

“ESI cannot be applied to the tailoring shops”. Then they went to the High Court. The High Court also said. “No, ESI cannot be made applicable to these tailoring shops”. Ultimately they went to the Supreme Court. The Supreme Court has upheld that the ESI Act can be made applicable to the tailoring shops employing 10 or more persons.

Increase in Price of Sugarcane

*451. SHRI K. RAMACHANDRA REDDY : Will the Minister of AGRICULTURE be pleased to state :

(a) whether Union Government have decided to increase the cost of molasses by hundred per cent ;

(b) whether there is any benefit to the sugarcane growers by this increase in the price of molasses ;

(c) if so, the likely increase of price of sugarcane per tonne ; and

(d) if not, the reasons for not increasing the price of sugarcane ?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA) : (a) From 1-10-1987 the price of factory molasses has been increased from Rs. 60/- per tonne to Rs. 120/- per tonne.

(b) to (d). The impact of increase in the price of molasses on the price of sugarcane is very small. The benefit accruing from higher realisations from molasses will get passed on to the consumers of levy sugar distributed through the Public Distribution System. The Central Government fixes only the statutory minimum price of sugarcane. The actual prices received by the growers are generally much higher under the advice of the State Governments. For example, the growers in Uttar Pradesh will be getting a price of Rs. 27 to Rs. 26 per quintal of sugarcane as against the statutory minimum price of Rs. 18.00 per quintal linked to a recovery of 8.5% fixed for the 1987-88 season.

SHRI K. RAMACHANDRA REDDY : Sir, it is very unfortunate that this Government is showing a step motherly attitude

towards the agriculturists and that is evident in the answer. The price of molasses has been doubled from Rs. 60/- to Rs. 120/-. The consumer gets a benefit, the factory owner gets a benefit, but no benefit is given to the farmers. Why the Central Government is not considering to give some benefit to the farmers ? Why don't you give something more to the farmers or to the growers because he is the man who is responsible for growing it and affected very much ? Why don't you increase the support price so that the grower may get some benefit ?

SHRI YOGENDRA MAKWANA : Sir, I have amply replied that this is a negligible amount. The price received by the farmer is much higher than the price fixed by the Government because the statutory prices are less than the prices advised by the State Government. The price advised by the State Government is much higher. I can give you examples. I have given the example of Uttar Pradesh. In Bihar, when the minimum notified prices in 1986-87 were Rs. 17 to Rs. 21.40 P., the farmers were getting Rs. 24.50 P. ; in Punjab, against Rs. 17 to Rs. 20.80 P., it was Rs. 26 to Rs. 29 ; in Haryana, against Rs. 17 to Rs. 20.40 P., it was Rs. 25 to Rs. 28. In all the States, the prices received by the farmers are much higher than the statutory prices fixed. Another point is that while calculating the cost of the levy sugar, we will have to calculate the cost of production of sugarcane and the prices given. So, if we take into consideration the statutory prices, the levy price sugar will go up and it will be much higher, and the benefit accruing to the farmer is very very negligible, not even one paise.

SHRI K. RAMACHANDRA REDDY : I am told that by using the molasses, we can produce alcohol. The cost of alcohol in the market is very very high. By using one tonne of molasses, the Government is able to get rupees five to six thousand more. Whether it is correct ? What is the amount the Government spends for converting one tonne of molasses into alcohol ? What is the net profit the Government gains by converting one tonne of molasses into alcohol ?

SHRI YOGENDRA MAKWANA : This question does not relate to my Ministry. It is the Industry Ministry which can reply, because I can speak about the cane

prices.

RAO BIRENDRA SINGH : I would like to know from the hon. Minister whether it is fact that when the statutory minimum price of sugarcane which determines the price of levy sugar taked from the factories was only Rs. 13, in the year 1980-81, the farmers were receiving anything around Rs. 26 per quintal. Now when the statutory price of sugarcane has been raised to Rs. 18, the Minister has replied that the farmers are still getting about Rs. 24 to Rs. 26 only for sugarcane.

I am not going into the question of benefits derived by the factories due to the increase in the molasses price. But what is more important is the fact that the levy percentage has been reduced from 65 to 50. That means the factories have straightway got about 12 lakh tonnes more of sugar in one year for free sale. Now when the factories are allowed to sell this 15 per cent more in the free market, in one year they would get an extra benefit of about Rs. 250 crores. Apart from that, the price of sugar in the public distribution system has gone up by 40 paise more per Kg. That means about 45 to 50 lakh tonnes of levy sugar sold through the public distribution system would fetch the sugar industry around 200 more at extra 40 paise per Kg. In spite of all these increases in the prices of sugar and extra sugar being allowed for free sale by the factories, I would like to know why the Government has not been able to fix at least Rs. 32 per quintal for sugarcane to be given to the farmers, as State advised price.

SHRI YOGENDRA MAKWANA : These prices are fixed in consultation with the Agricultural Costs and Prices Commission and based on that the Government decides about the price of the sugarcane.

