

adopting this *modus operandi* they can show profits in the balance-sheet. This is one of the things which they are doing. I assure the hon. Member that any exploitation of the contract workers by the public sector undertakings, particular, the ONGC, will not be allowed. If the hon. Member has any specific information with him, he can pass it on to me and I will take it up at my level and see to it what best we can do in this regard.

Mr. Yadav had raised the point that if we given this kind of exploration work to the private and joint companies, then the multinationals and the transnationals who are coming to our country, will swallow our oil companies, particularly, the ONGC. Am I right? I will inform Mr. Yadav that India is a very vast country. These forty-eight blocks are nothing but a

peanut in the context of our deposits earmarked for different types of blocks. The ONGC is one of the five hundred fortune companies in the world and it is one of the biggest companies in this country. It will not succumb to any pressure or competition or challenge from the multinational or the transnational companies. Madam Deputy Chairperson, one thing more I would like to assure the House, that none of the public undertakings in the Ministry will be privatised. That assurance I give. But as regards disinvestment, yes, we are going in for disinvestment, as suggested by the Disinvestment Commission. There should not be any apprehension that these public undertakings, which are all very good, fortune companies, particularly created by the Government of India over a period of four decades, will be handed over to any private person. They will continue to be public undertakings under the control of the Government of India. Thank you, Madam. With these words I conclude.

THE DEPUTY CHAIRMAN: Mr. Chitharanjan is not there to withdraw. I put the Resolution moved by Mr. Chitharanjan to vote. The question is:

"That this house disapproves of the Oilfields (regulation and Development) Amendment Ordinance, 1998 (No. 17 of 1998) promulgated by the President on the 3rd September, 1998."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: I shall not put the Motion moved by Mr. K. Ramamurthy to vote. The question is:

"That the Bill further to amend the Oilfields (Regulation and Development) Act, 1948, as passed by Lok Sabha, be taken into consideration."

*The motion was adopted.*

THE DEPUTY CHAIRMAN: We shall not take up clause-by clause consideration of the Bill.

*Clause 2 to 4 were added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

THE DEPUTY CHAIRMAN: Now, Shri K. Ramamurthy to move that the Bill be returned.

SHRI K. RAMAMURTHY: Madam Deputy Chairperson, I move: "That the Bill be returned."

*The question was put and the motion was adopted.*

### **SHORT DURATION DISCUSSION Sugar Policy**

THE DEPUTY CHAIRMAN: We will not take up the Short Duration Discussion on Sugar Policy.

SHRI SOLIPETA RAMACHANDRA REDDY (Andhra Pradesh): I thank you very much, Madam Deputy Chairman, for calling me to initiate the Short Duration Discussion on sugar policy of the country. Madam, everyone of us is aware that our country is the largest sugar producing country and also the largest sugar consuming country in the world. In fact, India is known as the original home

ot' sugarcane and sugar. The future of sugarcane and the sugar industry is in danger due to the present policies of the Government. Madam, about 45 million farmers who constitute a very considerable portion of the Indian population are involved in production of sugarcane in rural India, i.e. Bharat, and not in urban India, i.e. India. About 20 lakh workers are involved in cutting and transport activities. More than 450 sugar mills with 30 lakh workers are producing sugar. A considerable number of sugar mills have established schools, colleges and hospitals for the benefit of the rural population. Sugarcane-growers in other countries are getting subsidies for growing sugarcane. In Mexico, the subsidy given per tonne is Rs. 8,000/-. In Brazil, it is Rs. 4,000/-. In Pakistan, it is Rs. 4,000/-. In Thailand, it is Rs. 3,000/-. In the European Union, the subsidy given per tonne is Rs. 23,000/

[The Vice Chairman (Shri Sanatan Bisi) *in the Chair*] An Indian sugar-cane grower is getting nothing from the Government. But he is adding money to the Government exchequer in the form of purchase-tax, sales-tax, etc. He is not getting remunerative price every time. Sometimes he gets. Moreover, he has to make frequent visits to the sugar mills for getting the money and face harassment. Every year the Central Government decides the Statutory Minimum Price. It is not at all realistic and scientific. This year the Government has fixed the Statutory Minimum Price at Rs. 52.70 per quintal based on the recovery of 8.5%. While fixing the Statutory Minimum Price the actual cost of cultivation has not been taken into account. This is my submission. The cost of seeds, fertilizers, pesticides and implements are going up every day. The labour charges, power charges and transport charges are also increasing month by month. If the farmers are given only the Statutory Minimum Price fixed by the Government, not only will the areas under sugar-cane decline, but also the farmers will give up sugar-cane cultivation and switch over to

some other crops, consequently, all sugar mills will be closed throwing millions of workers in the sugar industry and their dependants to the streets. That is the reason why all the States are giving higher price, that is, State Advisory Price, to farmers to encourage sugar-cane cultivation. In 1998-99, the Central Government has fixed the Statutory Minimum Price at Rs. 52.70. But no farmer will be willing to sell his sugar-cane for this price. Therefore, to encourage the sugar-cane cultivators, the Uttar Pradesh Government has fixed the State Advisory Price at Rs. 80.85, the Punjab Government has fixed it at Rs. 91.95 and the Haryana Government has fixed it at Rs. 91.95. Likewise, all the State Governments are fixing State Advisory Price. Therefore, I appeal to the Government of India to take into account the actual cost of cultivation while deciding the Statutory Minimum Price. I also request

the Agriculture Ministry and the Food Ministry to involve the sugar-cane growers representatives in the process of fixing the Statutory Minimum Price. It cannot be decided by top level people sitting in air-conditioned rooms.

Now I come to another issue which is agitating the sugar-cane growers. As has appeared in many newspapers, we have a buffer-stock of 5.5 million tonnes of sugar which is sufficient for this country for five to five-and-a-half months. This year the crops are very good because of God's blessing. We are expecting 15.5 million tonnes to 16 million tonnes of sugar production this year. Last year our consumption of sugar was only 14 million tonnes. So, we have got sufficient quantity of sugar not only for our consumption but also for exporting in a considerable quantity. When we have got more than sufficient quantity of sugar, we are unable to understand the necessity of imports. We are wasting our hard-earned foreign exchange to the tune of 1,400 crore Rupees which can otherwise be utilised for the overall economic development of the nation. If we import large quantities of sugar, the indigenous sugar

industry will not survive. According to newspapers, fifty per cent of the mills are becoming sick. As a result of the closure of the mills, millions of workers will be thrown to the streets and the farmers cannot get their dues from the sugar mills. With deep regrets, I have to inform the House that as regards the money due to farmers on account of sugarcane supplies to mills, it is nearly Rs. 900 crores which is due to them, and they have still not got it. Because of this new situation their further payments will be delayed. Our country is imposing import duty of five per cent with a countervailing duty of another seven per cent making it a total of 12 per cent, which is the lowest in the world. Nowhere else is the import duty so less. Who are the beneficiaries of this low import duty of our great Government? They are the foreign millers. They get subsidy from their own countries and they get subsidy from our country as well. This is what is exactly happening. I shall mention the import duty imposed in some countries. We can compare our country with these countries. Pakistan is imposing 35 per cent duty; Brazil is imposing 55 to 85 per cent; Thailand is imposing 104 per cent; in Columbia, it is 130 per cent and Mexico is imposing 173 per cent. As per the provisions of the World Trade Organisation, of which we are also a Member, India is permitted to charge 150 per cent. Against 150 per cent, we are showing our mercy and we are charging 145 per cent, less. This is a very unfortunate situation in our country. The Chief Ministers of the three major sugar-producing States, namely, Uttar Pradesh, Andhra Pradesh and Tamil Nadu, have individually written letters to our hon. Prime Minister in October itself to hike the duty on sugar. But I am extremely sorry to know, through Press reports that Shri Surjit Singh Barnala's proposal for increasing import duty on sugar was not down in early October itself. Now, again, we are grateful to Shri Barnala, the Indian sugarcane cultivators are grateful to Shri Barnala, for Renewal of his proposal. But we have to see what

will happen to that. This is my submission. I congratulate the hon. Prime Minister, the Minister of Food, the Minister of Agriculture and other Ministers of Food, the Minister of Agriculture and other Ministers for the sweet statements they make either in the House, be it in the Question Hour or at some other time, or outside regarding increase of import duty, stopping of imports and giving remunerative price to farmers I humbly submit that mere sweet statements will not help unless concrete steps are taken immediately. The Prime Minister has used the terminology, 'remunerative procurement price', though it is officially stated to be the statutory minimum price. It must be fixed based on the actual cost of cultivation, by involving farmers' representatives in the process. Secondly, though it is a subject-matter of State Governments, I request that the Central Government should use, its influence on the State Government and see to it that on the spot payments are made to the sugarcane cultivators. Thirdly, the import should be stopped immediately. Fourthly, the import duty should be enhanced to 150 per cent, which is within the limit prescribed by the WTO as well. Regarding the Sugar Policy, we know from the Press reports that the Government had constituted the Mahajan Committee, that this Committee had also submitted its report and that it is under consideration. I submit that that Report of the Committee should be placed before this House immediately to enable it to have a proper discussion and take necessary decisions in view of the fact that millions of people's fate is based on this. Thank you very much. Sir.

