

INCREASE IN THE PRICE OF SUGAR

*42. SHRI SITARAM KESRI :

SHRI K. P. SUBRAMANIA
MENON :

SHRI J. S. TILAK :

SHRI VENIGALLA

SATYANARAYANA :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether it is a fact that the price of sugar has been soaring high in the last two months; and if so, the reasons therefor; and

(b) what are the steps taken to check the price rise ?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (PROF. SHER SINGH) : (a) and (b) A statement is laid on the Table of the Sabha.

STATEMENT

(a) Yes, Sir. The main reasons for the increase in price are :

(i) Expectation of a substantial fall in the production of sugar, as a result of a fall in the area under sugarcane, and the damage to the standing crop by excessive rains and floods in the north and drought in some areas in the south;

(ii) sympathetic effect of rise in the prices of gur and khandasari;

(iii) increase in the cost of production of sugar as a result of payment of higher price for sugarcane by factories and other factors;

(iv) Speculation about the likely increase in the tariff value as a result of monthly revision, followed by the actual increase decided by the Government. The tariff value was revised from Rs. 135/- per quintal to Rs. 150/- per quintal on 1st January, 1972, to Rs. 165/- on 1st February and to Rs. 190/- on 1st March, 1972. 30% *ad valorem* duty is levied on the basis of the tariff value on sugar sold in open market.

(v) Speculation about increase in the rate of excise duty on sugar in the forthcoming budget.

(b) The following steps have been taken to facilitate regular availability of sugar at reasonable prices and to prevent holding of stocks by sugar factories or dealers :—

(i) The quantity of sugar for sale by sugar factories is being regulated by monthly releases.

(ii) The period of delivery of sugar by factories against the release orders has been reduced from 45 to 30 days

(iii) Sugar factories have been prohibited from refusing to deliver sugar if undespached sugar is available with them against a valid release order.

(iv) Sugar factories have been prohibited from despatching to any one dealer more than 2,200 quintals of sugar per week.

(v) Sugar factories are required to despatch or deliver at least 20 per cent of the released quota of sugar, every week.

(vi) Quantitative restrictions have been imposed on holding of stocks by dealers, the quantitative limits being 250 quintals in the case of dealers in towns having population of less than 1 lakh, 500 quintals in the case of cities with a population between 1 lakh and 5 lakhs, and 1,000 quintals in the case of cities with a population of over 5 lakhs, except that in the case of importers in Calcutta the limit is 7,500 quintals.

(vii) While the sugar factories are free to sell sugar in any State, inter-State movement of sugar by dealers has been banned.

(viii) Bank advances to sugar dealers against sugar stocks have been restricted and bank margins thereon have been increased from 45 to 65 per cent.

(ix) In consultation with the sugar industry, a scheme was introduced with effect from 1st January 1972, under which the sugar industry makes available 60% of the released quota of sugar every month at a fixed price for distribution mainly to domestic consumers through fair price shops and the same is being allotted to State Governments for arranging such distribution.

ROAD BUILDING

*43. SHRI ARJUN ARORA :

SHRI RAJENDRA PRATAP

SINHA :

SHRI KRISHAN KANT :

Will the Minister of PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT be pleased to state :

(a) the targets of road building during the years 1969-70 and 1970-71 in the National and State sectors;

(b) the achievements made during these years;

(c) the reasons for the shortfall, if any; and

(d) the steps proposed to be taken by Government to accelerate employment oriented road buildings ?