

Another problem about the godown is that the jute production is very erratic. Sometimes it is 100 lakh bales and sometimes it is much less. So, we have to take the godowns according to the requirement each year. I can assure the Hon. Member that as far as the requirement of the godowns is concerned, we would ensure that the necessary godowns are available for the quantity of jute that we purchase.

**SHRI CHINTAMANI PANIGRAHI :** May I know from the Hon. Minister, while appreciating that the Jute Corporation of India is trying to have more purchase of jute from the farmers, whether the Minister is aware that in Orissa a large number of jute growers had to sell their jute products at distress sales. It was widely discussed in the Assembly and the State Government also tried to bring it to the notice of the Central Government. But the Jute Corporation was not able to purchase adequately from the jute growers of Orissa. Therefore, they lost heavily. Will the hon. Minister think of having a separate headquarter for JCI in Orissa itself so that they can directly go to the farmer and not depend on the middleman who exploits the farmers ?

**SHRI KHURSHID ALAM KHAN :** It is not the question of opening the headquarters. It is the question of opening the purchase centres. Purchase centres have been opened in all the States. We have been advertising through the medium of television, radio and newspapers that people should not sell their jute in distress because JCI is there to purchase and they will gradually start purchasing jute coming in the market.

#### Import of Sugar

\*811. **SHRI K. RAMACHANDRA REDDY :** Will the Minister of COMMERCE be pleased to state :

(a) whether Union Government have ordered the State Trading Corporation to import six lakh tonnes of sugar during this year till September, 1986 ;

(b) the cost at which sugar is being purchased in the foreign markets ; and

(c) the total loss suffered due to high prices of imported sugar and low priced domestic sale ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) to (c). A statement is given below.

#### Statement

- (a) Quantum and schedule of import of sugar is decided after considering domestic stock, production and consumption of sugar, current price and expected trend of its movement in internal market and sugar price in international market. It will not be in public interest to disclose actual quantum and schedule of proposed imports of sugar.
- (b) Sugar is purchased at international market price and its average cost during 1985-86 was Rs. 2222 (provisional) per metric ton on cost, insurance and freight basis.
- (c) Sugar imports are made to meet the domestic requirements and no computation has been made of total profit or loss on account of these imports.

**SHRI K. RAMACHANDRA REDDY :** Sir, a very peculiar answer has been given. It is an answer which does not answer anything. In part (a) of my question I had asked : Whether Union Government have ordered the State Trading Corporation to import six lakh tonnes of sugar during this year till September, 1986 ? The answer given is that it will not be in public interest to disclose the actual quantum and schedule of proposed import of sugar. I do not know why the Government is secretive and does not want the House to know the facts when the whole world knows it from the newspapers about the quantum of sugar being imported. It is said husband will be the last person to know about the infidelity of the wife. In the same way Government does not want the House to know about the quantum of import of sugar.

Sir, the estimated demand is about 82 lakh tonnes and the estimated production is 68 lakh tonnes. Therefore, there is a deficit of 14 lakh tonnes. Then there is a closing balance of 40 lakh tonnes by the end of February 1986. That means we are having a surplus of 26 lakh tonnes of sugar. If so, where is the necessity to import so much sugar? Is it done with the deliberate intention of keeping the prices down and see that the back-bone of the farmer is broken which is already very very weak?

**SHRI P. SHIV SHANKER :** Sir, as regards the first part I must make the position clear. It is true we have withheld in the public interest to disclose the actual quantum position but I would like to give a very clear picture on this issue.

Sir, by January 1986 internationally the prices of sugar were 198 dollars per tonne and the moment Soviet Union disclosed their desire to purchase a particular quantum the position today is that it has risen from 198 dollars to 252 dollars. Actually I am only worried if the Government commits itself to a particular quantum the prices in the international market will shoot up because India is one of the countries which is in the foremost with reference to the question of import of sugar. Therefore, only under an apprehension that this might further shoot up the prices that we have not been able to give the quantum and there is nothing much that should be read in it.

The second part of it is that the hon. Member has quoted the figures with reference to the total requirements and production. The position that would prevail is that the total requirement would be 85.38 lakh tonnes and so far as the total availability for the year 1985-86 is concerned it is likely to be 98.34 lakh tonnes. Therefore, the position that would emerge is that we would have on 1-10-1986 an opening stock of 12.96 lakh tonnes. In fact, the latest reports that I am getting are that instead of the estimated production of 65 lakh tonnes, it is likely to be 68 lakh tonnes which would further push up the opening stock as on 1-10-1985 to 15 and

odd lakh tonnes. That will be the situation. Therefore, one need not get concerned about it.

**SHRI K. RAMACHANDRA REDDY:** With respect to the cost of sugar, he has mentioned Rs. 2222 per tonne. I would like to know what the position is in regard to the issue price of import sugar. By importing the sugar, I want to know whether the Government is making any gain or loss. The issue price is somewhere Rs. 5 or Rs. 6 per kilogram

**MR. SPEAKER :** This has been answered many a time.

**SHRI P. SHIV SHANKER :** It is true that I have given it in the answer itself that on an average the c.i.f. cost of the sugar is Rs. 2222 in 1985-86. But adding the customs duty, port charges interest on capital employed and other miscellaneous charges, the figure comes to Rs. 4079 per metric tonne. The STC makes it available to the Food Corporation of India at the rate of Rs. 3900 per metric tonne and when it comes to the question of the issue price, it is given to the State Governments at the rate of Rs. 520 per quintal and so far as the public distribution system is concerned, it is provided at the rate of Rs. 4.80 per kilogram. Now the position is that it is possible while the figures of profits or losses etc. are not worked out because what is imported is according to the domestic demands in the country. I was myself going into it. It is possible that with a little more money, one could get it in this price, but then the point is if we sell it at a lesser price, then the price of the domestically produced sugar will also go down, as a result of which what will happen is that ultimately the grower will be affected and if the grower is affected, the area of cultivation for the next year would go down so that only for the purpose of maintaining the stability of the price, it is these prices which have been determined and at these prices the sugar is supplied