SHRI S.B. CHAVAN (Maharashtra): Mr. Vice-Chairman, Sir, this is a very important and urgent matter. In the context of the announcement made yesterday while replying to the debate on price rise, the hon. Finance Minister was pleased to state that the farmers' agriculture as such, has not been getting affair treatment at the hands of the Government.

This is the statement which the hon. Finance Minister made and in that context I am sure with Mr. Barnala at the helm of affairs as far as Agricultural Ministry is concerned, I have no doubt in my mind...

THE MINISTER OF CHEMICALS AND FERTILIZERS AND THE MINISTER OF FOOD AND CONSUMER AFFAIRS (SHRI SURJIT SINGH BARNALA): I am not Agriculture Minister, I am Food Minister.

SHRI S.B. CHAVAN: But sugar comes under you. That is what is relevant as far as we are concerned. Sugar Policy is the matter under discussion and we have to consider all aspects of the question and try to find out whether we are doing justice to the sugar industry, the farmers and workers involved.

That is the touchstone, on which you have to find out as to whether your policy has been on the right lines or you have been doing something in the name of liberalisation and also, might be for having some kind of goodwill created for India with Pakistan. I have no quarrel on that. By all means you can cultivate good will with Pakistan and other countries. But, at the same time, you cannot totally neglect the interest of the country. You have to look into the interest of the industry, and the interest of the farmers. My friend has given a number of figures. I am sure if the figures had been gone through, I have no doubt in my mind what exactly we are doing here.

We have to concentrate the way in which sugar is being exported by some countries to India. That aspect we have to consider. Why is it that we are required to import sugar? Mr. Vice-Chairman, I will give some relevant figures. Opening stock as on 1.10.98 is 54 lakh tonnes and production is 155 lakh tonnes. Total availability will be 209 and off-take is 145 lakh tonnes and closing stock will be 64 lakh. This means that over and above, this is five-months'

consumption requirement in the country. The norm decided is about 35 lakh tonnes. Compared to 35 lakhs, we are going to have a closing stock of 64 lakh tonnes. In this context, I have not quite been able to understand, why it is that we are thinking of importing and importing from the countries who are trying to dump sugar. Internationally there is huge stock of sugar and the prices have declined.

That is because of the importing requirements of both Russia as well as Indonesia. These were the two countries which were importing on a large scale. Their requirement had to be reduced because of some economic problems that they were facing and that has created a situation in which there is a glut in the market and the prices have fallen down. Internationally, the prices were \$200 to \$240. That is the information that we get. This was the international price at which the prices were decided. Now, with 5 per cent import duty, India seems to be the lowest rate of import duty. I do not think any other country is having this kind of import duty of 5 per cent which

has become a lucrative market for traders. Neither is the Government nor is the consumer going to be benefitted by this. It is only the middleman or the trader who is having the full benefit. Fears have been expressed by the Government. That if they were to increase the import duty, the price of sugar will be going high. He is asking increase 100% I will be satisfied if you go and have a level-playing field with Pakistan. Pakistan is charging 36 per cent import duty. They have a sales tax of 12.5 per cent. It all means that they are desiring 48% or 49%. Even if we have to have some kind of level-playing field, it will have to be minimum 50%. It cannot be lower than 50%. If you don't do it, then this is nothing but dumping of sugar, which, in fact, is not required at that rate in any part of the country, and India, which, in fact, has been a major producer, will be terribly affected. My friend has given the figures and he has

stated that the accumulated figure of the cane prices which had to be paid for the last two years, 1996-97 and 1997-98, comes to Rs. 2,000 crores. At this rate, if even the break-even point is not reached and you are trying to pay Rs. 100 to Rs. 150 less to the cultivators, then it will mean that the cultivators will take the decision not to cultivate sugarcane. What will happen then? You will have to take very costly sugar from the international market. The sugar which we are exporting now, will have to be imported to a great extent. Is the Government interested in creating this kind of situation and protect the industry of Pakistan, the European Union, Mexico and all other countries? They are charging hefty import duty. I am told that even in the European union they are charging almost 300% import duty. There are others who are charging about 150%. We are also entitled to 150% as per the WTO agreement, but we are charging just five per cent. For what? I am not able to understand it. With this policy, at least, I have no doubt in my mind that you are going to totally destroy the sugar industry in the country. Thereafter, you are paving the way for import of sugar from countries, which, in fact, were importing from us. The entire process is going to be reversed. Is it going to be in the interest of the country that you go ahead with this kind of policy? I would like to remind Shri Barnalaji, who knows it very well, that in 1977-1978, some kind of an attempt was made and they gave an assurance that sugar was going to be very cheap. It was cheap for one year, but the next year it was more than double. Is it the kind of situation which you would like to create in this country, Unfortunately, I have come across a kind of a posture that most of the Governments are taking, which is, "We will try to take populist measures and it will be the responsibility of the subsequent Governments to face the situation later on. Let them come and consider it". Is it a national point of view or it is a parochial point of view that you are having in

view? I think very reasonable people are there and you will have to take the long-term interest of the country in view. Is it going to be in the interest of the country to reduce the charges to such an extent that the cultivator finds it impossible to cultivate sugarcane? What is the price that we are giving? If that is the price, do you expect that the cultivator is going to be attracted, in spite of all the other material which he requires for cultivation, the prices of which have gone up by more than 100% to 200%? And, still you would like to pay him not even the break-even price, but less than that! If that is going to happen, I don't think you can expect any return from the cultivators and if the cultivators take the decision not to cultivate sugarcane, you will have to import sugar on a big scale. I am sure that nobody is interested in importing sugar and saving the industry of Pakistan and the sugar industries of other countries at the cost of our own industry, which, in fact, is going to be in a very bad shape. I am sure, looking at these aspects of the issue, the entire Cabinet will have to reconsider the whole thing. If there are any misconceptions, why don't you discuss it with us? There is a kind of a misconception; if the import price is raised to 50%, it might be that sugar will become very costly. What is the total amount of sugar that you are importing? It is not even five per cent of the total consumption. If five per cent is going to influence the 95% of sugar here, there is something wrong in the basic thinking.

It is your responsibility to release sugar. If you feel that Pakistan or other country is trying to exploit the situation and by increasing the import duty by 50 per cent the prices will go up, you can release more stock. Releasing the stock is your responsibility, your prerogative. Nobody is questioning it. So, with that mechanism, it is possible to control the prices. There is no difficulty. But, some kind of a myth is being spread that by increasing the import duty, the prices are

going to increase. That is why it is going to be extremely difficult.

Sir, I want to raise one more point about the policy of delicensing which has been adopted by the Government. De-licensing the sugar industry and having control over release of sugar are two separate things, and they cannot go together. I can assure you that in maharashtra, Gujarat and some other States, co-operative sugar factories have been doing an excellent work. These co-operative sugar factories do not belong to one person, but they belong to a large number of small cultivators. They are the shareholders and they are controlling the entire sugar industry. You are going to destroy that. In the name of liberalisation, it is the multinationals who are going to reign here. Are you interested in destroying the kind of structure which has been built over a period of over 60 or 65 years? Now, they are in a maturing stage. A number of sugar factories have come up. In spite of these efforts, we have been trying to help them from the State Governments and from other sources. But, if you destroy them and hand them over to multinationals and others who, in fact, are exporting sugar from that area, I am sure this Government will be doing the greatest disservice to the sugarcane cultivators. Shri Barnalaji happens to come from the agriculturist community, he understands their problems. Others may not, but he understands what the problem is.. Mr. Minister, if you are not able to assert or convince the Finance Minister, I think you will have to repent for the action taken. I will merely hope that good sense will prevail and they will try to understand the implications of the steps which are being taken by them. I hope that they will try to save both the cultivators, the sugar industry and also millions of workers who are employed there.

