

RAJYA SABHA

Wednesday, the 11th. July, 1979)20
Asadha, 1901 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Rise in Sugar Prices

*41. SHRI NARASINGHA PRASAD
NANDA:† SHRI JAHARLAL BANERJEE:
SHRI ARVIND GANESH KULKARNI:
Will the Minister of AGRICULTURE AND
IRRIGATION be pleased to state:

(a) whether Government are aware of the steep rise in sugar prices following an internal agreement between sugar producers in the private sector and the cooperative sector to restrain release of sugar to the market; 1

(b) whether Government propose to take any steps to discipline the sugar industry and to bring down the prices; and

(c) if so, what are the details thereof? " ">*H

THE MINISTER OF STATE IN THE
MINISTRY OF AGRICULTURE AND
IRRIGATION (SHRI BHANU PRATAP
SINGH): (a) to (c) A statement is laid on the
Table of the Sabha.

Statement

(a) to (c) With the coming into operation of
decontrol of sugar from 16-8-1978, the sugar
prices witnessed a persistent declining trend
and came down to the level of Rs. 220/- to Rs.
240/- per quintal in the principal markets at
the end of February 1979 from the range of
Rs. 310/- to Rs. 355/- per quintal prior to
decontrol for free-sale sugar.

†The question was actually asked on the
floor of the House by Shri Narasingha
Prasad Nanda. 607 RS—1

2. The sugar industry in cooperative, public
and private sectors introduced the monthly
release system from 1-3-1979 and thereafter
the prices started firming up. By the end of
April, 1979 the wholesale prices increased to
the level of Rs. 248/- to Rs. 280/- per quintal
registering an increase of about Rs. 34/- per
quintal on an average. To create a better
balance between demand and supply and
thereby to maintain the prices at reasonable
levels, the Government took over the monthly
releases of sugar from June 5, 1979.

3. Liberal sugar quotas were released for
the months of June and July 1979 at 5.25 and
5.40 lakh tonnes and these are significantly
higher than the quotas for these months
released in the past. The comparative figures
of sugar quotas released for these months
during the last 3 years are as under:—

	(lakh tonnes)			
	1976	1977	1978	1979
June	2.95	3.25	3.61	5.25
July	2.85	3.25	3.71	5.40

4. Moreover with effect from July
1, 1979 sugar factories have been re-
quired under statutory provisions to
sell and despatch a minimum of 2ft
per cent of the monthly quota in
each of the 4 weeks in a month to
ensure an even flow of sugar in the
market

5. The availability and prices of
sugar are under constant review and
further corrective measures would be
taken to maintain the sugar prices at
reasonable levels.

SHRI ARVIND GANESH KULKARNI:
You need not worry today. The House is very
thin. They are very much afraid of the Skylab.

MR. CHAIRMAN: Mr. Kulkarni, we will be the targets.

SHRI PRAKASH MEHROTRA: We are safer here, Sir.

MR. CHAIRMAN: Let us start the work. Yes, Mr. Nahda.

SHRI NARASINGHA PRASAD NANDA: The Agriculture Ministry in its wisdom decided to decontrol sugar and assured this House that the price of sugar would never exceed Rs. 2.70 per kilo. And Mr. Bhanu Pratap Singh, the Minister of State for Agriculture further assured us that the day the price of sugar per kilo increased beyond Rs. 2.70 per kilo, he would be prepared to reimpose control. Now, Sir, sugar is selling in the market at the rate of Rs. 3.20 to 3.50 per kilo. It is also not available in the market. Scarcity conditions have been created, though the godowns of the sugar mills are full with sugar. On the one hand, the sugarcane growers do not get their remunerative price; they have to sell their sugarcane at the rate of Rs 10 per quintal. On the other hand, all the sugar mills' godowns are full of sugar and in the market you find that the sugar is scarce. The dismal failure of the Janata Government on every front, including the sugar front, is so obvious. Sir, people say that this is a traders' government. But unfortunately, even the traders .

MR. CHAIRMAN: Why not put the supplementary?

SHRI NARASINGHA PRASAD NANDA: This is all necessary to show how this Government is bungling on every front and people feel that there is no Government.

MR. CHAIRMAN: That is all right. This introduction is enough.