**SHRI DINESH SINGH :** Mr. Speaker, Sir, you are aware that the sugar production in this country has been very erratic. When there is an over production of

sugarcane, the farmer does not get adequate price for his produce and therefore the production goes down in the coming year. I should like to know from the hon. Minister whether it is not possible to create a buffer stock to ensure that the farmer gets adequate remunerative price for his produce and there is sufficient stock in the country so that one has not to resort to imports.

**SHRI P. SHIV SHANKER :** In fact, both the aspects which have been stressed by the hon. Member are followed by the Government. That is why I have given the figures as to what the opening stocks are and what they are likely to be as on 1-10-1986. We have taken into consideration the opening stock as on 1-10-1985 for the purpose of coming to the conclusion that about 98 lakh tonnes are there.

**SHRI DINESH SINGH :** But whether there would be a permanent shortage.. ?

**SHRI P. SHIV SHANKER :** In regard to permanent shortage, in fact this has got to be balanced with the stock. For that, steps are being taken.

**SHRI ANANDA GAJAPATHI RAJU:** Sir, basically, India has been sugar exporter for the last four or five years and the sugar industry is being killed because of the *ad hoc* imports of sugar at different times without any basis because the prices are going down for the sugar.

The farmer is being affected and the rural areas are subsidising the urban sector by selling food products, sugar and other inputs cheap into the urban market. So on one side, money does not come to the rural sector in terms of developmental funds and on the other side the rural sector is subsidising the urban sector. Will the Minister correct this position of indiscriminate imports on items which will affect the rural areas ?

**SHRI P. SHIV SHANKER :** Sir, actually, the position as it exists is that it is only four years back that there had been a boom in the production of sugar cane. Afterwards the case had been that during the years 1983 and 1984, there had

not been any imports. But later on as a sequel to the boom in the production, prices came down. Because the prices came down, the growers could not get the remunerative prices and because they did not get the remunerative price, the consequential effect was that they did not go for purposes of growing sugar cane. This has created a problem and that is why again they had to be prompted and they had to be inspired for taking up more areas for the purpose of cultivation of more sugar cane. And it is going on. The point is that it is not a case of indiscriminate import. As I said, it is based only on the domestic demand and supply, that the balance is sought to be imported, keeping in view a little bit of a buffer stock, as one of the hon. members has suggested, so that in times of need that can be taken care of.

**KUMARI MAMATA BANERJEE :** There is some propaganda. I have seen in the newspapers that imported sugar is not sweet.

(Interruptions)

**MR. SPEAKER :** The question itself is so sweet.

**SHRI P. SHIV SHANKER :** The hon. member has referred about propaganda. In fact there is no truth in it..

(Interruptions)

**MR. SPEAKER :** You say that it is a propaganda.

[Translation]

**DR. PRABHAT KUMAR MISHRA :** Mr. Speaker, Sir, much has been said about sugar and sugarcane but it has not added any sweetness to the talk.

**MR. SPEAKER :** Send him some bags of sugar.

**DR. PRABHAT KUMAR MISHRA :** In this context, please tell us how many

diabetes patients are there in this country ? ...

(Interruptions)

MR. SPEAKER : Question No. 812.

[English]

**Financial Crisis in NTC Mills in Vidarbha**

\*812. SHRI BANWARI LAL PUROHIT : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware that the five textile mills in Vidarbha run by the National Textile Corporation (Maharashtra North), are facing serious financial crisis due to the decision of the National Textile Corporation management to divert funds from these mills ; and

(b) the remedial steps Government propose to take in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). A Statement is given below.

**Statement**

(a) No Sir, It is not correct to say that the five textile mills in Vidarbha run by the National Textile Corporation are facing serious financial crisis due to diversion of funds.

(b) However, these mills are facing financial crises due to sluggish market conditions. The following steps are being taken to improve the situation ;

- (i) efforts are being made to liquidate the stocks ;
- (ii) banks have been requested to enhance the finance limits ;
- (iii) cotton has already been made available on credit basis to the subsidiary corporation ; and

(iv) recoveries of outstanding dues are being made to enable units to ease their liquidity problems.

[Translation]

SHRI BANWARI LAL PUROHIT : I want to know whether Government have diverted any funds out of the allocation they made to these five mills ? I want a categorical answer to it.

SHRI KHURSHID ALAM KHAN : Sir, there is no question of transfer of funds. But it is true that their credit limit was very low and we are trying to increase it. We did increase it a bit but not to the extent it was needed.

SHRI BANWARI LAL PUROHIT : Surely you have to pay more when you purchase cotton and other material on credit and it results in loss. Do the Government not feel that instead of buying on credit if they buy in cash, they would not be required to pay more and the condition of the mills would also take a turn for the better ?

SHRI KHURSHID ALAM KHAN : I share your views. We can go in for buying ourselves provided we have enough credit.

MR. SPEAKER : Both are in collusion with each other.

[English]

**Control on Private Investment Companies charging high rates of Interest**

\*813. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that several private investment companies known as "Blade Companies" are coming up in Kerala offering a high percentage of interest to the depositors and collecting cut throat interest from persons who take the loans ; and

(b) if so, whether Government propose to take any steps to control these companies ?