**डा० रणवीर सिंह (उत्तर प्रदेश) :** धन्यवाद मि० वाईस चेयरमैन साहब, आपने मुझे शुगर पॉलिसी के बारे में अपनी राय जाहिर करने का मौका दिया।

जब से लिबरेलाइजेशन का जमाना शुरू हुआ, ज्यादातर इण्डस्ट्रीज लिबरेलाइज्ड हो गईं, डि-लाइसेंस हो गईं। लेकिन शुगर के ऊपर बहुत शोर होने के बावजूद भी शुगर को डि-लाइसेंस करने के बारे में किसी ने सोचा नहीं या डि-लाइसेंस करने के बारे में उसको ठीक नहीं समझा। अब यह बरनाला साहब के क्रेडिट में जाता है कि उन्होंने शुगर इण्डस्ट्री को डि-लाइसेंस किया और अब जो मुश्किल रास्ता या लाइसेंस के बाद शुगर फैक्टरी लगाने का, वह खत्म हो गया। अब जमीन की अवेलेबिलिटी के बाद, गन्ने का जोन अवेलेबिल होने के बाद ऐसा अवेलेबिल होने के बाद फैक्टरी कोई भी लगा सकता है। हिन्दुस्तान के अन्दर बहुत ज्यादा गन्ना है और मैं समझता हूँ कि बहुत कम गन्ना शुगर मिल में जाता है। यू० पी० की बात मैं जानता हूँ। वहाँ मुश्किल से एक तिहाई गन्ना शुगर मिल में जाता है। अब यह डि-लाइसेंस जो हुआ है जैसा मैंने बताया जो अब तक लाइसेंस के जरिए नए शुगर मिल लगाए जाते थे उनमें लेवी शुगर 5 साल के लिए एकजम्ट कर दिया जाता था। चूंकि मिल को लगाने में बहुत पैसा खर्च होता है और पैसा ज्यादातर फाइनेंसिंग एजेंसीज से लिया जाता है और उसके सूद वगैरह देने में दिक्कत होती थी इसलिए उन्होंने उन मिलों से, नए मिलों से पांच साल के लिए लेवी शुगर लेना बंद कर दिया था और जिन मिलों को एक्सपेंसन हुआ है, एक्जिस्टिंग मिल्स जिन्होंने क्रशिंग की अपनी कैपेसिटी बढ़ाई है उनसे भी लेवी शुगर की वसूली खत्म कर दी गई? लेकिन इस दफा जो नये शुगर मिल लग रहे हैं, उनमें एक शर्त यह है कि वह 15 किलोमीटर रेडियस के एग्जिस्टिंग मिल के बाहर होने चाहिए। यह ठीक है कि 15 किलोमीटर तक शुगर मिल अगर लग जाएगी तो शुगर केन की अवेलेबिलिटी में कोई दिक्कत नहीं होगी लेकिन जो नयी शुगर फैक्टरीज को लेवी शुगर वाला एग्जैम्पशन नहीं मिला है, उससे शुगर मिल्स को लगाने के लिए काफी ज्यादा पैदा खर्च करने के बाद बहुत दिक्कत का सामना करना पड़ेगा। मैं समझता हूँ कि इनको भी लेवी शुगर से एग्जैम्पशन मिलना चाहिए। यह इनसैटिव इनको भी मिलना चाहिए। लेवी शुगर का एग्जैम्पशन मिलना बहुत जरूरी है, जो पहले मिलता था और लेवी शुगर का एग्जैम्पशन न मिलने से, हाई कास्ट इरेक्शन होने की वजह से बहुत कम फैक्टरीज इस बीच लग पायी हैं। मैं समझता हूँ कि बहुत लोग इन रिस्ट्रिक्शंस की वजह से शुगर मिल्स को लगाने के लिए हिम्मत नहीं कर पा रहे हैं। दूसरा, शुगर पॉलिसी में चेंज यह आया है कि जो क्रशर्स हैं छोटे क्रशर्स हैं, उनको क्लोज्ड पैन वैक्यूम टैक्रोलॉली आलऊ)

की गयी हैं। वह अपने प्लांट्स के अंदर क्लोज्ड पैन वैक्यूम टैक्रोलॉजी का इस्तेमाल कर सकते हैं जिससे उनकी रिकवरी बढ़ जाएगी लेकिन इसमें भी एक बदकिस्मती यह रही कि जो शुगर मिल्स के प्रेजेंट जोन्स थे, उनके अंदर क्लोज्ड पैन वैक्यूम टैक्रोलॉजी का इस्तेमाल कोई भी नहीं नहीं कर सकता है। मैं समझता हूँ कि हिन्दुस्तान में बहुत थोड़े से ऐसे क्रशर्स होंगे जिनको इस क्लोल्ड पैन वैक्यूम टैक्रोलॉजी की सहुलियत को हासिल करने का मौका मिला होगा क्योंकि ज्यादातर क्रशर्स शुगर मिल जोन में हैं। इसका मतलब यह हुआ कि यह भी फेसेलिटी लोगों को उस हद तक अवेलेबल नहीं हुई, जिस हद तक उसका फायदा होना चाहिए था। जैसा मैंने कहा, यू0 पी0 के अंदर करीब एक तिहाई गन्ना कुल मिल्स में जाता है। दो तिहाई कोल्हू में और क्रशर्स में जाता है। मिल की रिकवरी दस परसेंट के करीब है जब कि क्रशर्स की रिकवरी 5 या 6 परसेंट है और कोल्हू की रिकवरी सिर्फ दो या तीन परसेंट है। क्रशर्स के अंदर वैक्यूम पैन टैक्रोलॉजी न लगाने के कारण उसकी याल्ड नहीं सुधारी जा सकती और इस तरीके से हम देख रहे हैं कि दो-तिहाई शुगर केन मिल में न जाने से हमारी इतनी शुगर वेस्ट हो रही है — ओपन पैन टैक्रोलॉजी में — या तो वह जल रही है, या वह हवा में उड़ जाती है। हम दो-तिहाई गन्ने की शुगर को करीब-करीब चार-पांच परसेंट की हालत में हवा में उड़ा देते हैं या उसको डीकम्पोज कर देते हैं। यह बहुत पड़ा नेशनल लॉस है। मैं समझता हूँ कि क्रशर्स के अंदर वैक्यूम पैन टैक्रोलॉजी की इजाजत मिलनी चाहिए। अगर हम लोग अपना पूरा गन्ना शुगर मिल के जरिए क्रश करें तो हिन्दुस्तान में इतनी शुगर पैदा हो जाएगी कि नेशनल नीड की पूर्ति करेंगी और साथ ही साथ हम लोग उसे एक्सपोर्ट भी कर पाएंगे। हमको इम्पोर्ट करने की जरूरत नहीं पड़ेगी — अगर हम समुचित तरीके से और ठीक तरीके से अपने गन्ने की शुगर को इस्तेमाल कर लें। दूसरी बात यह होगी कि जब शुगर सरप्लस होगी तो हमें शुगरकेन एरिया बढ़ाने की जरूरत नहीं पड़ेगी बल्कि हम इसको कुछ घटा सकते हैं और शुगरकेन एरिया हमारा जब खाजी होगा तो उसमें हम कुछ ग्रेन पैदा कर सकते हैं, पल्सिस पैदा कर सकते हैं, तिलहन पैदा कर सकते हैं जिनकी हिन्दुस्तान के अंदर बहुत ज्यादा शॉर्टेज है। काफी वास्ट एरिया गन्ने के अंदर होने के बाद भी हमारे पास बाकी चीजों की भी कमी है और हमें शुगर भी इम्पोर्ट करनी पड़ती है। एक दूसरा सुझाव मेरा यह है कि डिफरेंट स्टेट्स में गन्ने के रेट डिफरेंट हैं। पंजाब के अंदर अर्ली वैरायटी 95 रुपये क्विंटल है, बाद वाली वैरायटी 90 रुपये क्विंटल है।

हरियाणा में भी 95 रुपये क्विंटल और 90 रुपये क्विंटल का भाव है जब यू0 पी0 के अंदर शुगर की रिकवरी गन्ने में हरियाणा और पंजाब से ज्यादा है, इसके बावजूद भी उनको पूरा रेट नहीं मिलता है। पॉलिसी ऐसी होनी चाहिए कि शुगर रिकवरी की बुनियाद के ऊपर हर स्टेट के अंदर यूनीफॉर्म रेट होना चाहिए और सारे ग्राउंड्स को बराबर तरीके से देखना चाहिए, उन्हें बराबर पैसा मिलना चाहिए। यू0 पी0 के