SHRI NARASINGHA PRASAD NANDA: My question is whether he will fulfil the assurance given to this House and reimpose the control since they are not able to control the traders.

SHRI BHANU PRATAP SINGH: The Government have already taken certain measures to bring down the price of sugar. We have taken over the power. We have ordered the factories to sell so much of sugar not only every month but we have now also asked them to release at least 20 per cent of the monthly quota in each of the 4 weeks. That power has already been taken by the Government. We are also thinking to place credit curbs on those factories which fail to sell the quantities specified. But I would like to say a few things. Firstly, the assurance was to maintain the price of the level of Rs. 2.75 at the retail level. I agree that in certain markets, the price is above Rs. 2.75, and that is why we have taken these measures.

SHRI JAGJIT SINGH ANAND: In which market is it Rs. 2.75? Is there any place in Delhi where it is Rs. 2.75. Even in Delhi, it is selling at Rs. 3.10 per kilo.

SHRI BHANU PRATAP SINGH: When I say many markets, I do not mean only market in Delhi. I mean the country as a whole.

SHRI JAGJIT SINGH ANAND: Sir, let him go to the Super Bazar in the Annexe and find out.

SHRI BHANU PRATAP SINGH: Well, I have already conceded

SHRI KALP NATH RAI: You tell us those places.

MR. CHAIRMAN: Please listen to him,

SHRI BHANU PRATAP SINGH: I was only saying that there are markets in the country, for example, Delhi, West Bengal, Assam and those States in the North-East where sugar is selling at higher than Rs. 2.75. But there are many places in the country where it is selling at much less than Rs. 2.75.

SHRI JAGJIT SINGH ANAND: Which are those places?

SHRI BHANU PRATAP SINGH: I will tell you. Please have the patience of listening. In Ahmedabad, the retail price is Rs. 2.70; in Mysore, it is Rs. 2.65; in Bombay, it is Rs. 2.70; in Ahmednagar, it is Rs. 2.55. These prices relate to 4th July only. I am trying to explain that this difference in price is mainly due to . . . {Interruptions}.

MR. CHAIRMAN: Let him reply. You hear him first.

SHRI BHANU PRATAP SINGH: Sir, this price difference ranging from Rs. 2.75 to Rs. 3.20 is mainly due to difficulties in transport. In Southern India and in Western India, the factories are finding it difficult to transport sugar to consuming areas. And, therefore, I have also decided that we will release more sugar in North India within a day or two to take care of this situation. So, every effort is being made. But it is not that we are unaware of the situation or doing nothing about it. In fact, I may also point out that while the prices have risen as compared to the months of February and March, the prices, taking the country as a whole, are not very much higher than what was visualised. In fact, prices in February, March and April had gone down so low that it would not have been possible for the factories to pay to the cane-growers if those prices had persisted. But, at the same time, we do not want those prices to go beyond a certain limit and we will take all possible measures to keep the prices below that reasonable level.

MR. CHAIRMAN: His supplementary was different. He wants to know whether the Government will impose control.

SHRI BHANU PRATAP SINGH: In a way, the releases are controlled. The factories cannot hold back their sugar. In fact, releases have been very much increased. Sir, I will read out some of the figures from 1976 onwards. In the month of June, in 1976, the total consumption

was 2.95 lakh tonnes; in 1977, it was 3.25 lakh tonnes; in 1978, it was 3.45 lakh tonnes.

SHRI JAGJIT SINGH ANAND: Those figures are already available to us.

SHRI BHANU PRATAP SINGH: In the month of June, when we resumed the power to release, it was increased to 5.25 lakh tonnes, and in July, this has been again raised to 5.40 lakh tonnes.

MR. CHAIRMAN: You put your second supplementary.

SHRI NARASINGHA PRASAD NANDA: Sir, I knew that the Minister would not be prepared to fulfil the assurance which he had given on the floor of this House that the moment the price of sugar is increased, he would be prepared to consider the question of re-imposition of control. In fact, he says

I that there is some measure of control in the release of stocks from the mills, and that this release system is there", and that from 1st July, 1979, the sugar factories have been required under the statutory provisions to sell and despatch a minimum of 20 per cent and so on. I would like to ask—when this question of public distribution system was introduced and Mr. Mohan Dharia came forward with a big scheme, why was it not considered necessary that sugar should also be one of the essential commodities and for that

{ reason control was necessary and the entire stocks was to be canalised through the public distribution system so that consumers would get sugar at a fair and reasonable price? That is my second supplementary, Sir.

