

[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 K I S H E N 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 I reply to the debate ?

MR. DEPUTY CHAIRMAN : Not to the debate. They want to", adjourn the debate to tomorrow. j ^

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.

COUNCIL OF STATES*Friday, 28th November 1952*

The Council met at a quarter to eleven of the clock, Ms. CHAIRMAN in the Chair.

MESSAGE FROM THE HOUSE OF THE PEOPLE**THE WEST BENGAL EVACUEE PROPERTY (TRIPURA AMENDMENT) BILL, 1952.**

SECRETARY : Sir, I have to report to the Council the following message received from the House of the People signed by the Secretary to the House :

In accordance with the provisions of rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the West Bengal Evacuee Property (Tripura Amendment) Bill, 1952, which has been passed by the House at its sitting held on the 27th November 1952.

I lay the Bill on the Table.

THE SUGAR (TEMPORARY ADDITIONAL EXCISE DUTY) BILL 1953—continued

MR. CHAIRMAN : Now we resume discussion on the Sugar (Temporary Additional Excise Duty) Bill, 1952. Mr. Sundarayya can resume his speech.

SHRI P. SUNDARAYYA (Madras) : Sir, yesterday I began by saying that we oppose this Bill because this is a Bill which by its provisions seeks to abet and sanction open robbery of the sugarcane growers and sugar consumers in the interest of the sugar mill magnates. The Government says there is necessity for this Bill because they had guaranteed a price of Rs. 29-12-0 to Rs. 34 and odd per maund to the sugar manufacturers, and since there are four lakh tons still pending, to cover the loss which is likely to occur, this Bill is necessary to offset that loss. So as to carry out this guarantee which the Government had given to the sugar manufacturers, the Government is so solicitous as to have brought in this Bill. But what is the actual result of

43 C of S

this Bill? The Government have also reduced the price of sugarcane from Rs. 1-12-0 per maund to Rs. 1-5-0 per maund which means a reduction of Rs. 12 per ton in the price of sugar. According to the figures for 1950-51—I do not have the figures for 1951-52—nearly 4.2 million acres were cultivated for sugarcane crop. Generally, on an acre about 15 to 30 tons of cane are grown. Taking the average at 20 tons per acre, this means that nearly 84 million tons of sugarcane have been grown. There should be more this year. This means that by this reduction, the Government has put the cane growers to a loss of twelve times 80 millions or nearly Rs. 100 crores. This they do to compensate the so-called loss that the sugar manufacturers are likely to incur. But I would like to put this question. Is not the Government responsible also to fulfil its word to the sugarcane growers? There are not less than 10 lakh families who grow sugarcane and there may be many more engaged in this cultivation. Government is going to put these people to a loss of as much as Rs. 100 crores. Government fixed the price at Rs. 1-12-0 per maund last year and they have reduced this price from Rs. 1-12-0 to Rs. 1-5-0 only a month or a month and a half back. But the sugarcane growers, on the basis of the price guaranteed to them, that is to say, Rs. 1-12-0 have cultivated the crop from May or even earlier, in April. Government, therefore, has kept them in the dark for the whole of this season. If Government had come up with this proposal of reduction of cane price some time earlier, in March or February, then the growers would certainly have planned their own economy accordingly and diverted their activities to the raising of other crops. But Government encouraged them to grow sugarcane by guaranteeing the price at Rs. 1-12-0 and therefore the peasants have been cultivating more than four and a half million acres with sugarcane. But now, when the whole sugarcane is ready, Government comes with this drastic reduction of 7 as. per maund and this makes the sugarcane growers lose to the tune of Rs. 100

[Shri P. Sundarayya.]

crores. If this is not robbing the people what else is it ?

Yesterday the hon. Minister advanced a very amazing argument to show how he arrived at the figure of Rs. 1-5-0. He said that today the price of jaggery was about Rs. 1-3-0 per maund and if the peasant instead of selling his sugarcane to the factory tries to make jaggery out of it he will get only about Rs. 1-3-0 per maund of sugarcane. So he says that he is very liberal in giving the peasant a price of Rs. 1-5-0. Sir, this is a callous attitude adopted towards the sugarcane grower. This means that Government wants only to fix the most unremunerative price, the lowest price which the peasant on his own can get for his produce. But in this connection I would like to bring to the notice of the House that when previously the sugarcane growers refused to sell the cane to the factory at the price that the manufacturer was prepared to pay, Government came out with orders prohibiting the peasant from making jaggery and thus forced him to sell the cane to the manufacturer. Now also the Government is fixing the price of the sugarcane and forcing the growers to supply the cane to the factories at Rs. 1-5-0 per maund

SHRI J. R. KAPOOR (Uttar Pradesh) :
It is not forcing them to sell.

AN HON. MEMBER : They will not supply the cane.

SHRI P. SUNDARAYYA : It is certainly forcing, for they have ordered the prohibition of jaggery making and there are so many other orders. It is no use saying that they are not forcing the peasants to sell their cane to the factories. All these things are there. Apart from legal forcing there are economic forcing which Government has adopted.

PROF. G. RANGA (Madras) : That is if

SHRI P. SUNDARAYYA : There is still another point. Government which is so very solicitous for the sugar manufacturers does not compel them to pay the growers the money that is due to them. For instance, in the U.P. as is known to certain hon. Members here, a sum of Rs. 4! crores is still to be paid by the manufacturer; to the growers and they have not paid it to the growers. I can give an example from Madras too. In the Kistna District there is the Vuyyur Sugar Factory which has to pay Rs. 10 lakhs to the peasants. But when pressed for the money, they gave the peasants sugar bags and asked them to sell them and make good the money due to them. So the Government is not compelling the sugar manufacturers to pay the peasants what is due to the peasants even according to the laws of the Government. This is how they are robbing the sugarcane growers to the tune of Rs. 100 crores.

Now, let us see whether this step is taken for the benefit of the general consumer of sugar, for Government always, when it slashes down the price for the producer says that it is in the interest of the general consumer. They pit the general mass of consumers against the peasant who produces the thing. In this case, therefore, let us see whether this excuse trotted out by the Government has any substance. Government says that by this reduction of 7 as. per maund there will be a reduction of Rs. 7 per maund in the price of sugar to the consumer.

What does the Government do ? It says 'I am taking Re. 1 from the seven rupees as cess and there will be a reduction of Rs. 4'. That means, four plus one goes away. Then, what happens to the remaining Rs. 2. The Government is not prepared to reduce it and it directly goes to the sugar manufacturer. Why should the Government come out with this proposal of robbing the sugarcane growers, of robbing the general consumers and making a gift of Rs. 2 per maund to the manufacturer ? Is there any price control on the sugar ? Is there any guarantee

that this reduction that is given will be carried to the consumer ? The Government also does not take the responsibility of forcing sugar manufacturers to sell the sugar at cheaper rates so that at least the consumer may be benefited ? It leaves it on the sugar manufacturer to sell at whatever rate he can get and give him all facilities to export sugar to foreign countries if he does not find the price at which he can rob the people or that the people are not prepared to pay—and they are not in a position to pay—and earn more profits. Even in the interests of the consumers, this Government has not reduced the prices.

Now, when the Government is so solicitous of the manufacturers, does it guarantee a fair wage to the workers who are employed in the sugar factories ? The Government does not do it. I give only one instance. The Vuyyur Sugar Factory in 1951-52, earned 2 million rupees as profits, after paying Rs. 3.74 lakhs to the Director. Let us see what is the amount of wages that this factory paid to nearly 1,000 workers who are employed there. It is only Rs. 2.4 lakhs to all the workers whereas one Director is paid Rs. 3.74 lakhs. This is how the sugar magnates are minting money at the cost of the people, at the cost of sugarcane growers and yet the Government is very solicitous of these sugar manufacturers—Do these magnates really suffer loss ? Yesterday evening I tried to get some information from the hon. Minister, but, of course, he is not in a position to give it. I have got some figures from 1945 to 1949 even though I would have liked to get the latest figures. I would give the House the figures I have got. Crores of rupees were minted by the sugar magnates from 1945 to 1949. The paid up capital of the sugar factories did not exceed Rs. 3.79 crores in 1949. It was only Rs. 3.55 crores in 1945. In the paid up capital, there was a real increase of 24 lakhs. Now, let us see the gross profits earned by them year after year. In 1945, Rs. 90 lakhs ; in 1946, Rs. 77 lakhs ; in 1947, Rs. 81 lakhs ; in 1948, 2.25 crores and in 1949, Rs. 1.30 crores. The total

during the years 1945—49 is Rs. 6 crores on the same capital. That means, they have earned double the amount they had invested during the course of these five years alone.

SHRI B. K. P. SINHA (Bihar) : May I know the net profits, Sir ?