[*Translation*]

SHRI RAM NAGINA MISHRA : Sir, I want to have the information with regard to the question asked by Rao Saheb. You have referred to Uttar Pradesh and have said that price for sugarcane is being paid @ Rs. 26 to Rs. 27 there. There are a large number of sugar mills in Eastern Uttar Pradesh and their number is not less than those in Western Uttar Pradesh. Recovery

percentage in Eastern Uttar Pradesh is the same as in the Western Uttar Pradesh. The price of Rs. 27 and Rs. 25 is being given in the West, but injustice is being done to the farmers in the East. I would like to ask the hon. Minister whether he would remove this discrimination between the East and the West and whether uniform price would be fixed for the entire State of Uttar Pradesh ?

[*English*]

SHRI YOGENDRA MAKWANA : Well, it is a suggestion from the hon. Member and he is right. In Uttar Pradesh the price in Western UP and Central UP is Rs. 27 per quintal. These are 1987-88 prices. The hon. Member referred to 1986-87 prices. In 1987-88, in Western and Central UP the price is Rs. 27 per quintal, whereas in the case of Eastern UP, it is Rs. 26 per quintal. The hon. Member says that the price should be the same in Central, Western and Eastern UP. We will convey this to the State Government.

Rao Birendra Singh said that in 1980-81, while the SMP was Rs. 13 per quintal, the States fixed Rs. 20 to Rs. 22 per quintal...

RAO BIRENDRA SINGH : It was Rs. 26 in Punjab and Haryana.

SHRI YOGENDRA MAKWANA : This is the information supplied to me by the Department of Civil Supplies.

[*Translation*]

MR. SPEAKER : There is one thing more. As has been suggested by Rao Saheb, the factor for price fixation should be the same as suggested by him.

SHRI RAM NAGINA MISHRA : Half-an-Hour discussion should be allowed on this subject.

MR. SPEAKER : If there is time, we will consider it.

[*English*]

SHRI BHAGWAT JHA AZAD : When they are getting hundreds of crores of rupees as profit, why should it not be given to the farmers ?

MR. SPEAKER : That is what I am saying.

PROF. N.G. RANGA : I do not know whether you have followed these intricate discussions and debates. I would like to suggest that the hon. Minister who depends entirely on the recommendations of the Agricultural Prices and Costs Commission, should refer these details to the Agricultural Prices and Costs Commission and ask them to reexamine the whole position.

THE MINISTER OF AGRICULTURE (DR. G.S. DHILLON) : So far as the basic criterion is concerned, that is exactly the same when Rao Saheb was himself the Minister. If he referred it to CACP. We will also refer it to this. I hope he also accepted it. It is with Food Ministry and State Governments.

So far as the ruling prices are concerned, we can look into it.

RAO BIRENDRA SINGH : I am sorry to point out to the hon. Minister that the Agriculture Prices Commission has got nothing to do with the price that is to be given to the farmers. It is for the Central Government and the State Governments to determine. The CAPC have nothing to do with the price to be paid to farmers by the sugar factories.

SHRI BHAGWAT JHA AZAD : This should not be referred to the Agriculture Prices Commission. It should be straight-away on the basis of the profits earned by the industries.

(Interruptions)

SHRI YOGENDRA MAKWANA : So far as 1987-88 prices are concerned, my hon. colleague Shri H.K.L. Bhagat had already given an assurance to the House that the revision of price is under consideration. So I can repeat it that "it is under consideration."

(Interruptions)

RAO BIRENDRA SINGH : Revision of which price ?

SHRI YOGENDRA MAKWANA : Statutory minimum price ?

(Interruptions)

RAO BIRENDRA SINGH : Statutory

price is already very high. It helps the sugar industry only to get higher price for the levy sugar. They can look into it.

(Interruptions)

MR. SPEAKER : I have got a Short Notice Question, gentlemen. What are you doing ?

SHORT NOTICE QUESTION

[English]

Hike in Air India Airfare

3. †**PROF. K.V. THOMAS :**

SHRI SURESH KURUP :

SHRI K. MOHANDAS :

PROF. P.J. KURIEN :

SHRI V.S. VIJAYARAGHAVAN :

Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether the Air India has recently increased its fare on the Gulf sector ; if so, the percentage of increase and the reasons therefor ;

(b) whether the other airlines are charging comparatively less fare than the Air India on this sector ;

(c) whether the passengers from India, particularly from the State of Kerala, are very much unhappy over this increase ; and

(d) whether it is proposed to review the decision so as to reduce the fare to bring it at par with other airlines ?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION AND MINISTER OF STATE OF THE MINISTRY OF TOURISM (SHRI JAGDISH TYTLER) : (a) Yes, Sir. Air India pursuant to International Air Transport Association (IATA) Agreement have increased air fares from all points in India to U.A.E., Bahrain, Qatar and Oman. The percentage of increase is 4% except in the case of Bahrain where the increase is 5.9%.

(b) All International Air Transport Association members are required to charge