SHRI BHANU PRATAP SINGH: Sir, I would like to read out the average prices of 40 markets in India. These have ranged between Rs. 2.71 and Rs. 2.80 on an average. As I have already conceded, in certain parts of the country the prices are

higher. But in March these were Rs. 2.71, Rs. 2.77, Rs. 2.76, Rs. 2.76, Rs. 2.74, Rs. 2.77 and Rs. 2.76. No, these cannot be called alarmingly high as compared with the levels which we had visualised. But certainly this situation is due to difficulties other than the supply position of sugar.

SHRI JAHARLAL BANERJEE: Sir, I am sorry to say that, as in the other fields, the marketing of sugar is also non-cooperation with the Government. Sir, I come from West Bengal. There nobody can get sugar at the rate of Rs. 3; not less than Rs. 3.10 or Rs. 3.20. In view of the fact that the coming rainy season is well ahead and in view of the fact that the State of West Bengal entirely depends on sugar coming from other States, will you make special care to see that it is made available at Rs 2.80, so that the people in West Bengal do not especially suffer?

SHRI BHANU PRATAP SINGH: Yes, Sir. We are trying to get into touch with the officers in Maharashtra who are dealing with sugar and also with the officials of the Railways to see that there is adequate movement of sugar so that these prices could be brought down in West Bengal and other North-Eastern States.

SHRI ARVIND GANESH KULKARNI: Sir, may I know from the Government whether what he has stated and the figures that he has just now given in the House are quite correct? We have got the experience of that also. But the problem is as he himself has mentioned, that there is wagon shortage or some such other shortages whereby the consuming centres are not receiving factories in Southern States, which the supplies and the most difficult conditions are to be faced by sugar have got ample stocks while the markets in the northern States do not get that sugar. What I want to know from the hon. Minister is whether apart from applying the *ad hoc* measures, he would consider, once

and for all—during the Congress regime it was not considered—that there is some rationality in fixing the sugarcane price and the sugar price. Unfortunately there is no rationality with the result that the southern States are the sufferers while the northern States are fattening their make up base and Shri Bhanu Pratap Singh is a part of the makeup base of the northern States. They are very happy because their electorate is there.

DR. V. P. DUTT: Gentlemen farmers.

SHRI BHANU PRATAP SINGH: The thing is . . .

SHRI ARVIND GANESH KULKARNI: No, no. I have not yet finished. What I want to tell the hon. Minister is that only when you have some rationality in fixing the price based on the recovery price of sugar then only will you come to certain results which will be in the long term interests. Are you aware that because of these ad hoc measures and rising prices at certain centres and falling prices at certain other centres there will be a sugar famine as I envisage, because I am a sugarcane grower. For the last 30 years it has been seen that once in every two years there is a sugar famine. You can write it down and see the position again after two years if you are in the Government then. So I want to know . . .

SHRI MANUBHAI PATEL: Sir, Mr. Kesri is touching the feet of Kamlapatiji. Is it in consonance with the dignity of the House?

SHRI ARVIND GANESH KULKARNI: I want to know very specifically whether there is any possibility of the Government applying a rational formula which has been studied by various commissions at various times. Secondly, the Minister hoped that wagons will be made available. Even the Energy Minister and the Railway Minister cannot have a common view. How will the

Agriculture Minister get the wagons, God only knows. There has to be some alternative arrangement where-by the transport cost must be shared by the Government or some other organisation like the Food Corporation. My next point is: the Minister said that 20 per cent of the sugar quota has to be sold. There are companies, the co-operative sector and also the consumer federations who think of the lapsed quotas and some factories are making efforts to lapse the quota whereby sugar releases are very little or are not in the proportion that the Government expects. Instead of tightening the credit, the credit must be made ample for them » to pay to the sugar cane growers. Wagons must be made available and lapsed quota must lapse completely and new quotas must be issued on behalf of the Government.

SHRI BHANU PRATAP SINGH: First of all. I would like to say that the price of sugar is not yet controlled although we are trying to keep it within reasonable limits. As regards the price of sugar cane, there is a uniform minimum statutory price applicable to factories throughout the country.