SHRI P. S. JADARAYYA : I will come to that. They are Rs. 43 lakhs in 1945 ; Rs. 32 lakhs in 1946 ; Rs. 38 lakhs in 1947 ; Rs. 117 lakhs in 1948 ; and Rs. 57,71,033 in 1949. The total is nearly Rs. 3 crores during those five years. Even in the so-called net profits, which is after deductions for the so-called depreciation, reserve, etc., funds, after also paying huge sums of money to the Director as I have shown in the case of the Vuyyur Factory, they have earned a net profit of nearly 3 crores on a capital of Rs. 3.79 crores. Now, Sir, what is the rate of profit ? These are localised profits which they have shown in their balance sheets and in their accounts. The percentage varies from 31% to 3%. In 1941 it was 31% and in 1946, they earned 8%, the lowest figure. If you take the gross profits, the percentages are 25% in 1945, 21.1% in 1946 and 1947, 60% in 1948 and 33-60% in 1949. So, they are minting legalised profits, as per their balance sheets and they have already made profits, more than what they have invested, during the five years.

II A.M.

Apart from this, you must take into account the blackmarket profits. In 1947, when the sugar was de-controlled the price was suddenly lifted from Rs. 20 to Rs. 35 per maund. Though this was the controlled price, we know that in 1947-48 the sugar manufacturers sold sugar at Rs. 63 per maund. Even if half of the production is taken into account in the black-market sale at the rate of Rs. 60 leaving the other half for supplying Government requirements—which leaves a margin of Rs. 40—they would have made.....

SHRI C. G. K. REDDY (Mysore) : It is the normal market.

SHRI P. SUNDARAYYA : I call it black market, not normal market. I just calculated and the profits come to about Rs. 60 crores for the manufacturers. Apart from the legal profits. In one year alone they made a black-market profit of Rs. 60 crores. Now, to these swindlers of the people's money, to the open robbers of the people's money, the Government comes with great solicitude and brings this Bill to compensate them to fulfil the guarantee which the Government had given them. The Government has no business to give a guarantee to these sharks while forgetting to give a guarantee to the peasants. It forgets its own guarantee to the workers that they will be given a decent wage which, is also assured in the Constitution itself, that they will be given a decent wage. It forgets all these guarantees to the masses of people but remember the guarantees which it gave to the mill magnates.

Let us see what has the Tariff Commission to say about the way in which these mill magnates looted the people. I read from the evidence—Tariff Board Report of 1950. "From the evidence that we have received we have found that during the past period—from 8th December 1947 to the end of August 1948, the regulatory machinery of the U. P. and Bihar Governments did not function in a systematic and authoritative manner". And the instance they give out is this : "During the negotiations for fixation of prices in 1947-48, the Syndicate was allowed to include an additional profit of Rs. 2 per maund and additional manufacturing charges of Rs. 4-5-6 without adequate justification". This is how the sugar mill magnates were cheating the Government, cheating the people, swindling the people and robbing them.

Sir, with facts like these, for the Government to have come with this Bill before the House to get it sanctioned, is a very audacious move. I think they have got the audacity because they have got a huge majority in the House. They forget that though they may have got the majority today, yet, if they continue to rob the people like

this, if they continue to bring these Bills, the people will certainly see that this Government is not a Government in which they can place any trust whatsoever. This Government is a robber Government—a Government which robs the people. It is actual robbery. If this is not robbery what else is it ? I appeal to the House that this Bill be thrown out and no mercy be shown to the Government when they ask our sanction. With these words I conclude.

Mr. CHAIRMAN : Mr Saksena.

SHRI H. P. SAKRENA (Uttar Pradesh) : Mr. Chairman, I had no intention of entering into this debate at this stage, but I am confident that if it comes to using abusive and filthy language, I can pay my hon. friend Mr. Sundarayya back in his own coin. I am competent to do it.

AN HON. MEMBER Don't do it..

SHRI H. P. SAKSENA : He has charged the Government of being a robber Government, and then naturally it follows that my hon. friend, the Minister in charge of the Sugar Bill, is a master robber. My hon. friend says that the Government is very solicitous of the manufacturers. The word "solicitous" was used by him a hundred times. Now Sir, if the Government is solicitous of the manufacturers, is it not solicitous of the Communists ? Is it not solicitous of the consumers ? Is it not solicitous of the cane growers and producers ? The Government, as Government, is solicitous of all sections of the people who reside in this country. There is no gain saying the fact that the Government is a neutral Government—an impartial Government. It has no favourites and no non-favourites. You may chuckle at this statement of mine. The fact remains that if it had been, otherwise it would have been thrown out by this time. You can say that the Government is robbing, robbing and robbing, and yet nobody, prevents

this Government from robbing the people. Anyway, the prices of sugarcane are reduced from Rs. 1-11-0 per maund to Rs. 1-5-0 that is a difference of six annas. I would remind my hon. friends of this House of the time when sugarcane was 5 annas a maund. Now, this abnormal rise in the price of sugarcane was brought about by artificial means. I am warning the House and my own countrymen that until and unless we do away with artificial economies and come back to our old economy, things will not go right. You cannot raise the standard of living of the people by raising the prices of commodities and by raising the wages. This is false economy, bad economy. You have got to come to the old economy and then try to produce as much wealth as possible, by all possible means. Then the standard of living will automatically be raised. It cannot be raised artificially. Please remember the time when sugarcane used to be sold at five annas. Nobody would be more solicitous about the interests of the kisan, the tiller of the land, the cane-grower, than myself, but then, I cannot forget the facts that we have got to face. They have got to be taken into account. Now, if the prices of sugar are reduced, it is not only the manufacturer that gets the advantage out of it. Millions upon millions of people, I mean the consumers, who were hankering for a small bit of sugar when it used to be sold at Rs. 2 per seer, or Rs. 1-8-0 before, can all have a little of sweetness in their daily food. Then Sir, this complaint of Rs. 60 per maund, of five lakh maunds of sugar being sold in the blackmarket, and then 100 crores of rupees having been gained by the manufacturers as blackmarket profit as simply bosh and nonsense. If the presumptions are to be taken into account then the whole thing, the whole produce of 10 lakh maunds, could have been taken and multiplied by six. But you see, he has been gracious enough to include only one half of the quantity, namely five lakhs, and calculate accordingly in arriving at his figures. It was open to him to say that the whole ten lakh maunds of sugar was sold in the blackmarket. These are the arguments that are replaced as against

the mode st Bill that has been presented to this House. My only suggestion to the hon. Minister is this that he will not forget the word "Temporary" that he has used. It is the practice of our Government to make all temporary things into permanent ones ; so far as taxation is concerned even temporary taxations have now become a sort of permanent in character. They are now intolerable and they are breaking the bone of the common people. They should not remain on the Statute Book a moment longer than they are actually required a moment longer than necessary. So this word "temporary" may kindly be taken into account, and remembered; this amount of additional taxation should be removed as soon as possible. I have already been advised by hon. friends not to pay back the hon. speaker who has spoken before me.

THE MINISTER FOR REVENUE AND EXPENDITURE (SHRI MAHAVIR TYAGI)
: Those coins are basecoins.

SHRI H. P. SAKSENA : With these words I support the Bill and I resume my seat.

SHRI H. D. RAJAH (Madras) : Sir, I rise to oppose this Bill. This sugar industry has been a tantalising industry in this country. I have got statistics to produce in this House, that this industry which had about 112 mills in 1931-32, is having today about 139 mills. That means an increase of only about 27 mills more for the industry. As you will see, the sugar produced in the country in 1932-33 was in the region of about 7 lakh tons. And the very same industry has been improved in our country to such an extent that in the year 1950-51 our production of sugar has risen to 17 lakh tons. This industry, which had a working capacity of 112 factories in 1931-32 in this country, got 139 factories in 1950-51, with a production capacity of 17 lakh tons. Sir, the overall capacity of 139 factories gives an additional output in this industry

[SHRI H. D. RAJAH-] including the twenty-seven new factories. During the course of twenty years this sugar industry has had an additional capacity of 27 mills, and the investment, if I am to take it as correct from Shri Sundarayya is in the region of Rs. 2>\ crores.

AN HON. MEMBER : The figures quoted are for 4 lakh tons.

SHRI H. D. RAJAH : Our Finance Minister Shri Tyagi has given as 12 lakh tons of sugar and a left-over of 4^ lakhs of tons. That would mean that in this country during this year 16 J lakhs of tons of sugar has been produced.

SHRI B. C. GHOSE (West Bengal) : What is the carry-over of last year ?