4.00 P.M.

अन्दर मेरी जानकारी में यह भी आया है कि कुछ मिल्स ने जो अरली वैराइटी हैं जिकसा रेट 85 रुपये हैं, अब कुछ दिनों से उन्होंने उसको समान वैराइटी के हिसाब से पेमेंट करना शुरू कर दिया है। इसको भी हमको देखना चाहिए। चूंकि यह किसान का बड़ा भारी एक्सप्लाइडेशन है। गन्ना एक ऐसी चीज है जिसको खेत में नहीं रखा जा सकता है, जिसको प्रिजर्व नहीं किया जा सकता है, जिसको कोल्ड स्टोरेज में नहीं रखा जा सकता है। किसान को गन्ना काटकर हर हालत में मिल में भेजना पड़ता है और कभी-कभी तो यह होता है कि मिल अगर सप्लाय नहीं लेती है तो क्रशर्स के अन्दर जहां 25 रुपये और 30 रुपये क्विंटल गन्ना जाता है वहां भी मजबूरन गन्ना डालना पड़ता है। मेरा एक सुझाव यह है कि गन्ना मिल्स को टाइम से चालू करना चाहिए। चूंकि जमीनें लोगों के पास कम रह गई हैं इसलिए गन्ना काटने के बाद किसान लोग अपने खेत में गेहूं बोते हैं। अगर गन्ना देर तक खेत में रहता है तो गेहूं की कमी हो जाएगी और इससे फूड के प्रोडक्शन में कमी आएगी।

यू0 पी0 के अन्दर परचेज टैक्स है उसको भी एक रुपया प्रति क्विंटल घटा दिया उन्होंने मिल वालों को फायदा पहुंचाने के लिए और सोसाइटी कमीशन को भी एक रुपया कम कर दिया गया है। मैं नहीं समझता कि इस तरह का पारशियल बरताव प्रदेशों के अन्दर होना चाहिए।

मेरा एव और सुझाव यह है कि डम्पिंग जो लार्ज स्केल पर शुगर का हिन्दुस्तान में हो रहा है इसको हमें रोकना चाहिए, इसके लिए चाहे इम्पोर्ट ड्यूटी बढ़ायें या कुछ और करें। इसके बाद मैं समझता हूँ कि अगर प्रोपर यूटिलाइजेशन शुगरकेन का हो तो ओर भी बहुत सी सहुलियतें हमें मिल सकती हैं। शुगरकेन के बाई प्रोडक्ट्स मोलासिस और बगासी हैं। मोलासिस से हम लोग पावर अल्कोहल पैदा कर सकते हैं। मोलासिस के ऊपर अक्सर रुकावट रहती है, स्टेट के बाहर नहीं जाता

हैं और इसको बिल्कुल वेस्ट करना पड़ता है। इसलिए मैं समझता हूँ कि इस मोलासिस के ऊपर कोई स्टेट कंट्रोल नहीं होना चाहिए। फ्री मूवमेंट मोलासिस का होना चाहिए, इससे पावर, अल्कोहल बनाना शुरू करना चाहिए, जिससे पेट्रोल के साथ मिलकर इसको व्हीकल्स में फ्यूल के तौर पर इस्तेमाल किया जा सके और हमारा पेट्रोल का इम्पोर्ट कम हो सके, हम फारेन एक्सचेंज बाहर से बचा सकें। बगासी को पेपर बनाने के लिए इस्तेमाल किया जा सकता है और यह फ्यूल के तौर पर इस्तेमाल होता है। फ्यूल के तौर पर इस्तेमाल करने के लिए हमें अपनी शुगर मिल्स में हाई प्रेशर बॉयलर इस्तेमाल करना चाहिए जिससे कि भारी मात्रा में बिजली पैदा की जा सकती है। अगर 50 हजार टन क्रशिंग वाली फैक्टरी है और हाई प्रेशर बॉयलर उसमें इस्तेमाल हो तो 50 मेगावाट बिजली उससे बन सकती है। अपने देश बिजली की बहुत कमी है, इससे उसकी पूर्ति हो सकती है। अगर मिल के अन्दर हम इसको एनकरेज करे, गवर्नमेंट ऐसी पालिसी बनाये कि वह हाई प्रेशर बॉयलर का इस्तेमाल करे, शुगरकेन फैक्टरीज अपनी टेक्नालाजी को थोड़ा सुधार लें तो जितने हजार टन शुगरकेन की क्रेशिंग कैपेसिटी है उतने ही मेगावाट बिजली वहां से पैदा हो सकती है। अगर शुगर मिल्स से हिन्दुस्तान में इस काम को करना शुरू कर दें तो जो बिजली का क्राइसिस है, जो बिजली का क्राइसिस है, जो बिजली की कमी है वह बिजली की कमी खत्म हो जाएगी और इससे इंडस्ट्रीज भी उभर सकेंगी और इससे हमारे लोगों को बिजली की सप्लाई में कमी नहीं होगी। बहुत-बहुत धन्यवाद।

**SHRI KHAGEN DAS (Tripura):** Mr. Vice-Chairman, Sir, India is known as the original home of sugarcane and sugar. Internationally, India is the top sugar producer and consumer. This is the second biggest industry after textile in the country, with its 453 units spread over 15 States, giving gainful employment to two crore people, including 45 lakh sugarcane growers and; with a turn-over of about Rs. 1,500 crores, it is now at the top of the hitlist of the liberalisers and privatisers.

The over-jealous protagonists of the World Bank advised structural reforms in the Indian economy. Out of 453 units, 412 were in operation in 1996-97. Among them, 229 units, which are producing more than 54 per cent of sugar belonged

to the co-operative sector; 59 to Public Sector, and 124 units, producing 38.7 per cent of sugar belonged to the private sector. If the present trend goes on an accelerated pace, as is being planned, within a couple of years, this co-operative sector and the public sector will vanish. The total number of factories may get reduced to about 1/3rd of the present number, with loss of thousands of jobs of factory workers. The worst-affected States would be Uttar Pradesh and Bihar where the industry was developed in the private sector which utilised huge profits in the early years of the industry, but nothing has been done.

Regarding modernisation of plants and the development of canes. I would like to submit that the old plants are now reduced to junk and became part of the public sector. Now they are being sold back to the private sector at throw-away prices. During the 60's, preference began to be given to the co-operative sector to instal new mills. In Maharashtra, most of the sugar mills are in the co-operative sector, due to a peculiar historical development. But, there is a class of what is known as co-operative bourgeois of rich farmers and bourgeois landlords took control of these co-operative mills, who are now the political king-makers in the States. This trend was removed during the 80's and once again, licences began to be given to the private sector. Today, 136 units are in the private sector which are at various stages of installation. In the year 1974, Mr. Vice-Chairman, Sir, an incentive scheme for new sugar factories was introduced. Under this new factories or old factories expanding their capacity, were exempted fully or partially from their obligation to sell to the State, a part of the production, as leavy sugar, at a fixed price. What the sugarcane barons are doing is, they are declaring their old plants sick and applying for new ones to take advantage of the scheme. Today, more than 1/3rd of the total production by the mills is getting the benefit under this scheme. After several experiments,



with full controls, de-controls, partial controls, a system of dual pricing and partial control has been introduced. It is still continuing. Sir, from 1936-37 to 1966-67, the number of factories in operation has grown from 137 to 412. That is, three times the number of the existing units.

These figures clearly show that the tendency is towards bigger and bigger mills. This is the inevitable result of having monopoly control over the sugar industry. There are two sugar, apex organisations. They are the Indian Sugar Mills Association and the National Federation of Co-operative Sugar Factories. They are not only the spokesmen of this highly cartelised industries but they also decide on the policy matters in the exploitative class interest of the sugar barons. It is these two organisations which are the authors of the phenomenon known as the sugar cycle. The consumption needs are estimated in a particular area. And then production is not allowed to exceed that limit in that year by shortening the sugar season. How is it done? It is done by starting crushing late or by ending it early. Now, if it crosses the estimated consumption in a peak year, immediately the crisis raised sugar glut, prices falling and the industry suffering losses. And the Government comes forward with concessions to bail the industry out of the crisis. But, in a year when the production is low the country has to import sugar in the interest of the consumers so that they get it at a low price.

