

*579. [For answer, vide col. 5275 infra.]

SUGAR REFINERY FOR INDIA

*580. SHRI B. C. GHOSE: Will the Minister for FOOD AND AGRICULTURE be pleased to state:

(a) whether there is any proposal for the setting up of a sugar refinery in India; and

(b) if so, (i) what are the reasons, and (ii) what are the details of the proposal?

THE MINISTER FOR AGRICULTURE (DR. P. S. DESHMUKH): (a) and (b). An application from Messrs. A. H. Bhiwandiwalla & Co., (Bombay) Ltd., Bombay, has been received for permission to set up a bonded sugar refinery in Bombay State for the purpose of re-refining approximately 70,000 tons of imported raw sugar annually. The question of granting permission to the applicants is under consideration.

SHRI B. C. GHOSE: Has the Government taken any decision in the matter as to whether sugar refinery should be set up or not?

DR. P. S. DESHMUKH: The decision will be taken in due course as the question of granting permission to the applicant is still under consideration.

SHRI B. C. GHOSE: Is it true, Sir, that the licence for importation of machinery has already been issued?

SHRI RAFI AHMAD KIDWAI: How can the licence be given? If the licence has already been given there will be nothing for consideration.

SHRI B. C. GHOSE: That is what I should have imagined, but has the Government's attention been drawn to the reports in the papers that a licence has already been issued?

SHRI RAFI AHMAD KIDWAI: I wish we could have issued licences be-

cause I am in sympathy with the proposal but it has not yet been done.

SHRI B. C. GHOSE: Do I take it, Sir, from this answer that the Government are in principle agreed to setting up a refinery?

SHRI RAFI AHMAD KIDWAI: I said I am in sympathy with the principle, but what is the principle involved?

SHRI B. C. GHOSE: Do I understand there is a difference of opinion between the hon. Minister and the Government of India?

MR. CHAIRMAN: That is a different question.

SHRI B. C. GHOSE: Did the Government give permission to import brown sugar recently?

SHRI RAFI AHMAD KIDWAI: Yes, Government has given permission to import raw sugar because part of the labour will be employed here in refining it which will not be the case if we imported all in crystal sugar.

SHRI B. C. GHOSE: Has any import actually taken place?

SHRI RAFI AHMAD KIDWAI: Some orders have been placed, but whether any ship has arrived or not I am not in a position to say because imports are being made by the people who have been given the licences.

SHRI B. C. GHOSE: In the matter of giving permission for importing machinery for setting up a sugar refinery in the country, will the Government take into consideration the fact as to whether there is sufficient capacity in the country already for meeting the demands of the country in the matter of sugar?

SHRI RAFI AHMAD KIDWAI: Well, for the present we are short and for the next few years, till new factories come into production, we will be in shortage and during this period if instead of importing refined sugar we

import raw sugar then it will be in the interests of the country. When we are self-sufficient these refineries need not import raw sugar from abroad but use the indigenous material for refining sugar.

SHRI B. C. GHOSE: When the new units will have been set up and will be sufficient to meet the demands of the country, is it the hon. Minister's contention that the sugar that will be produced in the sugar refinery can be exported outside and there will be market for such exports?

SHRI RAFI AHMAD KIDWAI: That depends upon the world prices, but for the present we are more concerned with the requirements of the country than export, but when we produce sufficient sugar to meet our requirements we need not import raw sugar for our refineries, and these refineries will have to work on indigenous material produced in the country, such as *gur*, *khandsari* and other material.

SHRI B. C. GHOSE: But then, will not the production within the country be more than the internal demand? And I should also like to know whether production of the existing factories cannot be increased so as to meet the demand of the country.

SHRI RAFI AHMAD KIDWAI: I hope the hon. Member knows that this industry is in private hands and they are doing their best to earn as much profit as possible.

SHRI B. C. GHOSE: Do I understand from that answer that the hon. Minister does not know that there is an Act passed by the Legislature which gives Government sufficient power to control the industry in every way?

SHRI RAFI AHMAD KIDWAI: I think the hon. Member is working under some misapprehension. The private owners do not need any encouragement from the Government to produce more, but still the Government is doing all that is possible to do.