SHRI H. D. RAJAH : That he has not stated. Whether it is 16 lakhs or 14 lakhs—I am prepared to concede a difference of 2 lakhs

SHRI MAHAVIR TYAGI : May I clarify the point. Two lakhs of tons was the carry-over of last year and this year the production was 15 lakhs of tons. So the total comes to 17 lakhs of tons.

SHRI H. D. RAJAH : I accept the statement of the hon. Minister and I will proceed on the basis of those figures.

Sir the acreage under sugarcane in this country h?.s risen from 1 million acres in 1932-33 to 4 million acres now. Unless this industry was able to give a substantial profit to those who are engaged in the industry, do you imagine for a minute that this cash crop of sugarcane would have been substituted for the most badly required crop of our country, namely food crop ? Three and a half million acres in this country have been diverted to sugarcane at a

time when we are suffering acutely for want of food. Those three and a half million acres have been diverted to this cash crop of sugarcane instead of to food. What is the *per capita* production of a single acre in respect of food ? Multiply that by three and a half million acres which are now used for the production of sugarcane, and then you will understand in one second that this country should have had no food problem at all. But the chaotic policy of this Government cannot understand and equate things and arrange them in such a way that the economy of the country is well balanced. If the three and a half million acres have been put under food crops instead of sugarcane, would not our food requirements have been met long ago ? We are going on bended knees to foreign countries asking for loans in order to feed our hungry population of 30 crores. These three and a half million acres, which have produced so much of sugarcane, which have kept sugar production in factories going on, should have given us a substantial quantity of food. This has not been thought of. I accuse the Government of dereliction of duty. They should revise their policy and decide what portion of this acreage should again be compulsorily brought back to food production.

My hon friend Mr. Saksena was referring to the "high" rate of payment made to sugarcane growers. Government encouraged the production of cash crops and naturally they must have increased the price of sugarcane and from five annas it rose to Rs. 1-12-0. Twenty lakhs of families are employed in the production of sugarcane. Twenty crores of rupees is the amount that is "now being lost by these families on account of the reduction in the price of sugarcane from R.s. 1-12-0 to Rs. 1-5-0. Now taking it for granted that Rs. 20 crores are to be lost by 20 lakhs of families 'is there no justification' I ask, for the sugar industry, to forego this prittance of Rs. 4 crores ? Should the Government come forward and show such solicitude about seeing that their contractual obligations are kept with this Syndicate, to the extent of putting art

excise duty of Rs. 1-6-0 per cwt. and collect Rs. 4 crores and hand it over in a lump sum to these pot-bellied patriots of Uttar Pradesh ?

MP. CHAIFMAN It is not necessary to use such expressions.

SHRI H. D. RAJAH : Whatever it is, the Syndicate represents pot-bellied people.

Now, apart from the question of this payment of Rs. 4 crores by the levy of a cess, let us go into the details of how this Rs. 4 crores is arrived at. Sir, Government says that the uniform imposition of this additional excise duty of Rs. 1-6-0 will make up the difference of money which Government have guaranteed to the sugar industry. Never mind. They want to pay this money. But I ask them in all humility : Should they not share our miseries ? Our cost of living is so high that the people have not the wherewithal to purchase their food, let alone sugar. You want to sweeten the mouths of hundreds and thousands of hungry people of our country. Sir, *Makanankranti* Day is an auspicious day. On that day, along with coconuts, sugarcane is brought and kept before the deity and worship is offered. Sugarcane and coconut go hand in hand. They break the coconut, and mix gur and eat it, and the children are happy when coconut and gur are given. Now you want to tease them. The other day you came with a Cess Bill, a very innocuous measure which will put into your pocket Rs. 3 lakhs. Now comes another innocuous measure, a small measure, a temporary measure. I entirely agree with Mr. Saksena that there is no temporariness in the taxation policy of this country. At no time in our history was a tax which had been levied, ever withdrawn. At no time have the Government done anything to assuage the feelings of the people. All pills are sugar coated. But they are as bitter as quinine. When you are suffering from malaria, you have to go to Shri Tyagi

himself, telling him, "Please do something in order to wake this man from his bed". The sugar industry has had enough for twenty years. All the machinery replacement has been completed with the money which they have collected from the people, and they have also earned three times the money which they invested in the industry. I ask the Government : Cajole them ; pat them ; nuke love to them ; pamper them ; ask them to give back some of it to you. Tell them not to be a Jew demanding one pound of flesh in the name of law—nothing less than a pound of flesh. "My contract is with you. I must have four crores, nothing less". You must tell them " No". Otherwise, a Portia will have to come into existence and the Jew will be ripped open. He will not get Rs. 4 crores, not even four annas. That will be the position. You have to think of alleviating the present distress of the people, and you have also to see that the people are not burdened further.

I have dealt with the productive capacity of the sugar industry, and now I will deal with the price which is ruling in other countries in respect of sugar. Sir, what is this unfortunate phenomenon in this country that every commodity must be sold in this country at four times the price that rules in every other country, four times the price that is paid by every decent man in every civilised country ? What is the economy that is guiding us and taking us to the top of the precipitous hill and to the bottom of the hill ? How are we going to stabilise our economy so that people will live in happiness and will feed their children with two morsels of food each day and clothe them, and make them happy ? The price of sugar in this country is one and a half times the price of sugar that is sold in Cuba, Argentina or in any other place. What is it that makes for this spiralling of prices ? Yes. Yours is a Welfare State. But I ask you, do not convert it into a hell-fire State. Keep it as a Welfare State. Please see that you govern in the interests of people, and do not vacate, so that the Communist can occupy your seats. I want you to

[Shri H. D. Rajah.]

govern. Govern well. Govern with reason. Govern with commonsense. Come to the rescue of the people who are suffering. Help them. See that you do not bring only taxation measures one after another, in some form or another. Bring measures which are really beneficial to the greatest mass of humanity. What is this Bill which my hon. friend Mr. Tyagi is pressing us to pass? Tyagi means a man of *tyagam*, *Tyagam* means sacrifice. I ask Tyagi just to think of making a bit of sacrifice in the interests of the people. Tyagi said in the House, "I am a sugarcane grower myself. I have got two and a half acres of sugarcane. I have not yet got the money from these millowners." But I say he is *tyagi*. He can afford to keep on; he can wait at the mercy of the industrialists to pay him that money. But what about the poor man who lives from hand to mouth, who has borrowed money from *Marwaris*, from moneylenders who advance loans at the rate of 25 per cent, and 35 per cent. Such people are not paid by these industrial plutocrats. About one and a half crores to two crores are to be paid to the sugarcane growers who have delivered their produce. They have supplied the goods and they are not paid for it and such people in this country number about 10 lakhs.

Now, Sir, is this not a situation in which I can expect some relief from this Tyagi? Could he not use his influence to see that the payments are made in time to these people so that they get their money? Therefore, I say that in this taxation measure you have not taken up a position which will assuage the sufferings of the people.

I would suggest an alternative method. You withdraw this measure and tell these industrialists: "Look here, there is anyhow some contractual liability with you. We will try to honour it. But do one thing. Do not be Jews. Let us compromise. The purchasing capacity of the people has miserably fallen low. They **are**'

not in a position to pay as much money as you want on account of the contractual liability. Come to some arbitration. Let us have some settlement. With regard to the money, we promise to pay you, We shall pay it out of our general revenue and only about half as much as you demand." If you do that Mr. Tyagi, your *tyagam* is complete and I shall thank you for it and the whole world will thank you for it.

KHWAJA INAIT ULLAH (Bihar):

خواجہ عینت ازلہ (بہار) : جذاب

چیئرمین صاحب - آج ہمارے سامنے
The Sugar (Temporary Additional Excise Duty) Bill,
ہے اور جیسا کہ کل آنریبل منسٹر صاحب
نے فرمایا تھا یہ اس لئے لیا گیا ہے کہ
ہمارے دیس میں چینی اب اتنی زیادہ
ہو گئی ہے کہ ہمارے لئے اس کی قیمت
کم کرنا ضروری ہے اور اب ہم لوگوں کو کم
قیمت پر چینی ملیگی - یہ بہت خوشی
کی بات ہے - ایک زمانے سے ہندوستان کی
جفتا چینی کے لئے تڑپ رہی تھی اور آج
ہماری گورنمنٹ کی کوششوں سے اور
پرماننا کی کرپا سے اتنی فصل ہو گئی ہے
کہ ہم کو موقع ملا کہ ہم چینی کی
قیمت کم کر سکیں - ہماری حکومت نے
چینی کے گارجنوں کے ساتھ ایک سمجھوتہ
کیا ہوا تھا کہ چینی ۲۹ روپے یا ۳۳ روپے
من تک بیچتی جائے گی -

SHRI C. G. K. REDDY:

شری سی - جی - کے ریڈی : کیوں؟

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : اس نقصان

کو پورا کرنے کے لئے جو ۲۹ روپے سے کم ہو کر ۲۵ روپے تک چینی کے بیچلے میں ہوگا حکومت ایک نیا ٹیکس لگانے جا رہی ہے۔ شاید حکومت کو معلوم نہیں کہ پچھلے سال سے ہندوستان میں چینی کی کمی کے لئے جو وارنٹا مچھا ہوا تھا وہ ختم ہو چکا ہے۔ ہندوستان کی وہ چلتا جو اب تیس روپے من چارل خرید سکتی ہے اس کو ۲۹ روپے من چینی خریدنے میں کوئی مشکل نہیں رہ گئی ہے۔ وہ مطمئن (satisfied) ہے۔ کیونکہ کھانے کی جو دوسری ضروری چیزیں مثلاً چاول اور دوسرے اناج وغیرہ ہیں وہ ۳۰ روپے یا ۳۲ روپے یا ۳۵ روپے من بکتی ہیں تو وہ چینی کے بغیر بھی گزارا کر سکتے ہیں اور پھر جبکہ پہلے ۸۰ روپے من تک ملتی تھی تو اب ۳۰ یا ۲۹ روپے من مل رہی ہے یا مل سکتی ہے۔ اس کے باوجود جب کہ ملک میں چینی کی قیمت کم کرنے کی کوئی مانگ نہیں ہے اور میں یقین کے ساتھ کہتا ہوں کہ اب ملک چینی کی کمی کی قیادت نہیں کرتا ہے۔ اس کے سامنے اور اتنی ضروریات موجود ہیں کہ اس کا دھیان چینی کی طرف جاتا ہی نہیں۔ کیونکہ جب اس کی ضروری کھانے کی چیزیں مل پاتی ہیں تب ہی وہ لگژری (luxury) کی طرف دھیان کر سکتا ہے مگر آج حکومت چینی کی قیمت کم کرنے کے لئے مجبور

ہو گئی ہے اور ان کارخانہ داروں کا نقصان پورا کرنے کے لئے ایک ٹیکس بوجھایا جا رہا ہے۔

اس معاملہ میں میں اپنے مخالف دوستوں کے ساتھ ہوں کہ حکومت جب کارخانہ داروں کے چار کروڑ روپے کے نقصان کو پورا کرنے کے لئے ایک نیا ٹیکس لگانے کے لئے تیار ہو گئی ہے تو کیا حکومت کا یہ فرض نہیں تھا کہ ان کاشتکاروں کو جنہوں نے گنا بویا ہوا ہے اور اس امید پر بویا ہوا ہے کہ آئندہ سال بھی کارخانہ دار گدا ایک روپیہ بارہ آنہ میں ہم سے لے لینگے۔ اب جبکہ اس کی قیمت کارخانہ دار صرف ایک روپیہ ۵ آنہ من دیں گے تو کیا ان کے اس نقصان کو پورا کرنے کے لئے حکومت نے کچھ سوچا ہے۔

میں سمجھتا ہوں کہ یہاں مہجاریتی کا رول ہے۔ اکثریت یہاں رول کرتی ہے۔ عتیقاً گنا بونے والے زیادہ ہیں اور کارخانوں میں چینی بنانے والے کم ہیں۔ اگر ہندوستان کے ووٹ کا سوال آئے تو میں کہوں گا کہ چینی بنانے والوں کا ووٹ کم ہوگا اور گنا پیدا کرنے والوں کا ووٹ زیادہ ہوگا۔ اس لئے ہماری حکومت کا فرض ہے کہ اگر اسے چینی بنانے والوں کے نقصان کو پورا کرنے کی ضرورت محسوس ہوئی ہے تو کوئی نہ کوئی طریقہ ان گنا پیدا کرنے والوں کے نقصان کو پورا کرنے کے لئے بھی سوچنا چاہیئے۔ میں سمجھتا ہوں کہ حکومت کے لئے کوئی راستہ نہیں تھا۔ حکومت چاہتی ہے کہ جہاں تک ہو سکے

تو وہ اتنا ہی کتا بوٹے گا جتنا کہ کارخانہ والوں کو ضرورت ہوگی اور باقی زمین ہمارے اناج کی ضرورت کے کام آ جائے گی۔ اس لئے جب چاول اور گہیوں پر بھی کنٹرول اٹھانے کی باتیں سوچی جا رہی ہیں اور ان کو تسی کنٹرول کرنے جا رہے ہیں تو پھر چینی پر کنٹرول رکھنے کی کیا ضرورت ہے اور تب اٹر گنا ایک روپیہ ۵ آنے من کے بجائے ایک روپیہ ۳ آنے من یا ایک روپیہ من بھی ہو جائے تو کوئی شکایت نہ ہوگی۔ کسان اب یہ ضرور کہیں گے اور عوام یہ ضرور کہیں گے کہ مل مالکوں کے لئے تو حکومت نے ٹیکس لگا کر ان کی کمی کو پورا کر دیا لیکن گنا بونے والوں کے لئے کچھ نہیں سوچا۔ اگر ہم دونوں کو آزاد چھوڑ دیتے ہیں تو اعتراض کا کوئی موقع نہیں رہیگا اور ہم کہہ سکیں گے کہ پرمانہ کی کرپا سے فصل بہت اچھی ہوتی ہے اور ہمارے دیہوں میں چینی بہت تیار ہو رہی ہے اس لئے جس کا جی چاہے گنا بوٹے اور جس کا جی چاہے نہ بوٹے۔ لیکن آج ہمارے پاس اس بل کو لانے کے لئے کوئی انصاف نہیں تھا۔ یہ صحیح ہے کہ ہمیں کارخانہ دوزوں کی کمی کو پورا کرنے کا خیال رکھنا چاہیئے کیونکہ وہ بھی ہندوستانی ہیں اور اس کو ہمیں برا نہیں سمجھتا لیکن اس کے ساتھ ہمیں ان لوگوں کا بھی خیال رکھنا چاہیئے تھا جو کہ گنا پیدا کرتے ہیں جس سے چینی بڑی ہے اس لئے سب سے بہتر علاج یہ تھا کہ نہ کوئی چینی کی قیمت مقرر کی جاتی اور نہ گنے کی قیمت۔ خود بخود چینی

اور گنے اپنی اصلی قیمت پر آجائیں گے۔

اس بل میں سیکشن (۴) میں ایک چیز پورہ کر مجھے برا تعجب ہوا۔ یہ بل کافی بحث کے بعد ہاؤس آف پیوربل میں پاس کیا گیا اور اب یہاں پاس کیا جا رہا ہے۔ وہاں کچھ وقت خرچ ہوا اور اب کونسل میں وقت لگ رہا ہے۔ لیکن ایک دفعہ سے یعنی اس سیکشن سے حکومت چاہتی ہے کہ اس کو اجازت دے دی جائے کہ وہ جہاں چاہے اس ٹیکس کو لگائے اور جہاں چاہے نہ لگائے۔ انڈیا جو کچھ کیا گیا سوچ سمجھ کر مشورہ سے ٹیکس لگانے کی اجازت دی جا رہی ہے لیکن پھر بھی اگر گورنمنٹ کی مرضی کل یہ ہو جائے تو وہ اس ٹیکس کو نہ لگائے۔ یعنی کل حکومت کی مرضی ہو تو کسی علاقہ پر ٹیکس ختم کر دے اور چاہے تو کسی خاص کمپنی پر بھی نہ لگائے۔ اس دفعہ میں یہ ہے۔

“cease to be levied in any specified area or on sugar generally or on sugar manufactured in a specified factory.”

ہم نہیں سمجھتے کہ ان چیزوں کو رکھنے سے حکومت کا کیا مطلب ہے۔ ٹیکس لگانا تو ہم منظور کر رہے ہیں اور چپ ٹیکس کا قانون پاس کر دیتے ہیں پھر ہم سے یہ خاص اجازت کیوں مانگی جاتی ہے کہ جب جی چاہے ٹیکس لگا دیں اور جب جی چاہے اٹھا دیں۔ میں امید

[KHWAJA INAIT ULLAH.]

کوئی ہوں کہ اس کی وضاحت آنریبل
مدرسٹر صاحب کریں گے اور میں آنریبل
مدرسٹر سے اس کی وضاحت چاہتا ہوں۔

[For English translation, see Appen-
dix III, Annexure No. 14.]