To increase the production, if the industry demands incentives, they are immediately served by the Central Government. But enough is not enough. The sugar barons have been complaining that the sugar industry is the most regulated industry in the country and with controls being lifted in the process of liberalisation from other industries, they demand that the sugar industry should also be deregulated.

One of my friends just now spoke that they do not want delicensing because they would not be able to face competition from the multi-national corporations or companies which are joint ventures in collaboration with the multi-national corporations with their most sophisticated technology, and that they will be driven out from the field. They do not want licensing to be given freely. What do they want? They want to drive out the small industries from the field and thus allow the existing barons to sleep in peace. The Government is also no longer encouraging setting up of this co-operative sector of the industry. And the Indian Sugar Mills Association is happy about it. Now these two sugar organisations are one in raising the demand that all controls on sugar prices, exports and imports, releases for free sale, or from levy quota and the entire system of levy quota should be scrapped. The mill owners must be free to sell their produce anywhere, at any price and at any\* time to earn maximum profits. They do not want enforcement of Sugar Control Order of 1996.

In the matter of arrears, crores and crores of rupees are due to the Government and they want this order to be dropped. While demanding decontrol over the sugar industry, sugar barons want that in their reserve area production of *khandsari* and *gur* should be banned to deny an alternative outlet to the cane growers. The sugar barons are against imports even in the low production year. I repeat even in the low production year, as this makes it impossible for them to earn high profits by rising prices in an atmosphere of scarcity. So, they are demanding, as just now some members have demanded imposition of higher customs and countervailing duties.

In 1997, the Central Government appointed a Committee under Shri B.B. Mahajan to look into the issues relating to the sugar industry. The Committee has submitted its report to the Government. Through media reports it has been learnt

that the Committee has almost accepted all the demands of the mill-owners. What are the demands? They are: (1) In two years time, the levy quota system should be phased out. (2) Import duty and counter-vailing duties be imposed on import of sugar. (3) Export quota should be fixed every year, even at the expense of the consumers. (4) No new licence for Khandasari units will be given within the reserved area of sugar mills. If these recommendations are implemented, it will totally de-regulate the industry, which is not in the interest of the Consumers, cane growers and workers.

Now, in the interest of the sugar industry as a whole, the following steps, according to me, are required to be taken: (1) Partial de-control should continue, but levy portion should be at least 50 per cent. (2) The cane growers should be allowed to manufacture and sell Gur and Khandasari in the reserved areas of mills.

(3) The export-import policy of sugar is required to be streamlined. We should be importing only when necessary. Care must be taken to avoid imports from the countries dumping sugar in our country.

(4) Growers must get timely payment from the mill owners. This was also suggested by the Standing Committee on Food and Civil Supplies. (5) The sugar mills should be compelled to re-invest certain portion of the profit into research and development activities and modernisation. (6) Co-operatives of farmers should be encouraged to establish manufacturing units. (7) Sugar should be released in a controlled manner in the market. Otherwise there may be scarcity in festival months and unscrupulous traders will make benefit out of it. (8) Regular supply of sugar through PDS must continue. (9) Compulsion of sale within a fortnight must continue. Otherwise, the mill-owners will create a scarcity situation. (10) The Government must ensure availability, at cheap rates of things like pesticides, fertilisers and credit to growers. It is absolutely clear that all these will not be possible in a de-regulated

framework. The regulation should not only continue, but should be rigidly enforced. The interest of the growers, workers and consumers can only be protected by enforcing these regulations rigidly well

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Sir, I am grateful to you for having given me this opportunity to speak on the sugar policy of the Government of India.

The sugar industry is passing through a period of crisis. The cost is increasing every day owing to heavy inflation and yet, in the last six months since July this year, the price of sugar has declined by Rs. 100/- or by 7 per cent per quintal. This is worrying not only the industry, but also the Government of Uttar Pradesh, with which we are closely in touch. It is also worrying and bothering the Food Ministry.

The main reason why the sugar industry is passing through this crisis is very heavy imports and heavy imports owing to the fact that our export duty is ridiculously low at the figure of 5 per cent only. Earlier speakers have mentioned about this. I may again repeat that we are a signatory to the WTO. But, even the WTO permits the imposition of 150 per cent import duty. Again, Sir, our import duty is only 5 per cent. The result has been this that in the last few months about 8 lakh tonnes of sugar has been physically imported into this country. There are contracts outstanding for another 2 lakh tonnes, making a total of 10 lakh tonnes. "This" is equivalent to almost Rs. 1,200 crores. This is going to adversely affect both the industry and the farmers.

Sir, I would like to mention that all the countries of the world look after the interests of the industry, labour and farmers. One of the most important countries, United States immediately comes out with some sort of a solution to protect any of their industry whenever it faces any problem. My worry is that:

Why is the Government of India indifferent towards its own industry? Sir, exporting countries are giving heavy subsidies for export of sugar. I am sure if the subsidies are not given, they would be able to compete against those countries. For example, a country like Pakistan is giving a subsidy of Rs. 4,500 per tonne for dumping sugar in this country. On the one hand, they are subsidising exports and, on the other, they are also protecting their industry. I think there is an import duty of 33 per cent in Pakistan so that no other country could dump sugar in Pakistan. There is an import duty of 300 per cent in the European Union which is also exporting sugar to India. The question which arises is: Why is the Government of India permitting imports? My own surmise is that, firstly, they think that import is good and it will keep the prices under control. I agree with this totally. The second part of this is that the Finance Ministry wants to show that inflation is under control. How is inflation under control? By ruining the industry? Is that the method of keeping inflation under control? When they say that import is good because this will keep the prices under control, I would like to mention that including the carry-over stock and production, there is going to be a supply of 205 lakh tonnes of sugar in the year 1998-99. Against that, our requirement is only 150 lakh tonnes. As most of the hon. Members and the Minister must be aware, the Government keeps the price under control by releasing free sale sugar every month. By that mechanism, the Government can always keep the price under control. For that we do not have to import sugar into this country. It appears to me as amazing that on the one hand the country has got 205 lakh tonnes to feed its people, but on the other, the Government is trying to encourage imports even when our requirement is only 150 lakh tonnes of sugar. Certainly our aim should be to see that the grower gets a fair price, the industry gets a reasonable price. As far as the consumers are concerned, they should get

sugar at a fair price. As far as the industry is concerned, I would plead with the hon. Minister of Food, since he happens to be amongst us today, to make enquiries from the cooperative sugar factories of Maharashtra or the cooperative sugar factories of Uttar Pradesh— I think, 60 and 70 cooperative sugar factories respectively are situated there— as to what should be the fair price. Unless and until that fair price is given to the industry, I am sure, as far as the cane-growers are concerned, the industry will not be able to make the payment to them in time. Mr. Chavan had mentioned that some-time back, there were arrears of Rs. 2,000 crores as far as cane prices were concerned. It is a fact. Some two years, back, Rs. 2000 crores were in arrears as far as the sugar industry was concerned which was a cause of great worry both to the Government of India and to the State Government. It will be most unfortunate if, as a result of the wrong policies of the Government of India, the industry were to fall sick. I would like to mention that as far as U.P. and Bihar are concerned, they are industrially very backward areas. The sugar industry is a major industry in U.P. and, perhaps, the only industry as far as Bihar is concerned. I would plead, let not this industry in U.P. and Bihar become sick as a result of the wrong policies of the Government of India and let not the lot of the cane-growers which is so much connected with the sugar industry be worsened. I would, therefore, plead, please increase the import duty as early as possible. Fortunately, our problems are very well understood by the Food Ministry. They are very well understood by the State Governments. It is now the Finance Ministry which has got to take action.

My last point is regarding the de-licensing of the sugar industry. One of the points which has been mentioned is that any two sugar factories should be situated at a distance of only 15 kilometres from each other. At one time, this

figure was 25 kilometres. The Government, in its wisdom, made it a distance of only 15 kilometres when they brought the de-licensing thing. Now, a distance of 15 kilometres would mean that, any sugar, factory can draw canes only from an area of 7 1/2 kilometres because after that, it is the area of the other factory. With this area of 7 1/2 kilometres, can we ever have any big factory? I took up this matter with Mr. Sikander Bakht I said, "On the one hand, you are going in for liberalisation and globalisation which means that our units should be in a position to compete against the bigger units of the world; on the other hand, you are trying to follow a policy by which the industry can never get more than 2,500 tonnes." After some correspondence, he said, "I am passing on your letter to the Food Ministry". And the matter rests there. I would just lead, in case you want the industry to really become a major industry which can look after itself as far as global competition is concerned, kindly increase the distance between two sugar factories from 15 kilometres to 25 kilometres. Thank you very much.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Mr. Vice-Chairman, Sir, I thank you for having acceded to my request to speak a little bit earlier.

