

[Dr. Anup Singh.]
 House does not recognise the existence of the British Commonwealth, I am quite sure that there would be vociferous opposition on the ground that the Law Minister has been very partial because no reference was made either to the existence or the non-existence of the Soviet bloc. I submit that if we were to use the expression "British Commonwealth" less—ration it—we would help ourselves a great deal.

SHRI P. V. NARAYANA : Sir, section 44A itself has outlived its purpose. In the days of the British Empire it was thought fit to introduce that provision in the Civil Procedure Code, because the British Empire and all the Dominions were considered to be a single unit for several purposes, and in order to enable them to help each other this provision was considered necessary at that time. I wish Government had come forward with a Bill repealing this part of the Civil Procedure Code, that is, deleting section 44A altogether.

MR. DEPUTY CHAIRMAN : That point has been made out. The hon. Member is repeating an argument which has already been advanced in the earlier discussion.

SHRI P. V. NARAYANA : Instead of that, they want to extend this to other parts of the universe. It was introduced first in the British Empire. Now it has found a place in the Civil Procedure Code of India today, and it is now being extended to other territories. It covers all reciprocating territories outside the Commonwealth. But so far as these other countries are concerned, you will be losing a lot of money. Our Government will be losing to some considerable extent, just for the purpose of a very few capitalists, businessmen. In executing these it will mean our own lawyers will get very little fees. We have got a number of *vakils* who do not have much work. Now you are further reducing their professional work. I have nothing more to add. This, I feel, is quite unnecessary.

SHRI B. P. AGARWAL (West Bengal) : Sir, all our lawyer Members have spoken on this Bill ; so I do not want to say anything on the legal aspect of the necessity or otherwise of this Bill. I only want to put before the House the businessman's point of view for seeking this amendment. Our trade relations are not only with British Commonwealth countries, but there are trade relations with many other countries, as the hon'ble Minister has explained. We have our trade relations established everywhere. We should not forget Sir, that one third of the country which was previously one is now separate. There are trade relations between India and Pakistan. Indian nationals have established business connections with Pakistan. Similarly Pakistan nationals have business connections here. The question of reciprocity arises with respect to these countries. Unless there is some such reciprocity I know it is very difficult to carry on any business nowadays. Besides, Sir, all countries are slowly advancing towards the ideal of one world. We are also going towards the ideal of having one Government. We are considering that there must be universal brotherhood. In the light of these, I think this measure which is being provided, is a step in the right direction. From the businessman's point of view it is a great necessity, and I think, the proper thing for the House is that it should be passed.

MR. DEPUTY CHAIRMAN : The question is :

That the Bill be passed.

The motion was adopted.

THE SUGAR (TEMPORARY ADDITIONAL EXCISE DUTY) BILL,
 1952

MR. DEPUTY CHAIRMAN : I have to make one announcement. I have to inform the hon. Members that under rule 162(2) of the Rules of Procedure and Conduct of Business in the Council of States, the Chairman has allotted time from 4.54 P.M. till 5 P.M. on 27-11-1952 and from 10.45

A.M. to 1- P.M. and 2-30 P.M. to 4-30 P.M. on 28-11-1952 for the completion of all stages involved in the consideration of and the passing of amendments, if any, to the Sugar (Temporary Additional Excise Duty) Bill, 1952.

THE MINISTER FOR REVENUE AND EXPENDITURE (SHRI MAHAVIR TYAGI) : Sir, I have waited for my chance for a couple of hours and I am glad that I got it. In the meantime, I had observed that as I rose most of the stars on the horizon have set. But sugar is a very attractive thing and they are coming again. I rise to move :

That the Bill to provide for the levy and collection for a temporary period of an additional duty on excise on sugar, as passed by the House of the People, be taken into consideration.