SHRI B. B. SHARMA (Uttar
Pradesh) :

श्री बी० बी० शर्मा (उत्तर प्रदेश) : श्रीमन्,
मुझे इस विषय में अपनी राय जाहिर करने पर
थोड़ा सा संकोच हो रहा है किन्तु उसको जाहिर
करना में अपना कर्तव्य समझता हूँ।

कहा जाता है कि करीब ४५ लाख एकड़
भूमि में गन्ना इस वर्ष हमारे देश में बोया गया
है। ४५ लाख एकड़ भूमि में से २० लाख
एकड़ भी शूगरकेन फ़ैक्टरियों में प्रयोग
किया जाना मान लिया जाय, तो इस तरीके
से अगर कोई भी हिसाब लगाया जाय तो कृषकों
को जो कीमत इस वर्ष दी जायेगी उस में से १५
और १६ करोड़ रुपये की हानि इस वर्ष उठानी
पड़ेगी। इस तरह से १५ और १६ करोड़
की हानि खास कर कृषकों को पहुंचाई जा रही
है। मुझे दुःख के साथ कहना पड़ता है कि
जिस जगह से मैं आ रहा हूँ वहाँ के किसानों को
अधिक हानि होगी। जैसा कि अभी हमारे
अर्थ मंत्री जी ने कहा है कि उत्तर प्रदेश में कुछ
जगहें "स्केयरसीटी एरिया" हैं और अधिकतर
चीनी की मिलें इसी एरिया में हैं।

हिन्दुस्तान में ज्यादा तादाद में चीनी
उत्तर प्रदेश में होती है। वहाँ के किसानों के लिये
कहा जाता है कि उनकी क्रय शक्ति बहुत कम हो
गई है। उन की क्रय शक्ति में वृद्धि करने
के लिये कोई ऐसी योजना नहीं बनाई जाती
है जिससे वह अपनी आवश्यक वस्तुओं को खरीद
सकें और अपना जीवन निर्वाह कर सकें।

उनके लिये कहा जाता है कि गन्ना बचकर उनके
पास पैसा आ जाता है और साथ ही साथ यह
भी कहा जाता है कि "कैश क्रॉप" उन्होंने
अपने खेतों में लगादी है इससे खाद्यान्न में कमी
हो गई है। इस तरह की बहुत सी बातें कही
जाती हैं। मगर प्रश्न यह है कि उनकी शक्ति
में वृद्धि करने के लिये कौन सा उपाय हमारी
सरकार कर रही है। इसके विपरीत योजना
यह हो रही है कि चीनी मिल वालों को जो
४ करोड़ का नुकसान हो रहा है उसकी पूर्ति
के लिये यह टैक्स लगाया जा रहा है ताकि उनको
किसी प्रकार का नुकसान न हो सके। १५
करोड़ का कम से कम मेरा अनुमान है, शायद
इससे अधिक नुकसान हमारे किसानों को वर्तमान
निर्धारित गन्नों के दामों के द्वारा होगा। उन
गरीब किसानों के लिये जिन्हें यह नुकसान हो
रहा है उनके लिये कोई योजना इस वक्त नहीं
है। गन्ना भी जो उनको दिया जाता है वह
भी उनको कम दिया जाता है और उसके दाम
उनसे लिये जाते हैं। वह किस तरह से यह गन्ना
खरीदें और अपनी पेट की जवाला दूर करें,
इसके लिये सरकार की ओर से कोई योजना
नहीं बनाई जाती है। इसके विरुद्ध १५ और
१६ करोड़ की हानि उनको पहुंचाई जाती है।
उस १५ और १६ करोड़ रुपये में मेरा अनुमान
है कि आधे रुपये की हानि पूर्वी उत्तर प्रदेश
के किसानों को उठानी पड़ेगी। ऐसी सूरत में
किसानों को इस तरह से जो हानि होगी उसकी
पूर्ति किसी अन्य योजना द्वारा न होने पर उसको
समझाना कि जो सरकार कर रही है वह उसके
हित में है, बड़ा कठिन होगा। मैं समझता हूँ कि
कांग्रेसी होने के नाते यह भी मेरे लिये उचित
है कि उन लोगों की तरफ से उनकी परेशानियों
को आपके सामने उपस्थित कर दूँ।

इस बिल में यदि यह होता कि १५ करोड़
रुपये की जो हानि हमारे किसान भाई
उठा रहे हैं उसकी पूर्ति के लिये कोई योजना
होती तो मैं इस योजना का हृदय से स्वागत

करता और समर्थन करता। किन्तु मिल वालों को जो हानि उठानी पड़ रही है उनके लाभ के लिये, उनको सहायता पहुंचाने के लिये आप यह कार्यवाई कर रहे हैं। मेरा यह सुझाव है कि चाहे आप टैक्स अधिक लगायें लेकिन कोई न कोई जरिया ऐसा करें कि ऊख के दाम न घटने पावें। कुछ चीनी को आप एक्सपोर्ट करके इस हानि की पूर्ति कर सकते हैं अथवा अन्य कई उपायों से भी आप इस हानि की पूर्ति कर सकते हैं। इसके साथ ही साथ मेरा सुझाव यह भी है कि अगर बाहरी व्यापार द्वारा उसकी पूर्ति न हो सके तो सबसिडी द्वारा किसी भी रूप में किसानों को सहायता पहुंचाई जाये। गन्ने का दाम एक रुपया ५ आने होने की वजह से किसानों को बहुत हानि होगी। इसका अर्थ यह है कि किसानों को जो एक चौथाई हानि उनकी आय में होगी उसके निवारण के लिये कोई भी सुझाव इस बिल में नहीं रखा गया है।

हमारे देश में प्रति एकड़ ३०० मन से ५०० मन तक गन्ना होता है। अगर एक कृषक ३०० मन गन्ना बेचेगा उसमें आप ७ आने मन की कमी कर देते हैं तो उसकी पूर्ति के लिये आप को अवश्य कोई न कोई कार्यवाई करनी चाहिये। बाहर के देशों से जो डिमांड आपके पास आती है वहां पर चीनी भेज कर और उसमें ज्यादा एक्साइज ड्यूटी लगा कर आप इस कमी की पूर्ति कर सकते हैं। अगर आप गन्ने के भावों में कमी न करें। अगर आपने कर दिया तो इसका प्रभाव बहुत हानिकर होगा।

उत्तर प्रदेश में किसान चीनी का इस्तेमाल बहुत कम करते हैं, चीनी का इस्तेमाल तो ज्यादातर शहरों के लोगों के द्वारा ही होता है। किसानों को तो गुड़ भी खाने को नहीं मिल पाता है। चीनी खाने की तो उनके पास नौबत ही नहीं आती है। उनकी तो हालत आज यह है कि उनको रोटी भी खाने को अच्छी तरह से नहीं मिलती

है। अगर चीनी के दाम बढ़ जायें तो किसानों को कोई हानि नहीं होगी। आमदनी बढ़ जाने से उन किसानों को कोई विशेष सुविधा नहीं हो जाती है। केवल उन लोगों को अन्य आवश्यक कार्यों के निमित्त कुछ पैसे मिल जाते हैं जिसके अभाव में उन्हें सस्ते गल्ले खरीदने में भी कठिनाई हो रही है।

ऐसी सूरत में इस बिल का समर्थन करते हुए मेरा एक सुझाव है कि आप गन्ने के भाव न गिरायें बल्कि आप कोई ऐसा टैक्स लगा दें जिससे कृषकों की गन्ने से आय बढ़ सके, तो इसमें कोई हिचकिचाहट नहीं होगी। लेकिन आप ऐसी कोई योजना न रखें जिससे कि उसका असर किसानों के हितों के विरुद्ध पड़े।

[For English translation, see Appendix III, Annexure No 15 J

SHRI H. N. KUNZRU (Utter Pradesh) : Mr. Chairman, the turn that the debate has taken is somewhat surprising. Had Government not brought forward a measure in this-House the effect of which would be to reduce the price of sugar, no one here would have had any objection to the continuance of the present state of things. But when the Government tries to reduce the price of sugar it is said that this step would be harmful in the best interests of the country and various arguments have been used to support this contention. Our attention has, in this connection, been drawn to the acreage under sugarcane and the loss that the cultivators would suffer by the reduction of the price of cane from Rs. 1-12-0 per maund to Rs. 1-5-0 per mmnd. It seems to-be assumed that all the acreage that is under sugarcane at the present time has been planted with sugarcane because of the price offered by Government. In order to test this it is necessary to see what the acreage-under sugarcane was in 1947-48 when

[Shri H. N. Kunzru.]
the price of sugarcane was only Rs. 1-4-0 per maund. I find from the report of the Tariff Board.....

SHRI RAJAGOPAL NAIDU
(Madras) : It was Rs. 2.

