

other wage revision, if the recommendation is not that it must be implemented from the date of appointment of the Commission, the Government will undertake the responsibility of implementing it from the date of appointment of the Commission.

**SHRI HATHI :** I will examine. I will not be able to give an off-hand reply.

**SHRI K. RAMANI :** In view of the long delay in submitting the Wage Board recommendations and also in view of the recommendations of a number of other wage boards which have recommended interim relief to the concerned workers and, further, in view of the decontrol of cement and the industry making a huge profit, and, out of that profit, a portion has already been distributed as donations to several political parties, why did the Government not consider such an important thing to give interim relief to the cement workers? In the First Wage Board, they did not provide for that and also in the Second Wage Board why they did not take such a step? Is it the policy of the Government that the cement workers should not get any interim relief?

**SHRI HATHI :** I said that the interim relief has been given.

**SHRI K. RAMANI :** That has not been implemented.

**SHRI NAMBIAR :** It is only stated but not implemented.

**SHRI HATHI :** This is my information. The Board unanimously recommended an *ad hoc* interim relief of Rs. 5.48 to all workers covered by the First Wage Board with effect from 1st January, 1965, at their meeting held at Jaipur on 8th February, 1965. The Government accepted the recommendations by Resolution dated 31st May, 1965. From the reports received from the State Governments, it appears that these recommendations have been fully implemented.

#### PRICE OF SUGAR

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\*306. **SHRI S. M. BANERJEE :**  
**SHRI V. KRISHNAMOORTHY :**

Will the Minister of FOOD AND AGRICULTURE be pleased to state :

(a) whether it is a fact that sugar in open market is being sold in big cities at Rs. 6 to 8 per Kilo;

(b) if so, the steps taken to fix the price of sugar in the open market; and

(c) whether this matter has been taken up with the State Governments, and if so, the steps taken by them in this regard?

**THE MINISTER OF STATE IN THE MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (SHRI ANNASAHIB SHINDE):** (a) to (c). Up to 22nd November, 1967 the Central Government was allotting monthly quotas of sugar to individual States and arrangements for distribution of sugar at fixed prices within the States were made by the State Governments. No sugar was allotted for sale in the open market. With effect from 23rd November 1967, however, some sugar has been released for free-sale in the open market. The price of this sugar will be established after its arrival in the market. It is not proposed to fix any price for such sugar.

**SHRI S. M. BANERJEE :** I would like to know what were the circumstances under which Government decided to have a partial decontrol of sugar. Is it a fact that after this announcement, the price of sugar in the open market has gone up by at least Rs. 2 to Rs. 3 or more? I would like to know whether any price is being fixed for sale in the open market and, if so, what is the price?

**SHRI ANNASAHIB SHINDE :** It has been made specifically clear. Sugar is being distributed in the country under two categories. The first is controlled category and that would go with controlled price. The sugar which is made available, under second category, for free market sale would be sold at open

market price. As to why the decision was taken, the hon. Minister has made the statement on that policy decision. I would like to say that the situation in the sugar industry was very difficult. As the hon. Members are aware, in the years 1965 and 1966, we had the production of 35 lakh tonnes. Then, as a result of fall in acreage of sugarcane and competition from jaggery and khandsari, the production came down to 21 lakh tonnes. I am giving the broad figures. This year, it was apprehended that the production may go down even to 17 or 15 lakh tonnes and that, as a result of that, there would be an acute scarcity of sugar in the country. Moreover, as a result of fall in production, all industries which are dependent on molasses, etc. will be in serious difficulty. In competition with jaggery and khandsari, the factories were not likely to get adequate quantities of cane if no policy change was effected.

**SHRI ANNASAHIB SHINDE :** In regard to these matters, the Chief Ministers were also consulted and many of the Chief Ministers, in fact, suggested complete removal of the control taking into consideration the serious situation on the sugar production front, but the complete removal of control would have been a hazardous step.

श्री मधु लिलये : किन मुख्य मंत्रियों ने कहा नियंत्रण हटाने के लिये ?

**SHRI ANNASAHIB SHINDE :** Almost all the Chief Ministers except one.

**SHRI UMANATH :** Who is that one ?

**MR. SPEAKER :** No, no.

**SHRI ANNASAHIB SHINDE :** We should not go into that now.

This matter was considered in detail and the result was that this step was taken and, I think, it will encourage production. Unless the production is increased, the problem of consumers will not be solved.