PROF. N. G. RANGA: That is low.

SHRI BHANU PRATAP SINGH: May be low or high; that is another matter, but it is a fact that the Government of India has applied the same rule to all factories and there is 'no discrimination between north and south.

SHRI ARVIND GANESH KULKARNI: Can they afford to pay sugar cane price?

SHRI BHANU PRATAP SINGH: They can afford to pay if they realise at least the cost of production. I agree with you. If they cannot realise the cost of production on those prices which they have to pay to the producers, they will suffer losses and in the long run there may be difficulties. As regards lapsed quota, we

will take all possible measures to see that there are no lapses and penalties prescribed will be applied to them and in fact, we propose to take more stringent measures and if it is not due to the fault or any wicked manoeuvre on the part of the factories and it is due to some other reasons, then we will have to take that into consideration. We are trying our best to solve all these problems* and we will consider other proposals* also to see as to what can be done under the circumstances. One of the ways is to transport more sugar towards the north.

श्री प्रकाश महरोत्रा : मान्यवर, मंत्री जी ने जो कुछ स्टेप एन्यूमरेट किये हैं उसका असर यह है कि 220 रुपये जो शुगर के दाम हो गये थे, वह उससे बढ़कर 300 रुपये हो गये हैं। पिछले 6 महीनों से स्थिति यह है कि हर महीने आप शुगर खरीदने जाते हैं तो 10 पैसे पर किलो उसका दाम बढ़ जाते हैं। तो इसका कारण क्या है? इसका कारण यह है कि उन्होंने यह कहा कि हमने यह तय किया है कि मिलों का 20 प्रतिशत प्रोडक्शन हर महीने वे डिस्पेच करेंगे। लेकिन वास्तविकता यह है कि उत्तर प्रदेश की मिलें यह कर नहीं रही हैं। दूसरी बात, मान्यवर यह है कि गुड़ के दाम ज्यादा हो गये हैं, खादसारी उपलब्ध नहीं है, इसलिये जो डीलर्स हैं उन्होंने माल को काफी मात्रा में रोक लिया है और उनके गोदाम भरे हुए हैं।

DR. BHAI MAHAVIR: He is giving the answer. He will put the question later on.

श्री प्रकाश महरोत्रा : ऐसा है कि जब तक प्राप्ति परसंपेक्टिव में प्राक्कम को नहीं समझेंगे तब तक उत्तर नहीं दे सकते।

MR. CHAIRMAN: You put the supplementary.

श्री प्रकाश महरोत्रा : तो मैं यह ज़िन्ना चाहता हूँ कि क्या शुगर पर कोई क्रेडिट स्क्वीज करेंगे तथा जो डीलर हैं वे कितना माल रख सकते हैं उस पर कोई रेस्ट्रिक्शन इम्पोज़ करेंगे ?

MR. CHAIRMAN: You also can be brief.

श्री भानु प्रताप सिंह : संक्षेप में मैं यह कहना चाहता हूँ कि क्रेडिट स्क्वीज उन कारखानों पर लगाना जिन के ऊपर किसानों का बहुत ज्यादा बकाया है उसका परिणाम यह होगा कि वे किसानों के शक्के की कीमत अदा नहीं कर सकेंगे। (Interruptions) आप सुन लीजिए। आपने अपनी बात कह ली है अब मुझे सुन लीजिए। जो आपने पहली बात कही मैंने उसका जवाब दे दिया है और दूसरे का उत्तर भी सुन लीजिए। मैं यह कहना चाहता हूँ कि इस पर विचार करेंगे कि ट्रेडर्स के स्टॉक पर सीलिंग लगा दी जाए। (Interruptions)

श्री प्रकाश महरोत्रा : सुनिये ता, उनको एडवांस जो शुगर स्टॉक्स के अगेन्स्ट देते हैं वह कम दिया जाए, इस पर विचार करेंगे क्या ?