Sir, when we are dealing with the sugar policy, what I want to emphasise at the outset itself is, we cannot confine ourselves to the Agriculture Ministry alone. There are many interlinked issues. Therefore, I hope, when we mention other departments, the hon. Minister would not feel that either we are overlapping or we are crossing the boundaries of the department on which we are asked to speak. Sir, the turnover of this industry is Rs. 20,000 crores. We have always been speaking for workers' rights. Usually we are speaking for employees, but today, we are standing here to argue for one big industry which has ample opportunities for employment. While the industry is a Rs. 20,000-crores industry, they are giving 40 per cent of their output, to this

nation, at 20 per cent less than the cost price, according to a statement of the industry. They are giving it at 20 per cent less than the cost price. We have also to take that into account. Various commodities which we are supplying through the Public Distribution System to the people are coming from industry. We want to see that the industry is also run in a viable manner. What is the problem? Yesterday, during the Question Hour, when the same issue was raised, the hon. Minister has said: "We are in the SAARC family. We cannot stop it." Suppose Pakistan wants to export sugar to India, what will you do? We did not agree with his reply. What we feel is that the reply of the Minister was not correct. How is the artificial/scarcity created in this country? How are they doing it? First, some people are creating an artificial shortage scare. After this, sugar is being dumped into our land. By doing so, they wanted to kill the Indian sugar industry. Once they are successful in doing so, then a real scarcity can be created. If there is a scarcity, then they can exploit the Indian masses. This is the planned work of the cartel operating outside India. They are going this job. Unfortunately, the Government of India has succumbed to the pressure exerted by the vested interests. That is my complaint against the Government. During this year, we know how much stock of sugar we are having. Nearly 55 lakh tonnes of sugar is already in stock. 155 lakh tonnes of sugar is going to be produced during this year. Our consumption is 150 lakh tonnes. So, sufficient quantity of sugar is available with us. In spite of this, we have imported nearly 11 lakh tonnes of sugar. 10.75 lakh tonnes of sugar has already been imported, and if the information that I have received is correct, a contract for further import of six lakh tonnes of sugar has been finalised. Out of that, more than 3 lakh tonnes of sugar have been imported from Pakistan. For that purpose, we belong to the SAARC family. We have charged only 5 per cent import duty whereas Pakistan is charging

36 per cent import duty. Both of us are in the SAARC family! Why is there no level playing field? I would like to know that. In Brazil, they are giving subsidy at the rate of Rs. 3,000 per tonne. They are charging 55 per cent import duty. The European Union is giving subsidy at the rate of Rs. 23,000 per tonne but they are charging 300 per cent import duty. There is no WTO for them. The rules and regulations of the WTO are applicable to India only. We can import by paying 150 per cent import duty. We have not asked for 150 per cent import duty. Industry had asked for 50 per cent import duty. We had demanded only 30 per cent import duty. I request that the five per cent import duty should be enhanced to thirty per cent. That is what we had requested. In spite of abundant quantity of sugar that is already available in India, 80,000 tonnes of sugar is being imported every month. Is it essential? Yesterday, the hon. Minister has informed us that the import has been stopped. I doubt whether the information given to this House is correct or not. Sir, molasses has been decontrolled. When the molasses has been decontrolled, what has happened? It has not taken into account the other aspects of decontrol. Because of this, the alcohol-based industries are affected. It means the price of molasses has gone up four times in the market. There is a 400 per cent increase. Now, the industrial alcohol is cheaper in South Africa than India. If any industrialist wants to import it from South Africa, he can get it at a much cheaper price than from India. How is the Indian industry going to survive? This is the pertinent question. Apart from that, when we are struggling from this... (Time-bellrings)... In just one or two minutes I will finish. It is a very important issue.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): You told me that you had to attend a meeting; so I allowed you.

SHRI S. VIDUTHALAI VIRUMBI: Yes, Sir, I will finish in two minutes. Sir,

we have to address the workers' problem also. Even in Tamil Nadu, we have given nearly 20 per cent bonus to the workers. In this situation, the industrialists are not able to pay the prices to the agriculturists. Now, the Government of Tamil Nadu has sanctioned Rs. 80 crores to the public sector as well as the sugar industries to pay to the agriculturists. This is the situation. Therefore, what I feel is, the policy adopted is good neither for the agriculturists nor for the consumers. Then, it is definitely going to affect the whole nation. If at all anybody has benefited, it is only the intermediaries.

The intermediaries have benefited. It is not good for the nation. It is not good for the country. I hope the hon. Minister will consider this issue when he takes a decision and he will go into it in a proper way. With these words, I conclude.

SHRIMATI KAMLA SINHA (Bihar): Mr. Vice-Chairman, we are discussing the sugar policy.

I thank my benchmate, Shri Solipeta Ramachandra Reddy for raising this issue. This is a very vital issue for our nation. Many points have been raised. I do not want to repeat them. I would just like to mention a few points. As some of my colleagues have already said, there are 453 sugar mills in this country; 253 sugar mills are under cooperative sector, some are run by Government and 134 sugar factories are under private sector. As on 30th of September, 1997, 237 new sugar factories were to come up. They are in the process of coming up now. We know what is ailing the sugar factory. What has to be done for restructuring the sugar industry? I feel that a holistic approach has to be taken up. One thing is, most of our factories are old. The technology is old. There is a lot of depreciation in the factories, in the machines, depreciation has taken place. So, new technology has to be introduced. Gradually, new technology should be introduced in the existing factories, new machineries with more capacity to produce should be installed. Since this is an

agro-industry, better quality of sugar-cane has also to be planted in which the recovery rate should be considerably

Proper utilisation of the by-product has to be taken into consideration. Sir, I \* come from Bihar. Bihar and U.P. are the pioneer of sugar factories. They have been the pioneers -of sugar industry Large numbers of workers are involved in this industry and so also lakhs and lakhs of *kisans*, peasants, farmers are also cultivating sugar canes. Now what is happening is, 19 sugar factories belonging to Bihar State Sugar Corporation suddenly decided in the month of November that there would be no crushing for the year. They decided that no crushing would be done by these factories. So, the farmers did not know what to do with the sugar-cane. They were running here and there and many farmers again had to take to indigenous methods of making Gur and are thus losing a large amount of money. Nearly five crores are due to the farmers. The workers are not getting their wages for the last ten years. It is a peculiar situation. An agitation is going on this year. We do not know what will happen. The farmers have cultivated sugar canes. The workers are waiting for the crushing season to start. This is the time when the crushing season starts, in the months of November and December. But till now, no crushing has started. This is a peculiar situation. That is why I say that a holistic approach should be taken.

Then, there is one thing that I would like to mention. The sugar factories have a licensed capacity of 275.83 lakh tonnes. But the installed capacity is only 135.59 lakh tonnes. We have a domestic demand of nearly ten lakh tonnes...(*Interruptions*)

SHRI NARENDRA MOHAN (Uttar Pradesh): Sir, let me point out that the installed capacity...

THE VICE-CHAIRMAN (SHRI SANATAN BISI): Not now. When you get your chance, you speak then.

SHRIMATI KAMLA SINHA: If the members has to say something, let him say. Whatever data I am giving here, it is taken from the Standing Committee's report on food and consumer affairs, Department of Sugar and Edible Oil. It has been placed before the House in the Demands for Grants, 1998-99. You can have a look at this report.

The cane arrears as on 15.4.1998 were Rs. 649.69 crores. In 1996-97, these arrears were only Rs. 86.16 crores. Then, I would like to mention about exports because many points have been mentioned about import and export. Export in 1996-97 was 8.40 lakh tonnes, the value of -which was Rs. 1108.3 crores. In 1997-98, export was 1.75 lakh tonnes, the value of which was Rs. 240.60 crores. Now, import in our country is done through OGL. If I may quote from this report, "Sugar is under OGL for the purpose of import from September, 1997. Import of sugar by private parties under OGL can be undertaken only after registering the import contracts with APEDA under the Ministry of Commerce". We have been exporting and, at the same time, we have been importing. In 1997-98, we exported 1.75 lakh tonnes, the value of which was Rs. 240.60 crores and, at the same time, in the same period, we imported 3,30,000 tonnes of sugar, the value of which was Rs. 443.37 crores. I do not understand it. If we have surplus, we should export. If we do not have surplus, we import. But we are doing it simultaneously, at the same time. What kind of a policy is this? This is a wrong policy.