**SHRI S. M. BANERJEE :** There is scarcity of sugar or fall in sugar production from 28 lakh tonnes to 19 to 20 lakh tonnes. In view of the various

scandals in the sugar industry, right from production to procurement and also in distribution. I would like to know whether Government propose to set up any Commission to go into the various points which result in serious scandals in the sugar industry.

**SHRI ANNASAHIB SHINDE :** I do not think that there is any serious scandal in the sugar industry. The hon. Member must have addressed the question before partial decontrol. At that time no sugar was available in the open market. Even now it has just started coming in. It will take some time before sugar comes into the open market and is available to the consumers because orders were issued on the 23rd and some factories might have received the orders only yesterday or the day before. So, it will take some time before sugar is available in the open market. The price may stabilise after some time.

It is not correct to say that there has been any scandal in the sugar industry. The hon. Member is unnecessarily making an allegation.

**SHRI S. M. BANERJEE :** Sugar was available in the open market even before this. May be, in big cities where statutory rationing or modified rationing is going on, sugar was available in the ration shop, but in many places, specially in the rural areas, sugar was being sold at Rs. 10 to Rs. 12 per kilo. . . .

**SHRI K. N. TIWARY :** Nowhere it is sold at Rs. 10 to Rs. 12 per kilo.

**SHRI S. M. BANERJEE :** Mr. K. N. Tiwary says something here, but he says something else in the Central Hall. (Interruptions)

**SHRI K. N. TIWARY :** Mr. Banerjee speaks against Rajas here but does something else in the Central Hall. (Interruptions)

**MR. SPEAKER :** Order, order.

**THE MINISTER OF FOOD AND AGRICULTURE (SHRI JAGJIWAN RAM) :** Mr. Banerjee is talking of the period when no free sugar was permitted to the factories; whatever sugar was

produced in the sugar factories was allotted by the Central Government to the various State Governments, and so far as the internal distribution in any particular State was concerned, that was to be made by the State Government concerned, whether by statutory rationing or partial rationing or fair price shops or whatever method they could undertake for the distribution of sugar allotted to that State Government; it was the responsibility of that State Government. But there is no denying the fact that it might have been possible that a certain category of consumers who received sugar sold a certain quantity as free sugar at a price higher than the controlled price; that might have happened, but there was no free sugar permitted to the factories.... (Interruptions)

**SHRI V. KRISHNAMOORTHY :** Before the Central Government assumed the responsibility, everything was left with the State Government—production of cane and fixing of price. That was a golden period. Mr. Speaker, you will remember, at that time, during 1949, in Madras when Mr. Ramaswamy Reddiar was the Chief Minister, the price of cane was Rs. 56 per tonne and sugar was being sold at 50 Paise per kilo.

**MR. SPEAKER :** That was long long ago. What is his question?

**SHRI V. KRISHNAMOORTHY :** Now neither the farmers nor the consumers are benefited; only the black-marketeers are benefited. Now the price is fixed at Rs. 73 per tonne and in spite of the farmers are not benefited; the consumers are also not benefited. The hon. Ministers are mentioning an open market price of about Rs. 5 per k.g. of sugar. But after the relaxation of price control, there are people offering Rs. 350 per bag of sugar in the factory, and ultimately they are going to sell it at Rs. 4 or 5 per k.g. Will Government decentralise the production and distribution of sugar and leave it to the State Government again so that the

hardships experienced by the growers as well as the consumers could be reduced?

**SHRI JAGJIWAN RAM :** So far as my information goes, the cultivators are getting a fair price. That was the whole scheme. As I have explained, the price of Rs. 2.75 per maund that had been fixed was a notional figure to determine the price for the 60 per cent controlled sugar that we would take; and the intention was that the farmer should be paid a price higher than Rs. 2.75, and that is happening in the country by and large and they are being paid much more than Rs. 2.75 in various parts. In Madras, from where my hon. friend comes, the cultivators have come to some agreement with the factories that they will supply at the minimum fixed price, but in the profits that the factories will make out of the sale of the 40 per cent free sugar, the cultivators would be given some share.