SHRI H. N. KUNZRU : It was raised in December 1948 when everything was decontrolled. Till then it was Rs. 1-4-0 and all the area under sugarcane had been planted with sugarcane long before that. The sugarcane crop that was used in the year 1947-48 was therefore produced when the price of sugarcane was only Rs. 1-4-0 per maund and what was the acreage under sugarcane at that time ? It was 4 million acres. We are now told that it is 4 1/2 million acres so that the area during these years has not risen much although in December 1948 the price of sugarcane was raised from Rs. 1-4-0 per maund to Rs. 2 per maund, the price of sugar having been simultaneously raised from Rs. 20-14-0 per maund to Rs. 35-7-0 per maund. The cess was also increased at that time. There was up to 1946-47 only a cess of one anna per maund but in 1947-48 when the prices of sugar and sugarcane were increased, the cess was increased from one anna to three annas per maund. It will thus be seen that the price of sugarcane was raised because the price of sugar was raised. Now has any class of our people any vested interest in the maintenance of the sugar price at the present level ? The price of sugarcane has already been reduced from Rs. 2 to Rs. 1-12-0 per maund. What argument can be used to show that we are under any compulsion to maintain the price of sugarcane at this level ? What we have to see is that the price given to the cultivator of sugarcane is a remunerative price even under the present conditions. That is the only question that arises.

SHRI B. B. SHARMA : Be a little more charitable to him, Sir. It should not be at the cost of the agriculturist.

MR. CHAIRMAN : Two people cannot stand up at the same time.

SHRI H. N. KUNZRU : The hon. Member must realise that the grower of every commodity can use the same argument and if that argument is allowed to have its full effect, we shall never be able to bring down the price either of jute or of cotton or of foodgrains or of sugar or of oilseeds or of anything else. Once the price of agricultural commodities has risen, it must be maintained at the higher level and nothing should be done to cause it to fall. I cannot follow that argument.

PROF. G. RANGA : Nobody makes that argument.

SHRI H. N. KUNZRU : That is the argument that has been put forward.

SHRI B. B. SHARMA : That is not my argument.

SHRI H. N. KUNZRU : My hon. friend has pleaded for the maintenance of the price of sugarcane at the present level.

SHRI B. B. SHARMA : I only said that the loss that has been imposed on the agriculturist must somehow or other be made good in the same way as the loss of the capitalist is being made good.

SHRI H. N. KUNZRU : The question that has been raised by my hon. friend who interrupted me is whether the price of sugarcane is remunerative or not. He says it is not. I have no statistics.

SHRI B. B. SHARMA : Sir, I....

SHRI H. N. KUNZRU : Let the hon. Member be satisfied with what

he has said so far. I have no independent statistics of my own but my hon. friend Mr. Tyagi when explaining the provisions of the Bill yesterday said that according to the calculations made by Government it had been found that the price of gur was Rs. 1-3-0 per maund. Is that correct ?

SHRI MAHAVIR TYAGI : Basing on the price of gur the average sugarcane comes to that price.

SHRI H. N. KUNZRU : He said Rs. 11 per maund for gur. According to that the price of sugarcane would be Rs. 1-3-0 per maund.

This is what he said yesterday Rs. 1-3-0 per maund will be the price, and we do not know whether the cost of cultivation at the present time has been calculated by Government. However, the Tariff Board which reported in 1950 did go into that question and taking all these things into consideration in 1950, they fixed the price of sugarcane at Rs. 1-7-0 per maund. What my hon. friend has now to show is that conditions have changed to such an extent since the Tariff Board reported that the price of sugarcane can be reduced from that recommended by the Tariff Board, namely Rs. 1-7-0 per maund to Rs. 1-5-0 per maund.

THE MINISTER FOR REVENUE AND EXPENDITURE (SHRI MAHAVIR TYAGI) : I believe that included the transport charge and also 10% profit.

SHRI H. N. KUNZRU : Yes, it did but so does the price at present fixed. Whatever price is fixed, it will include all those charges. Consequently, the Tariff Board took all these things into consideration. I should, therefore, like to know whether the cost of cultivation has declined so much since 1948-49 on the statistics of which the Tariff Board based its conclusions,

that the price of sugarcane can be safely reduced by 2 as. per maund.

SHRI GOVINDA REDDY (Mysore): On the contrary they have risen.

SHRI H. N. KUNZRU : That is the point that the Government has to reply to. We do want the price of sugarcane to come down, but not at the expense of the cultivator. If he is given a price at which he can gain no profit, he will not long be able to supply us with the cane that we need for the fulfilment of our requirements in respect of sugar.

My second point relates to the statement made in the Statement of Objects and Reasons with regard to the expected fall in the price of sugar in the year 1952-53. If the price of sugarcane is brought down by 7 as. per maund, then supposing that 10 mds. of sugarcane are required in order to produce 1 md. of sugar, it is obvious that the price of sugar would be reduced by 70 as. or Rs. 4-6-0 per maund. Now, this is the reduction in price that the Government proposes to make in respect of the sugar manufactured in the year 1951-52. But they say that in the year 1952-53 the price of sugar will go down by Rs. 6 or Rs. 7 per maund. They are not going to fix any price for the sugar produced in the year 1952-53 season. They have fixed the minimum price for the sugar already in stock but they will leave market prices to take their course in respect of the sugar produced in the present season. Is it their expectation that prices would fall below the price fixed by them for the 1951-52 stock ?

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AN HON. MEMBER : Of course.

SHRI H. N. KUNZRU : I should like to know the basis on which they have formed these expectations. I

[Shri H. N. Kunzru.]

should very much like the price of sugar to fall further, but how will this fall be achieved ? The price of sugarcane has already been fixed by Government. Will there be any further economies in respect of the manufacture of sugar ? Or are there any other forces at work that will tend to reduce the price of sugar below the level fixed by Government or the balance of the stock of 1951-52 that is in hand now ?

One of the objections to the Bill was that it fixed no time limit for the operation of this Bill. The Minister in charge of the Bill tried to allay fears on this score by saying that the additional excise duty will continue in force till the loss suffered by Government has been made up. Now, in this connection it has to be remembered that the sugar that is now in stock was manufactured from cane bought at the price fixed by Government, namely, Rs. 1-12-0 per maund. They want to reduce the price now by Rs. 4-6-0 per maund and they say they have in hand about 4 lakh tons. That simple calculation will show that roughly the loss will amount to about Rs. 4.3 crores. In order to get Rs. 4 ■ 30 crores it will be necessary for them by means of the additional excise, to sell four crore thirty lakh maunds of new sugar.

SHRI MAHAVIR TYAGI : Four crore fifty lakh maunds.

SHRI H. N. KUNZRU : Yes, of new sugar.

AN HON. MEMBER : Including new sugar.

SHRI H. N. KUNZRU : The Minister has fixed the price of sugar in stock already . He cannot now impose excise duty on that stock because excise duty will have the effect of reducing that price. It is obvious, therefore, that the excise duty will be levied on new production.

SHRI H. D. RAJAH : Yes, that is true.

SHRI H. N. KUNZRU : This will mean that about 16 lakh tons of sugar will have to be sold in order to earn this revenue. Now, since we are consuming at the present time about one lakh tons of sugar per maund this means that the duty will have to remain in force for about sixteen months from the 1st of April 1953.

Government may say that the consumption of sugar may go down for some reason. Well, it should be enough, for them, for their purpose, if they limit the life of the Bill to 2 years.. But, this Bill is to remain in force indefinitely although the preamble says that it is meant to provide for the levy and collection for a temporary period of an additional duty of excise on sugar.

KHWAJA INAIT ULLAH : Limitless period.

SHRI H. N. KUNZRU : My hon. friend, the Minister in charge of the Bill may cease to levy the additional excise duty as soon as the sum of Rs. 4,30,00,000 has come into the coffers of Government, but, the Act will remain in force. It will not cease to operate and I should like my hon. friend, therefore, to tell us why a time limit should not be fixed, a time limit that will be enough for all purposes.

Then, Sir, I should like to understand the meaning of the last clause of the Bill, attention to which has already been drawn by one of the speakers. This clause, Sir, runs as follows : "The Central Government may, by notification in the Official Gazette, declare that, with effect from such date as may be specified in the notification, the additional duty of excise leviable under this Act for the reasons specified in the notification, cease to be levied in an specified area or on»sugar general

or on sugar manufactured in a specified factory. " Sir, if the excise duty ceases to be levied on sugar generally, no complication will arise. But, if the duty is to cease to be levied in any specified area or in respect of a specified factory, difficult questions may arise. Are Government going to keep the sugar of different areas, sugar produced by different factories, apart ? Are they going to calculate the cost of production in each zone and in each factory in order to decide how they are to exercise the discretion that is vested in them by this clause ? I submit, Sir, that the Government are taking a very heavy responsibility on themselves in this connection. It is very desirable, Sir, that the cost of cultivation in different areas in each zone should be found out. For instance, U. P. can be divided into zones and the cost should be found out and, similarly, the cost of production of sugar in the various factories should also be found out. The Tariff Board was unable to do this within the limited time at its disposal. Have the Government established any machinery or do they propose to establish any machinery in order to obtain this information ? In any case, Sir, it will be very difficult for them to avoid from the charge that they are partial to this area or to that area, to this factory or to that. I, therefore, suggest, Sir, that Government should do away with the discretion which they are trying to enjoy. They can take the power to remove the excise duty on sugar generally but, I think, it is not desirable that they should have power to reduce the duty in respect of the production of sugar in any area or in any factory.