Sir, as the House is aware, in view of the deficiency in the production of sugar which occurred year after year during the period preceding 1951-1952, Government have been controlling the price of sugar which has been sold to consumers through ration shops. Certain prices were accordingly guaranteed to the factories in 1951-1952 also. But due to bumper cane crops, production of sugar exceeded expectations with the result that the quantity available in 1951-1952 was 77 lakh tons as against the estimated consumption of 20 lakh tons. About 5 lakh tons of sugar were carried over to the end of October 1952. Meanwhile, on account of the steep fall in the prices of goods, the condition of the cane crops and the general downward tendency of the agricultural produce, it has been found necessary that the fair price of sugarcane to be supplied to sugar factories during 1952-1953 should be reduced to Rs. 1-5-0 as against Rs. 1-12-0 during 1951-1952. This will bring down the cost of production of 1952-1953 sugar and it is expected that the sugar will be sold in the free market at the rate of Rs. 27 or Rs. 28 per maund. The issue price of the carry-over of five lakhs of the 1951-1952 sugar, which I have mentioned and which is lying in the factories is, however, guaranteed by Government at Rs. 29-12-0 to Rs. 34-14-0. Government have

been faced with the situation that there is no escape from fulfilment of this guarantee. Government have therefore, been faced with the choice of maintaining this price until the carry-over of the stocks have been exhausted, which will not be until about April 1952, or to reduce the issue price of this stock to the level of the prices in the new season. In order that the consumer may not have to wait until as late as April to enjoy the benefit of the lower price, the Government has chosen the latter alternative as more welcome to the consumer and the prices are being reduced. This matter is possible only if some rules are made to give the guarantee prices to the four lakh tons of 1952-53 sugar. The Government have accordingly decided to levy a small excise duty of eight annas per cwt. or Re. 1 per maund. It might be levied on the new sugar which will have to be continued over a part of the production of 1953-54. It is this measure which is now before the House. In this connection, some of the hon. Members would like to know why it is necessary to effect a reduction of as much as 25 per cent. in the sugarcane growers' income by dropping the price of the cane supply to sugar factories from Rs. 1-12-0 to Rs. 1-5-0 per maund. The price of Rs. 1-12-0 which was fixed for the year 1951-52 was fixed at that level solely to supply adequate quantity of cane to sugar factories in competition with *gurr*. The price of *gur* was Rs. 18-2-0 per maund and averaged to Rs. 14 during whole year. It then dropped as low as Rs. 7 per maund in March 1952 which was the main reason for the diversion of cane to sugar production and the consequent increase in the production of sugar also on this account in 1951-52. The present price of *gur* is Rs. 11-12-0 per maund and is expected to average at Rs. 11 per maund during the 1952-53 season. Against this price of Rs. 11 per maund of *gur* according to the Indian Tariff Board's calculations the average price for the supply of sugarcane to sugar factories would be Rs. 1-3-10 as against the minimum of Rs. 1-5-0 per maund fixed by the Government after obtaining the views of the State Governments.

[Shri Mahavir Tyagi]

The sugar interests and the cane-growers were also consulted. I commend the Bill to the House for approval.

MR. DEPUTY CHAIRMAN :
Motion moved :

That the Bill to provide for the levy and collection for a temporary period of an additional duty of excise on sugar, as passed by the House of the People, be taken into consideration.

SHRI GOVINDA REDDY :
(Mysore) : I want some explanation on two or three points. I would like to know from when does the 1951-52 season commence ? Is it common to all the factories in India or is the season reckoned in different ways for different factories ?

SHRI MAHAVIR TYAGI :
The season has already begun. It is not always common. It spreads over quite a large part of the year. The 1951-52 season is over.

SHRI GOVINDA REDDY : I have sought this information, Sir, because according to the sources of my information, I learn that the year of production of sugar or crushing of cane in the case of Mandya Sugar Factory is different from the year that is reckoned in relation to other factories. There has been some trouble about it because of the reduction of prices which the Government have brought into effect. I would like to know, therefore, if it is true that in the case of Mandya Sugar Factory the year is reckoned in a different way, i.e., from July instead of from November ?

SHRI MAHAVIR TYAGI : I will give that information during the course of the debate but I might add that in the factory which my hon. friend has mentioned they had started crushing sugarcane earlier. When the season began and when the idea came that next time the sugarcane price is going to be reduced and the Government intimated to them, they started crushing on the undertaking that they will agree to whatever the price Government will fix afterwards.