SHRI JAGJIT SINGH ANAND: The hon. Minister had earlier assured the House and he has related today that he had assured that the moment the price rise is beyond Rs. 275 in the retail, he will resort to controls. Now, in this statement which he has made, he has himself said that by April itself, the wholesale price had gone up to Rs. 280. From Rs. 248 to Rs. 280, you have said. We are in July. The first thing I would like to know from you is this. Why are you dilly dallying? Why are you not going back to the control which you

had assured? Secondly, I would like to know this. For instance, Assam, and West Bengal are suffering because they are far away from the areas of production. But Delhi is also suffering. U.P. and Punjab are just next door. There are so many sugar mills. Now, the hon. Minister is coming forward in the House, fifteen days after the question is tabled, and says that within a day or two, he will try to ease the situation. Does this Government only wake up when it is put on the mat in the House?

SHRI BHANU PRATAP SINGH: It is not at all true. We woke up long back. That is why, we reimposed this system of releases and that is why, prices have been kept in check. 4 Sir, I would like to plead through you to the House that there is no such a lot of difference between Rs. 275 and Rs. 280. (Interruptions).

SHRI JAGJIT SINGH ANAND: My question was... (Interruptions).

SHRI BHANU PRATAP SINGH: That too, as I have already pointed out, is mainly due to these difficulties. (Interruptions)

SHRI JAGJIT SINGH ANAND: The previous Government was wedded to the millowners. The Government is also wedded to the traders and profiteers.

SHRI N. P. CHENGALRAYA NAIDU: I am sorry to inform that the Government is not fair to the agriculturists. They are not even doing justice to the cane growers now. The cane grower is given only Rs. 100 per tonne, But actually, after deducting transport charges, cutting charges and loading charges, he gets only about Rs. 75. Actually, the million people are also selling at lower rates. But the middlemen are making profits. They are making more money. Therefore, the Government has the responsibility. They must do something in this case. Now, Sir, if they want to be fair, if they want to do justice to the agriculturists really, they must fix the minimum

price at Es. 150 per tonne for cane. In the South, we have to pump out water by electricity and cultivate. In North India, they get river water. Hence, our expenditure is more on production. So, you should pay Rs 150. Government should also ask the millowners, the factories, to sell at Rs. 225 or so. If anybody sells at less than Rs. 225, they must be taken to task. The middlemen's price and the retail price should be Rs. 275, Rs. 2.75 per kilo. If they fix the price for each, the sugar cane price, the mill price, the middleman's price and the retail price, there would not be any trouble. If they are not going to do this, they will get into trouble.

SHRI BHANU PRATAP SINGH: Government cannot perform a miracle. I must make it very plain that there has to be a relation between the price paid to the cane growers and the price the consumer has to pay. It cannot be that while the farmers get Rs. 150 per tonne, the sugar may be sold at Rs. 225, as he has put it. If anybody can perform that miracle, I would like to know how he will do it. There is a relationship. You cannot have it both ways, a higher price for the farmers and a lower price for the consumers.

Of course, every care should be exercised that there is no profiteering or such other things, but at the same time, I cannot concede this point that, well, the farmers can be paid at a very high price and the consumers can also be provided...

PROF. N. G. RANGA: Sir, I see the point that neither my hon friend nor any Government can perform a miracle, but then we must have an assurance that farmers would be paid a remunerative price, calculated minutely in every possible manner. Remunerative price has got to be paid to the farmers and the Government must have the necessary stamina to stand up to this insistent and unreasonable demand from the professionals, from the consumers and others to have low and uneconomical price

of sugar both for the consumers* <>, for the factory owners, as well as the peasants. Therefore, may I have a clear assurance from the Government, that whatever might be their fortunes so far as politics is concerned, they would assure the farmer a remunerative price? Let them calculate it and fix it and then assure the farmer. Otherwise, if they were to pamper to the needs of the consumer alone, they would have to reconcile themselves to pursuing an anti-peasant policy which would be anti-national.

SHRI BHANU PRATAP SINGH: Sir, I would be very happy to join Prof. Ranga if he launched a campaign in the country which made the consumers to accept sugar at a higher price. I will be happy even if he makes his own party accept what he has been arguing. It is no use running with the hare and chasing with the hound. I would like a very clear statement from your leader or even from you on behalf of your Party that you would accept higher price for the consumers.

PROF. N. G. RANGA: We want ~ remunerative price. My leader, as well as my party stand by that.