Lastly, Sir, I should like to refer to one or two questions raised by the Tariff Board in respect of research work and the development of cane cultivation. It was the hope of the Tariff Board that in about 2 or 3 years, it would be possible to reduce the price of sugarcane from Rs. 1-7-0 per maund, which was the price re-43 C of s.

commended by it, to Rs. 1-4-0. It further hoped that as a result of continuous research and development, the price of sugarcane might be as low as Re. 1 per maund in about 5 years. I should like to know whether the Central Government has taken any interest in this matter. If it is, I should like them to tell us to what extent we are producing now sugarcane of a better quality or are enabling the cultivators to increase the yield of sugarcane per acre

The connected question, Sir, is the cess levied by the U. P. and Bihar Governments on sugar. Up to 1946-47, the cess was only one anna per maund ; in 1947-48 when the price of sugar and the price of sugarcane were raised, the cess was raised to 3 annas per maund in the U. P. and 2 annas per maund in Bihar. Now, it is obvious, Sir, that a tax on the raw material of an industry is most undesirable. This tax cannot be justified merely, therefore, as a tax in order to produce revenue. It can be justified only if the yield from it is used for research work and the development of cane cultivation, that is, the production of cane of a better quality and bringing about an increase in the yield of sugarcane per acre. It is necessary, therefore, to see to what extent the income from the cess has been utilised for the purposes on which it should have been spent. The Tariff Board pointed out, in the case of the U. P., that in 1947-48, the amount of the cess collected by the U. P. Government was Rs. 187 lakhs. The amount specifically spent on cane development work was about Rs. 22 lakhs. In 1948-49 the amount collected was Rs. 312 lakhs but the estimated expenditure was only Rs. 37 lakhs. The representative of the U.P. Government, who gave evidence before the Tariff Board, tried to show that the money had been used for purposes for which it was meant ; but the Tariff Board rejected that argument and said that even though all the income from the cess may not be used on research work and the development of cane cultivation, a

[SHRI H. N. Kunzru.]

large part of it should be used for this purpose only.

It further recommended that the State Governments concerned should so arrange their budgetary position that the cess might be reduced from 3 annas per maund to one anna six pies per maund in the course of, I believe, 2 or 3 years. I should like to know from the hon. Mr. Tyagi to what extent effect has been given to these recommendations of the Tariff Board. He will, I am sure, agree that the cess should not be used to increase the revenue either of the U. P. Government or of the Bihar Government to the extent that the cess is being used for revenue purposes. It is virtually being misspent. It is necessary, therefore, for the Central Government to bring pressure to bear on the State Governments in order to see that the proceeds of the cess are used for the purposes for which the cess was levied, and also in order to bring about improvements that would benefit both the cultivator and the consumer.

SHRI L. H. DOSHI (Bombay) : Sir, the Bill that is before the House today is not meant for helping either the manufacturer or the cultivator. It is for the purpose of equalising the prices of sugars that are produced in two different years. The stock of sugar produced in 1951-52 is four lakh tons and it is priced at a high level while as a result of the lower prices for sugarcane in 1952-53, the prices of sugar will be much lower. Therefore, the Government feel that it would be in the interests of the trade and the consumer to have one level of prices for a longer period than 4 months or 5 months, over which period the old stock would be consumed at a higher price, if the reductions were not brought about immediately. In other words it has nothing to do with the lower price of sugarcane that has been fixed for the year 1952-53. The effect of this levelling of prices would be to reduce the natural resistance the markets would show if it knows that the price of sugar after four months or five months would

be reduced. Instead of that the prices are reduced today and the market is allowed to absorb as much sugar as possible right from now. The objective is to prevent resistance for consumption. The criticism that some of the Members of the Opposition made regarding helping the manufacturers of sugar as against the producers of sugarcane, I think, was based on ignorance. The Government have certainly honoured the contract that they have made with the manufacturers. But they have equally honoured the contract that they have made with the producers of sugarcane. Last year, the prices of sugarcane were fixed at Rs. 1-12-0 per maund and though the prices of gur slumped to such a low level as Rs. 6 or 7 per maund, Government insisted on paying the same high price of Rs. 1-12-0 to the cultivator, even though the manufacturers could have obtained sugarcane from those areas at much lower prices. The Government insisted on paying high price to the sugarcane cultivator, and the whole cane that was grown in these areas was purchased at the contracted price, the price at which Government assured them that it would be purchased.

KHWAJA INAIT ULLAH (Bihar) : Without paying the prices so far.

SHRI L. H. DOSHI : The prices may have not been paid to the cultivator ; they are not paid to the manufacturer either because, the sugar is still in stock. It is held under control and neither the manufacturer nor the cultivator is in a position to realise the prices of that sugar or the raw material of that sugar. Sir, it is wrong to say that the manufacturer is being benefited at the cost of the cultivator. It is wrong. The price of Rs. 1-7-0 for sugarcane is not for sugar produced in 1951-52. It is for sugar to be produced in 1952-53.

PROF. G. RANGA : And the sugarcane which is being produced ; which is in the fields.

SHRI L. H. DOSHI : The price that will be offered for the crop of '95²-53 is Rs. 1-5-0 and the sugar that will be produced with that cane will be made available to the consumer at that lower price. As the hon. Minister has already said, there is no price fixed, and I feel, unfortunately, that the manufacturer with heavy stocks in hand, 4 lakh tons of the previous year and the estimated production of 13 lakhs for 1952-53, with a total available sugar stock of 17 lakh tons, will have a most miserable lot in the coming year.

SHRI C. G. K. REDDY : Another levy will come to your help.

SHRI L. H. DOSHI : The Government will again come to our help. I have not lost hope on that account. But what is the objective in bringing down the price ? To make it possible for the excess sugar, sugar that the consumer is not willing to consume, to be exported. If we keep this price at Rs. 29-12-0 or more, it is obvious that sugar cannot be exported. A little quantity about 25,000 tons or a little over, was exported. In other words, in spite of these high prices, the world market was in a position to accept our high priced sugar. Now, due to the slump in the world market, the prices are sagging and it would not be possible for us to export any sugar at these high prices. Sir, the price of sugarcane has been reduced from Rs. 1-12-0 to Rs. 1-5-0 i.e., a big slice of 7 annas or nearly 25% ; in the total prices. I for one I do not like such a heavy reduction. But the reduction is inevitable if you want to avoid the consequences of high prices. As Dr. Kunzru mentioned, in 1948, the price was Rs. 1-4-0 and the protagonists of high price of sugar insisted that the price be raised, to Rs. 2, and there were certain people who said the price should be fixed at Rs. 3 per maund. The Government said 'no'. Somehow they yielded to the price of Rs. 2 with the consequent result that the sugar cane crop began to go up and in the year 1952 there was glut.

SHRI C. G. K. REDDY : Was there no increase in the sugar price from Rs. 21 to 39 ?

SHRI L. H. DOSHI : I was saying that the consequences of high prices of sugarcane did not give any advantage to the sugarcane grower. It did, of course, give a temporary advantage with the consequent result that the high price resulted in high crop and in 1951-52 the crop yield was so great in the country that the prices of *gur* went down at a terrific speed. So much so that the *gur* that was selling for Rs. 20 and 21 per maund came down to as low as Rs. 6 a maund. *Gur* had to be exported to foreign countries. I am told 50,000 tons were exported to foreign countries, who probably bought for production of power alcohol and a variety of other things. You cannot help saying that fixing prices for any commodity, whether it is sugar, or cloth, or anything, will bring down, not only the profit but even the margin of the overheads, ultimately resulting in a heavy loss to the producer. Therefore, Sir, though the reduction is very big, we have to consider whether the price is remunerative or unremun*ative. If it is not remunerative, well, the consequence will be the reverse, and sugarcane cultivation will go down. There have been periods in the history of the manufacture of sugar when the prices of sugarcane were fixed at a very low level and the consequence was that sugarcane was not easily available for production of sugar, and production of sugar went so low that ultimately its price either in the black market or brown market or open market went up very high. We had consecutively three or four years during the war period when the production of sugar went as low as 9 lakh tons only. The demand for sugar is there. Whether we like it or not, people want sugar. The demand and the cry for sugar was so much that ultimately Government felt it necessary to raise the price of sugarcane from Rs. 1-4-0 to Rs. 2-0-0 a maund, and its effect was that the production of sugar-

[Shri L. H. Doshi.] cane was so much that ultimately it resulted in a downward trend, and a very rapid downward trend, in the price of *gur*. You cannot forget one fact, namely, that the production of sugarcane is used for production of sugar and for production of *gur*. And the production of *gur* is three times the production of sugar. If we use one ton of cane for sugar, we use three tons of cane for *gur*. When a high price is fixed for sugarcane, ultimately it creates false hopes in the minds of the sugarcane cultivator, and he puts as much land as possible under sugarcane, whether he supplies that cane to the sugar factory or not, and ultimately he comes to grief. Therefore, it is desirable to follow a balanced policy in fixing prices of sugarcane or of any commodity that we want to encourage.