ONE HON. MEMBER: Draconian!

SHRIMATI KAMLA SINHA: Yes, it is a draconian policy. So, I would like to seek a clarification from the hon. Minister. This type of wrong policy should be stopped. Are we becoming a playground for the world sugar lobby or are we going to stand on our own legs? This is an industry which has a linkage with common farmers, factories as also the consumers and, so, we should be very careful.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): Shri Amar Singh, not present. Shri S.M. Krishna.

SHRI S.M. KRISHNA (Karnataka): Sir, much has been said by speakers from various parties underlining the fact that there has been a massive bungling in formulation of a rational, logical Sugar Policy for the country. Globalisation and liberalisation may be of particular interest in areas other than the sugar industry. If I can put it in one word, the policy that is being pursued by the Government of India is an albatross around the neck of the Indian sugarcane grower. As a result of which, he can never recover from the kind of slump which he has undergone. The economic policies are supposed to serve national interests. Now, I would like to pose this question to the hon. Minister. What is the national interest that is being defended or that is being pursued in framing your Sugar Policy, more pointedly about your policy of import of sugar from other countries? Without going into the details of figures which have been unburdened on this House by many eminent speakers preceding me, I would like to know what the hidden agenda is or what the *guid pro quo* is that you have had with Pakistan while importing sugar from that country. Whenever we raise the issue of Pakistan, generally, the reaction from the Treasury Benches is that we should have a level playing field with Pakistan, whether it is the nuclear explosions or anything else. Why are you going soft on Pakistan on this Sugar Policy? Why is it that you are not raising your import duty? I am given to understand, and many periodicals have written about it, and I would like to share it with this House, that many important politicians who are ruling Pakistan today have vested interests in certain sugar mills in Pakistan, and those sugar mills are exporting sugar to India. Mr. Minister, I am not going to name, even though I have the inkling of one or two names. I would like the hon. Minister to throw some light, if he has any on this particu-

lar aspect. Whom are you trying to appease? If you are not trying to appease anybody, then, today you have a chance, you have an opportunity to declare on the floor of the House to the nation that we are going to increase our import duty so that, at least, we can bring it at par with Pakistan. Sir, this is one of the ancient industries, one of the most important industries, which has its concern for the rural areas of our country. We are concerned about the farming community, but for them, the sugar industry cannot thrive, cannot flourish and cannot exist. I would like to know from the hon. Minister if he has any figures and if he does not have it right away, I would very humbly request him to supply the figures to me as to the total outstandings to the sugarcane growers from the sugar mills around the country. What are the outstandings? Are the farmers being paid any interest on the arrears which the sugar mill-owners owe to the farmers for supplying sugarcane to the factories? When once we come to know about the magnitude of the arrears, then perhaps, we would be in a position to understand today how the sugarcane grower is at the mercy of the Government on the one hand, and the sugar mills, on the other.

Sir, there was a Sugar Technology Mission which came into being in 1994, if my memory serves me right. What is that Sugar Technology Mission doing? If the Minister can share with the House information as to the precious work the Sugar Technology Mission is doing, the house, then, would be indebted to him. The trouble with our sugar policy is that the "« policy is being dictated by the bureaucrats who do not have any knowledge about the sufferings of the working class. They do not have any knowledge about the suffering of sugarcane growers of the country. If the sugarcane growers today do not get a remunerative price, where are they to go? They have nowhere else to go other than sugar factories. It dries and they go a cropper. So, it is necessary for the Government to tell us as to how

the sugar factories have been functioning. Mr. Chavan mentioned about the sugar factories in Maharashtra. I have some figures about Maharashtra where the sugar industry's health depends upon the health of the sugar factories in various regions of the country. In Maharashtra, which is one of our most progressive sugarcane growing States in the country, out of 177 co-operative sugar factories, 91 have become sick and 24 have suspended production during the year. This is the situation in this State which until recently claimed to be the leader in this sector, producing 30% of the 130 lakh metric tonne sugar in the country. So, I would like to remind the hon. "Minister that there are a few things which need to be done to bring our sugar factories up-to-date with technology. What ails our sugar industry? Primarily, it is the obsolete technology that they have. Then the low yield of sugarcane in the farms. Sir, we have one Sugar Research Institute at Kanpur. I do not know how effective this Institute has been in terms of helping the sugarcane growers in the country. There should be efficiency in our production level. Sir, there are about 700 licensed sugar factories in our country. But only 460 or more sugar factories are operative. One hon. Member referred to the distance from one sugar factory to the other. I think there, is a considerable merit in his plea that the distance which has been prescribed now at 15 kilometres should be extended to at least 25 kilometres so that the sugar factories do not get sick for want of sugarcane supply and they are able to run these factories.

Sir, co-generation is another aspect about which the Government should become much more 'pro-active' because 'pro-active' is the term with which the present Government is stuck. Up. So, when I say that there should be a proactive policy in terms of co-generation, I mean every sugar factory should be told that, compulsorily they should go in for co-generation so that they can depend upon themselves only for their power supply and if there is any surplus, the

grid should be provided with that surplus power which would be generated by these sugar factories. Sir, these are some of the issues which concern the sugar industry. Mr. Barnala, who heads the Food Ministry, is also a farmer. It is both a challenge as well as an opportunity for Mr. Barnala to redeem his pledge to the Indian farmers. Thank you.

SHRI NARENDRA MOHAN: Mr. Vice-Chairman, sir, I think a case has been made out that the import of sugar was a wrong step. A case has been made out that whatever we have done through the import of sugar is not benefiting the country; rather, it is destroying the sugar industry as such. I wish the Government looks into it. I know there is an assurance that the import duty will be increased. But, how much this is going to be increased, we have yet to know. The demand of the industry is that there should be a minimum of 40 per cent import duty. I do not know as to what is in the mind of the Government. Some people think that it is going to be five per cent, some say it is going to be 30 per cent and some say that Government perhaps may agree to the demand. I feel, there is a international conspiracy, a conspiracy to kill the Swadeshi Movement, a conspiracy to kill the indigenous sugar industry. A conspiracy has been hatched by such nations which are not having good relations with us; and one of them is Pakistan, that is my charge. There is a definite move in the name of the SAARC, in the name of friendship to ball out, perhaps, the sugar mills of Pakistan owned by the family of Nawaz Sharief, or, I would say the Army Welfare Trust Fund of Rawal pindi. If that is the situation, then it should be clarified. There is a clear accusation which was published in the national dailies about this. I would like to seek a clarification from Mr. Barnala whether this accusation which has been made against this Government that in the name of mobilising trade with Pakistan, we are trying to bail out the sugar industry owned by the family of Nawaz Sharief



...and, more so, the Army Welfare Trust of Rawalpindi. Is it correct? If it is not correct, then what is this? Why has so much been imported only from Pakistan? Sir, Pakistan has levied on India, whenever they import from India, an import duty of more than 100 per cent. Pakistan sugar, at present, is being dumped in various countries. I would like to read a report. It says...

THE VICE-CHAIRMAN (SHRI SANATAN BISI): One minute. Please sit down. I have to take the sense of the House. Please sit down. Hon. Members, I have to take the sense of the House. Now it is 5 o'clock. So far as the Short Duration Discussion on Sugar Policy is concerned, another seven Members are there to speak. There are six Special Mentions admitted for today. Now it is up to the Members to decide. Shall we continue this or shall we take up the Special Mentions?

SHRI NARENDRA MOHAN: Sir, We can continue this discussion, at least, for one more hour.

