Ministry of Health and Family Planning (Department of Health).

SHRI S. M. BANERJEE (Kanpur): I wish to make a submission on the PAC report which he has laid and which he is laying everyday...

SHRI JYOTIRMOY BOSU: Is he suggesting that I have started forgery?