SHRI H. D. RAJAH (Madras) :
Now in view of the fact that very serious statements are made with regard to the position.....

MR. DEPUTY CHAIRMAN :
What is the point ? There are still five minutes. Each minute costs about Rs. 40 or so.

SHRI H. D. RAJAH : The only point is that this is a Bill for which we must have some time to study. Therefore I would request that the House be adjourned and by tomorrow morning there will be enough time for the Opposition Members to go through the details.

MR. DEPUTY CHAIRMAN :
Will the hon. Minister please resume his speech ?

SHRI L. H. DOSHI (Bombay) :
On a point of information, Sir. What is the price fixed for sugar of the 1952-53 season ?

SHRI MAHAVIR TYAGI : There will be no price fixed for sugar for the next season. The calculations are that the cost price of sugar would be somewhere between Rs. 27 and Rs. 29 per maund on the basis of the cost being paid to the sugarcane growers now for sugarcane. That is the only calculation but since there will be no control or ceiling price fixed for sugar, sugar will sell on its own price in the market.

SHRI L. H. DOSHI : Will the 1952-53 sugar be issued after the 1951-52 sugar is exhausted ? Will the 1951-52 sugar be sold earlier ?

SHRI MAHAVIR TYAGI : The idea is as soon as this Bill is passed and the House gives power to levy this duty, there will be little discrimination between old and new sugar and all will be dealt with as if it was one sugar produced in the same year for the purposes of issue. It is immaterial whether the old sugar is issued or the new sugar is issued. We will not distinguish between old bag and new bag.

SHRI KISHEN CHAND (Hyderabad) : I want to ask a question.

MR. DEPUTY CHAIRMAN : This cannot be converted into a question hour.

SHRI P. SUNDARAYYA (Madras) : Before discussion is started I would like to ask one question.

MR. DEPUTY CHAIRMAN : I will not allow any question. If you want to speak, you may. You can continue tomorrow.

SHRI P. SUNDARAYYA : I would like to have information. My whole argument will be based on that.

MR. DEPUTY CHAIRMAN : You can ask it in the speech and the Minister will reply.

SHRI P. SUNDARAYYA : The first question is this. Can the hon. Minister give me what are the profits earned by the sugar factories in 1951-52—the total profits earned.

AN HON. MEMBER : That is a question

MR. DEPUTY CHAIRMAN : He will reply in his speech.

SHRI P. SUNDARAYYA : If the Minister gives the information, it will help me for my speech.

SHRI MAHAVIR TYAGI : Shall reply to the debate ?

MR. DEPUTY CHAIRMAN : Not to the debate. They want to adjourn the debate to tomorrow.

SHRI MAHAVIR TYAGI : The profits of the sugar factories vary from factory to factory and I can only know

the amounts of profits earned by each factory after the income-tax assessment of the factory is over. The income-tax assessment is done on the previous year's profits. Last year's profits will be available next year. Just now I am not in a position to tell how much profit is earned by the factories.

SHRI P. SUNDARAYYA : Can you give for 1949-50 ?

MR. DEPUTY CHAIRMAN : You cannot convert this into a question hour. You wanted 1951-52 figures and now you want for 1949-50.

SHRI MAHAVIR TYAGI : I have no information.

MR. DEPUTY CHAIRMAN : Evidently you are not prepared to begin your speech ?

SHRI P. SUNDARAYYA : I have begun my speech. This Bill which the Government has put forward is nothing but robbing the growers in the interests of the sugar manufacturers. As such we have nothing but to totally oppose this very unjust Bill which is intended to protect the interests of the sugar manufacturers because in the object of the Bill itself it has been pointed out that.....

SHRI C. G. K. REDDY (Mysore) : The time is up.

5 P. M.

MR. DEPUTY CHAIRMAN : You can continue tomorrow.

The Council then adjourned till a quarter to eleven of the clock on Friday, the 28th November 1952.