श्री ओंकार सिंह लखावत (राजस्थान) : स्पेशल मेशन का कोई औचित्य नहीं रहेगा — 7.00 बजे के बाद अगर स्पेशल मेशन को लेना है तो फिर कल के लिए प्रायोरिटी पर आदेश फरमाएं यह हमारा निवेदन है। यह नहीं हो सकता कि सदन के अंदर एक स्पेशल मेशन एक घंटे दिन तक चलता रहे और बाकी का किसी का तीन दिन तक नम्बर नहीं आए। हमारा ऐसा नम्र निवेदन है आपसे कि हमारे रूल्स में साफ लिखा है कि स्पेशल मेशन के लिए तीन मिनट हैं ...**(व्यवधान)**... तीन मिनट स्पेशल मेशन के लिए हैं। तो हो सकता है कि नये मेम्बर्स का तो कई महीनों नम्बर नहीं आए। तीन मिनट की जगह पांच मिनट भी मुहैया नहीं हो सके, दो मिनट भी मुहैया नहीं हो और एक स्पेशल मेशन कई घंटे चले — एक बार नहीं अनेक बार — इसलिए एक विनम्र निवेदन है कि कम से कम एक स्पेशल मेशन ही ऐसा है जिस पर सब सदस्यों को अपनी बात रखने का अवसर मिलता है।

उपसभाध्यक्ष (श्री सनातन बिसि) : थोड़ा बैठिए। मैं बोल रहा हूँ। आपका जो सुझाव है आपने बोल दिया है।

The Deputy Chairman has already stated about taking up of the Special Mentions. Now we will take up the Special Mentions and we will take up the Short Duration Discussion on Sugar Policy tomorrow ...**(Interruptions)**... Still there are seven members to speak.

SHRI NARENDRA MOHAN: No, Sir.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): There are seven Members to speak ...**(Interruptions)**... Is it that again I have to take the sense of the House? ...**(Interruptions)**... First we will take up the Special Mentions and tomorrow we will continue the Short Duration Discussion.

SHRI NARENDRA MOHAN: Sir, at least, let me complete because I may not be coming tomorrow. I will complete my speech within fifteen minutes ...**(Interruptions)**... At least, let me complete.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): So, after his speech, we will take up the Special Mentions.

SHRI NARENDRA MOHAN: I was making out a case that Pakistan has a design against India, a definite design. As I was saying ironically, the retail price of sugar in Pakistan is as high as Rs. 18 per kg. They are dumping this in India with the help of subsidy at the rate of Rs. 4,500 per tonne. They are dumping this in India. The Secretary, Sugar, is saying that it is just fair. It is very unfortunate. Sir, I would like to read out a portion which says as to what has been done against Pakistan. As per anti-dumping duty imposed by major importing countries, the USA has imposed 155 per cent anti-dumping duty on Pakistan sugar; Bangladesh has imposed 200 per cent *ad valorem*; Philippines' imposed anti-dumping duty of 66 per cent; and Sri Lanka has imposed 30 per cent. But, we, in India, are subsidising Pakistan industry. How come that? Who is responsible for this? I know that Mr.

Barnala is not responsible for this. I discussed this matter with him several times.

SHRI VAYALAR RAVI: It is Mr. Vajpayee. Your Prime Minister is responsible. You ask him.

SHRI NARENDRA MOHAN: Who is responsible? Who is trying to help the Pakistan sugar industry in the name of SAARC? Perhaps, two days ago, the hon. Minister of Commerce said that there is no dumping of sugar in India. This is against the record. The industry is giving all the records of dumping. What is dumping has been defined. Dumping means, anybody who tries to export his product below their normal price to other countries. That is called dumping. Dumping has international connotation in trade. Why can't we use that definition? I know that we must have good relations with Pakistan. But, in the name of goods relations, the indigenous industry should not be allowed to suffer. That is my submission. That is why I seek full duty which has been demanded by the industry, that is, 40 per cent or something like that. Sir, there is a complete mismatch in demand and supply. The overall demand-supply balance for sugar does not warrant sugar import. This year the production is expected to be around 155 lakh tonnes. With a pending stock of 55 lakh tonnes and with an overall availability of 200 lakh tonnes do we need so much sugar? Do we need so much sugar in India? Our normal consumption every year is approximately 140 tonnes of 145 tonnes. That is the maximum side. Sir, the installed capacity of the industry is much. A case has been made out in the new licensing policy that there should be more sugar mills in India. I myself humbly suggest that we must know what we have at present. We have approximately 465 sugar factories installed. 702 have been licensed. 252 are yet to start construction. Now if all that comes true, that is, if all these units which have been licensed are installed, the production capacity of India will be

more than 300 lakh tonnes. No, with this much production there is no need to have exports. Can we export? Can we export this sugar which we produce? The question is very simple. The cost of production of sugar is going very high every year. Mr. Birla has made out his case very correctly. Every year, every State Government tries to raise the sugarcane price abruptly without even the least consideration whether the industry can bear it or not. Sir, sugar industry is a very unfortunate industry. It is the only industry in India which is being controlled by four ministries in the Central Government. I would say, Sir, the Ministry of Industry deals with licensing; the Ministry of Agriculture deals with support price ...(*Interruptions*)

THE VICE-CHAIRMAN (SHRI SANATAN BISI): They will take their own time. Still that party's time is there.

SHRI NARENDRA MOHAN: The Ministry of Food decides the levy prices and the Ministry of Civil Supplies looks after the public distribution system. And above all this, the State Governments have also intervened. There is no overall sugar policy in India. This industry which is the only agro-based industry can survive, it can bail us out from our global problems. It is needed. It is an agro-based industry. It means better pay for the farmers. For the sake of farmers do give us a sugar industry policy which will benefit the country. This sedimented sugar policy, this regional sugar policy. State Sugar Policy is not going to benefit the country. There should be an overall sugar policy. Sir, I would like to tell you how it is functioning. In my own State there are approximately 60 or 65 mills which are run by the Government. Sir, the staggering losses which have been suffered during the last couple of years are more than a hundred thousand crores of rupees. I am sorry, it is about Rs. 1100 crores. A loss of Rs. 1100 crores has been suffered by those mills which are owned by the Government of U.P. I do

not know the figures of other states. The sugar industry is in real crisis. We cannot deal with this crisis unless we have a proper policy frame. It is the obligation of this Parliament to bail out the agro-based industries and not create conditions which will damage the agro-based industry. The bureaucracy is very insensitive and all the past State Governments have also been so insensitive. I beg of this House, at least this Government should be sensitive. It seems that they are going to be sensitive. I feel that they are going to be sensitive because they have declared a new licensing policy.

The Prime Minister has just said that they are really going to protect the industry by increasing import duty. It is a good signal. These signals must be multiplied. These signals must be encouraged by Parliament. I request the hon. Minister to at least enlighten us as to what is there in the plan. How do they want to help us. This political jugglery, which is adversely affecting the industry, is not going to help us. This political jugglery must be stopped.

I would like to say something more about the molasses policy. The Government of India long back repealed the Molasses Control Order. But, the State Governments are not agreeing to it. Molasses policy has to benefit the chemical industry. It is linked with it. It has been very correctly said by my friends here that if this molasses policy is not properly framed, it will not only damage the sugar industry, but also the chemical industry. We must have a fair all-India molasses policy and the State Governments should not be allowed to intervene. I know it is a Concurrent Subject and one can say the Government of India cannot do much. But, much can be done if Mr. Barnala takes it on his head. It should be done.- Why can't we have a proper molasses policy and a proper sugar policy? Why can't we have consensus? Why can't a meeting of the Chief Ministers be called to have a constructive discussion on it and arrive at a consen-

sus? Why can't the Planning Commission look into the whole gamut of the things? Who is responsible for all this? After all, who is controlling it for the last 50 years? Sugar industry is suffering because of the political jugglery. I urge upon the Government through you that it is high time that the industry was saved. The industry must be saved from the international conspiracy; the industry must be saved from those who are using the industry as a political clout; the industry must be saved from those who are very insensitive to the farmers in this country. I am grateful to you that you have permitted me to put my points. Thank you.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): Now, we take up Special Mentions.

#### **SPECIAL MENTIONS—Contd.**

##### **Need to Restore Powers to Social Welfare Boards**

SHRI VAYALAR RAVI (Kerala): Sir, I stand to draw the attention of the House and of the Government to a recent direction given to the State Welfare Boards, which was resisted and protested

by State Social Welfare Boards. The direction says that in future the powers of the Members of the Board, who change every two or three years, have been taken away. Their right to visit, inspect, recommend and report about different institutions run by the NGOs has been taken away. Now, it has been directed that the Officers and employees of the Social Welfare Boards should do that job. Sir, the problem is that the employees are permanent, whereas the Board Members come and go periodically. Officers will go and inspect and they can recommend on the basis of how they are treated while they visit those places. It is easy to say that the full Board can discuss on merit. How can they know the merit? Actually it is an attempt to introduce corruption in the distribution of funds of the Social Welfare Boards to different