SHRI RAJAGOPAL NAIDU: The hon. Minister was saying that to set up this refinery plant about 70,000 tons of raw sugar or brown sugar has to be imported from outside the country. Sir, the hon. Minister would have heard of the enormous stocks of *gur* available within the country—we call it jaggery in Madras—ana I ask whether this jaggery could not be refined and converted into sugar by this plant.

SHRI RAFI AHMAD KIDWAI: The price of *gur* is high and therefore converting it into sugar is not a profitable proposition. There are some people who want to have *gur* and it is therefore necessary to provide sufficient quantities of *gur* for such people. Also if the question of converting *gur* into sugar is taken up, then the price of *gur* will go still higher, but I may inform the hon. Member that year before last when the price of *gur* was Rs. 6 a maund many of the factories in the *gur* area utilised it to refine it into sugar.

SHRI B. C. GHOSE: May I know whether Government have consulted the sugar industry in the matter of importing machinery for setting up a sugar refinery in this country?

SHRI RAFI AHMAD KIDWAI: I do not understand this question of consulting the sugar factory owners for establishing a rival industry, and if I ask the sugar factories whether I should start a refinery, they would oppose it.

DR. SHRIMATI SEETA PARMA NAND: The hon. Minister said that the sugar manufacturers were doing their best to produce as much sugar as possible. When was the last enquiry in this respect held by Government and is the report available?

SHRI RAFI AHMAD KIDWAI: There was no enquiry about it because it is understood that for private industry profit is the main motive.

SHRI B. C. GHOSE: Is the hon. Minister aware that* the industry produced 15 lakh tons a year or, two ago but the production fell during the last year?

SHRI RAFI AHMAD KIDWAI: We are aware that in 1952 the production of sugar was almost 15 lakh tons but then we had a very good bumper crop of sugarcane and here I may tell the hon. Member that in Northern India, in U.P. and Bihar, the production was at the cost of the cane-producer who was paid a very low price for his cane.

LICENCES FOR ESTABLISHING SUGAR FACTORIES IN MADRAS

•581. SHRI RAJAGOPAL NAIDU: Will the Minister for FOOD AND AGRICULTURE be pleased to state:

(a) whether any new licences were granted for establishing sugar factories in Madras State during the year 1952-5? and 1953-54;

(b) if so, to whom and for which areas of what State; and

(c) whether any of the licences was granted to any foreign concern?

THE MINISTER FOR AGRICULTURE (DR. P. S. DESHMUKH): (a) and (b). Licences have been granted to the following three industrial undertakings for establishing new sugar factories in Madras State:

1952-53—

- <i>(i) Messrs, Tiruvannamalai Sugar Mills Ltd., Tiruvannamalai, District North Arcot.

1953-54—

- (ii) Messrs. Challapalle Sugars Ltd., Challapalle, District Krishna.
- (iii) Messrs. Kulittalai Sugar Factory Ltd., Pethaivaithalai, Tehsil, Kulittalai, District Tiruchirapalli.

(c) No.

SHRI P. SUNDARAYYA: We would like to know what are the places and whether they are in India or in some other country.

MR. CHAIRMAN: Tiruvannamalai is one; Challapalle is the second and Kulittalai is the third.

SHRI RAJAGOPAL NAIDU: Will the hon. Minister say what has happened to the licence that has been, granted to Tiruvannamalai Sugar Mills for the starting of a mill and whether any start has been made?

DR. P. S. DESHMUKH: I have not got the exact information.

SHRI RAJAGOPAL NAIDU: Is the hon. Minister aware of any licence being granted to Messrs. Parry & Co.. for a sugar mill to be located in South, Arcot District?

DR. P. S. DESHMUKH: I have already given the information that the Government possesses.

SHRI RAJAGOPAL NAIDU: If the news has appeared in the local dailies, would it be wrong?

DR. P. S. DESHMUKH: - This is: somewhat hypothetical. I do not know what will be wrong and what will be right.

SHRI RAJAGOPAL NAIDU: Does the hon. Minister mean that no licence has been granted either to Parry & Co. or Ralli Brothers, both of which companies are incorporated in England?

DR. P. S. DESHMUKH: I do not know if the hon. Member is referring: to a change of the present factory.

MR. CHAIRMAN: You say licences have been given to these three. He tells you that - licence has also been granted to Par^ & Co. or Ralli Brothers which are incorporated in England but functioning in this country.

DR. P. S. DESHMUKH: There is one application under consideration—that of Messrs. East India Distilleries and