SHRI AMARPROSAD CHAKRABORTY: Sir, it is admitted by the Minister that in Bengal and Assam sugar is sold at a much higher price than other places in India. I would like to know what steps he is going to take or what assurance he is going to give so that sugar price is brought down to a level where the consumers would not face any hardship in future.

PROF. N. G. RANGA: But you must care more for your *rasgulla*.

SHRI BHANU PRATAP SINGH: I have already admitted that in Assam and North Eastern States the price of sugar has gone up and we are trying to take all possible steps but the difficulty is transport. Only a month ago we were faced with the question whether we would be able to supply

foodgrains to these areas. Now the foodgrains situation has slightly eased and in the light of that situation, perhaps the transportation of sugar will be accelerated.

SHRI AMARPROSAD CHAKRABORTY: That is a very casual answer.

श्री कलराज मिश्र : मंत्री जी ने उत्तर दिया है कि चीनी की उपलब्धता और उसके मूल्यों की लगातार समीक्षा की जाती है और चीनी के मूल्यों को उचित स्तर पर बनाये रखने के लिए और सुधारात्मक उपाय किये जायेंगे। मैं जानना चाहूँ कि जिस तरीके से चीनी का दाम अभी बढ़ता चला जा रहा है, उसमें मंत्री जी ने कौन से उचित मूल्य स्तर पर लाने के सुधारात्मक कार्य किये हैं। अगर वे इसको बता दें तो कृपा होगी और दूसरा यह है कि जिस तरीके से चीनी का दाम बढ़ गया है क्या उसी हिसाब से गन्ना किसानों को उचित मूल्य पर देने का मंत्री जी ने प्रयास किया है।

श्री भानु प्रताप सिंह : श्रीमन्, इनके प्रश्नों का उत्तर वास्तव में मैं दे चुका हूँ, परन्तु उस समय शायद उन्होंने सुना नहीं। इसलिए दुहरा देना चाहता हूँ। पहली बात जो कही है मूल्यों के नियंत्रण में रखने की उसने हमने रिलीज में निजम को अपने हाथ में ले लिया है। अब फैक्टरियों के ऊपर निर्भर नहीं हैं कि वे कितना बेचेंगे और इस मात्रा में काफी तेजी से बढ़ा है। जैसे मैंने पढ़ा कि पिछले साल 3 दशमलव सात और आठ होता था। इस महीने में जुलाई से 5 दशमलव चार लाख टन रिलीज किया है। दूसरी क्रेडिट की बात मैंने कही। जो फैक्टरियाँ लेप्स करती हैं उनकी क्रेडिट फैसिलिटीज पर रोक लगा दी जायगी और हमने सख्ती की है कि

महीने भर इंतजार करने की जरूरत नहीं है। प्रति प्लाह कम से कम 20 फीसदी उनको मंथली कोटा को बेचना पड़ेगा। उनको लिखकर भेज दिया गया है, और इसने लेप्स होगा तो 307 में सजा होगी। इस अतिरिक्त रेलवे मंत्रालय से बराबर सम्पर्क बनाये हुए हैं कि हमको वैगन्स मिलें। पर आज कहीं भी कोई फैक्ट्री धाला बेचने से इन्कार नहीं करता है। न चीनी की कमी है। चीनी का भंडार भरा हुआ है। आज जो कठिनाई है वह यह है कि फैक्ट्री के दरवाजे से उपभोक्ता के घर तक कैसे पहुँचाया जाय।

दिल्ली में बांग्ला देश के शरणार्थियों द्वारा प्रदर्शन

* 42. श्री लाखन सिंह : †

डा० भाई महावीर :

क्या निर्माण और आवास तथा पुर्ति और पुनर्वास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि बांग्ला देश से आये कुछ शरणार्थियों ने अपनी मांगों को मनवाने के लिए दिल्ली में हाल में धरना दिया था और प्रदर्शन किया था; और

(ख) यदि हाँ, तो उनकी मांगों का क्या ब्यौरा क्या है और सरकार ने उन पर क्या कार्यवाही की है ?

Demonstration by refugees from Bangladesh in Delhi

* 42. SHRI LAKHAN SINGH: \$
DR. BHAI MAHAVIR;

Will the Minister of WORKS AND HOUSING AND SUPPLY AND REHABILITATION be pleased to state:

{The question was actually asked on the floor of the House by Shri Lakhan Singh.

[] English Translation.