**SHRI V. KRISHNAMOORTHY :** Is there any machinery to implement that agreement for share in the profits?

**SHRI JAGJIWAN RAM :** That will come after the free sugar has been produced and sold. That has not been produced yet. But I understand from the representatives of the growers themselves that they have been getting something more than the minimum price fixed; it is a very good thing; so far as my information goes, nowhere in the country is sugarcane being sold at Rs. 2.75; it is being supplied by the cultivators at a higher price, and in some areas, at a still higher price, in some areas the competition is so keen that....

**SHRI S. M. BANERJEE :** What is the price that he has fixed? They are not going by Rs. 2.75.

**SHRI JAGJIWAN RAM :** It is Rs. 4 at some places, and Rs. 4.50 at some other places, and in some places it is Rs. 5; at some places in the beginning they started with Rs. 3.50.

**SHRI S. M. BANERJEE :** Why not raise the price ?

**SHRI JAGJIWAN RAM :** The cultivators are profiting under the scheme and so far as the impact of the free sugar is concerned, that will be felt only when the free sugar comes to the market. The scheme has started only on the 23rd, that is, about four days ago.

**श्री राम सेवक यादव :** क्या मंत्री महोदय यह जानते हैं कि जब चीनी पर पूरा नियंत्रण था तब भी गांव में लोगों को चीनी मिलने में बड़ी दिक्कत हो रही थी जब आंशिक नियंत्रण और आंशिक अनियंत्रण रहेगा तो क्या नियंत्रित चीनी केवल शहरों में ही वितरित की जायेगी और देहात के लोगों को मुनाफाखोरों के हाथ में छोड़ दिया जायेगा ? यदि ऐसा है तो क्या सरकार की भी ऐसी नीति है कि देहात के लोगों को भी चीनी नियंत्रित भाव पर मिले इसके लिए भी कोई योजना मुख्य मंत्रियों के सामने या भारत सरकार के सामने है ।

**श्री जगजीवन राम :** जैसा मैंने कहा, फिर मैं दोहराऊंगा कि हम तो यहां से राज्य सरकार को चीनी दे देते हैं । हम इसमें कोई जाहिर नहीं करते कि यह सिर्फ शहरी इलाके में ही दीजिए, देहात में मत दीजिए और यह भी कहना सही नहीं है कि सभी राज्य सरकारें सिर्फ शहरों को ही चीनी देती हैं देहातों को नहीं देती । कई अन्य राज्य सरकारों ने देहातों में भी चीनी के डिस्ट्रीब्यूशन का सिस्टम किया है । लेकिन यह सारा इंतजाम तो राज्य सरकारों पर ही छोड़ना पड़ेगा । यहां से तो हम विस्तार में नियंत्रण नहीं कर सकते हैं कि आप इस चीनी को इस तरह से बांटिए । लेकिन देहात में भी चीनी मिलनी चाहिए, यह बात ठीक है ।

**SHRIMATI SUCHETA KRIPALANI :** In view of the difficulty that the sugar industry is facing, as described L86LSS/67--2

ed by the two Ministers, and in view of the fact that the sugarcane is being sold at a very high rate, is it not possible for Government to think of revising the sugarcane price ?

**SHRI JAGJIWAN RAM :** No, at this stage I do not consider complete decontrol desirable.

**SHRI TENNETI VISWANATHAM :** Whenever the question of controls comes, in justification thereof scarcity of supplies is pleaded. Today we have partial decontrol, that is, partial surplus and partial scarcity. Is the Minister sure that this partial decontrol will succeed in any way ? Partial decontrol is something like partial chastity.

**SHRI JAGJIWAN RAM :** My old friend speaks from experience.

**SHRI D. N. PATODIA :** The hon. Minister has said that 60 per cent of the sugar is controlled and 40 per cent left free. As a matter of fact, the sugar factories have to purchase their entire requirements of sugarcane in the open market where the price is much higher than Rs. 2.75. Is it a fact that in respect of 60 per cent of sugar for which the price is controlled, the sugar mill industry is incurring a very heavy loss and it will be difficult for it to make up this loss by selling only 40 per cent of the production in the open market ? Secondly, may I know why some of the sugar factories controlled by Government have not started working ?

**SHRI JAGJIWAN RAM :** The whole scheme was conceived with a view to enable the factories to pay a higher price in competition with the gur industry; 40 per cent of the production was left free to them to dispose of in the open market with a view to compensate them for the loss that they will incur on the 60 per cent by having to pay a higher price for the cane. So far as government-controlled factories are concerned, they are going to start.