Sir, sugarcane pricing has been most speculative in the last ten or 12 years. You have seen the price of sugarcane rise from five annas to Rs. 2, or, in other words, six or seven times the original price. It had its repercussions, as I mentioned. Sometimes sugar was not available for consumption or the production of even *gur* was so low that the prices used to shoot up too high. We had a theory at one time that cultivation of sugarcane should be replaced by the cultivation of food crops. Gradually, when the demand for sugar from the consumers increased and when the demand came from the consumers for allowing imports of sugar from foreign countries, Government realised that it was an unwise policy, because if we were to produce sugarcane and sugar in this country, it would be much more economical than if we had to import sugar from foreign countries, and that it would be more economical to import food grains rather than to import sugar. Therefore, Government revised their policy to that extent and allowed a higher price for sugarcane. This certainly helped the cultivator to some extent. But they fixed the price at such a high level that ultimately it has j

brought ruin to the cultivators, who can exist with Rs. 6 per maund of *gur*. Impossible. Therefore, it would be unwise to fix unremunerative or highly speculative prices whereby there would be too wide fluctuations in the production of the commodity.

KHWAJA INAIT ULLAH : Is it Rs. 6, or is it Rs. 13 per maund? The Iron Minister mentioned the figure of Rs. 13.

SHRI L. H. DOSHI : It is Rs. 13 now. The hon. Member has not studied the market prices. It went down as low as Rs. 6 per maund. Even when it went down to Rs. 6, Government insisted on the sugar factories buying cane at Rs. 1-12-0 per maund, even though the sugar content of that cane had gone down as low as 6 per cent, or less. With that sugar content in the cane, it becomes unremunerative for the factory to produce sugar. The factory owner, under the persuasion of the Government, accepted that cane with that low sugar content and produced sugar. Therefore, it is in the fitness of things that Government should honour their commitment and pay the price which they promised him at that time.

Sir, I do feel that the proposal that is placed before this House is in the interests of the trade and of the consumers and, in the long run, in the interests of the producers of sugarcane on whose behalf we have heard so much from the other side. If a little balanced view is taken by the opposition Members, and if they would care to study the true facts and in the right perspective, I am sure all the criticism that is levelled against the manufacturers will not be levelled and they will find that the manufacturer has so far done an excellent job in the production of sugar.

PROF. G. RANGA (Madras) : Mr. Chairman, I wish to congratulate my hon. friend, who has recently returned from Russia, upon the eloquent plea he has put in, and very ably too, on

behalf of the manufacturers of sugar, f But I am not able to agree with him in many of the points that he has made. I would like to take up one point. He rightly said that the cane prices had been speculative during the last ten years. I agree with him. But he did not say who was responsible for this. (*Interruption.*) I wish to charge the Government as well as the sugar manufacturers that they were responsible for the speculation.

Secondly, the hon. Member said that the price of *gur* went down as low as Rs. 6, and he expressed his sorrow. I accept it. I take it that he has sincerely felt for the growers because of their plight. But at the same time I would like him to consider what was responsible for that drastic fall. He would like us to believe that it was because the growers placed too much land under cultivation of sugar. If you were to examine the facts given in Table IX of "Indian Sugar Statistics" you will find that there was nothing extraordinary in that year so far as the area under sugar cane goes. At the same time, it is a fact that the prices went down drastically. If you look at another table coming next to that table, giving the figures for the average annual yield per acre year by year, you will find that actually the average production for the whole of India had gone down in 1950-51 and 1951-52 by nearly 100 lbs. and sometimes 300 lbs. per acre. Therefore, properly speaking there should have been much less *gur* in the market and yet the prices went down so drastically. Why, Sir? I would like my hon. friend to study it later on at his leisure in co-operation with his fellow manufacturers and traders and I charge not the sugar manufacturers anyhow in regard to this but I charge the trade, Sir, interested in *gur* with this manipulation with the result that the growers had to suffer so badly. Secondly, Sir, I charge the Government of India also for having failed to come to the rescue of *gur* manufacturers and the cane growers

who were supplying all this for being converted into *gur*. For a very long time, Sir, several of us have been demanding that some steps should be taken for the protection of these cane growers who are converting their cane '*mxogur*', in the same way in which they were taking steps for the protection of the cane growers and the sugar manufacturers—can? tha: was to be used for manufacture of sugar. Government ha; not lifted its little finger at all. They have not cum; to the rescue of these people. As much as 50 per cem., Sir,

SHRI MAHAVIR TYAGI : In what manner does my hon. friend

PROF. G. RANGA : In the same manner, if not in the same measure.

SHRI MAHAVIR TYAGI : Sir, it may be some other method. In the North it is generally the cane grower himself that uses his cane, converts cane into *gur* and if control of price were to be enforced on that grower, it will affect the same person.

PROF. G. RANGA : My friend has helped me by supplementing the information I was going to give and it only comes to this that the price of *gur* has got to be maintained and fixed also in such a manner that the *gur* producer, who again happens to be generally speaking the cane grower would be protected. And nothing has' been done. On the other hand, when the *gur* prices were trying to keep pace with the sugar prices, Government came down, the State Governments came down with a heavy hand and instituted all sorts of controls—controls over movements and so on and so forth—and licensing of these dealers so much so Uiat the *gur* that was produced in Madras for instance which used to be exported to Hyderabad and various other places could not be exported and it melted down when the rainy season came and the producers lost very heavily. For years we have been asking for suitable steps.

[Prof. G. Ranga.]

What steps should be taken ? My hon. friend asks me to detail them. This is not the occasion to do so. I would like the Government of India to make up their mind first of all as to the advisability and the necessity for protecting these people and taking necessary steps. Then it would be open both for the Government and those of us who represent these sugarcane growers and producers of *gur* to sit together across the table and work out the ways and means by which these people can be adequately safeguarded.

Then I come to the next point made by my hon. friend that the prices of sugarcane were being lifted up and lowered in a sort of an arbitrary fashion. All these and several other things said by my various other friends also give us the impression as if—I do not know whether they seek to give that impression, but they certainly create an impression as if—here are these growers who are all profiteers, whose cost of production is abnormally low, something very very low but at the same time they are making all these profits out of the speculative prices—up and down, that is, when they are brought down, only a portion of their profits is reduced and when they are pushed up, their profits are being pushed up. That is exactly not the case, Sir. In the case of these friends, these manufacturers, it is easy for the Government at any time to have information in regard to their costs of production, the depreciation costs, the scientific research and various other things on which they set apart their money. Their bonuses and also their dividends are known to Government. All these things are known to the Tariff Board. They are all taken into consideration. In addition to that a reasonable average rate of profit is allowed to these friends. They were never allowed to lose anything in any one year. After all these things are taken into consideration the Board comes to a conclusion, as to the recommendations they make to my hon. friend in regard to the excise duty, in regard

I to the import duty, in regard to the price that is to be fixed for sugar. Therefore they have nothing to lose at all. But when it comes to the question of agriculturists, I would like to know what efforts have been made by the State Governments as also by the Government of India to go into the matter of the costs of production ? They have not made any genuine efforts as yet—I mean scientific efforts, continuous efforts. It is not enough if a random inquiry were to be made in any one year, and then left at that and then afterwards again quoting it. Year after year, from crop to crop, from State to State these estimates have got to be made. These calculations have got to be kept up to date. Then alone it would be possible for the Government to say that such and such is the cost of production for cane per maund and therefore the producers are entitled to such and such protection and nothing more. So a basic price, a minimum price or the price which will not allow any kind of alterations at all either to the detriment of the producer or for the benefit of the manufacturer should be fixed. If they are not prepared to fix it, well, they have no right whatsoever to play with the fortunes of the farmers by coming to us as they have done this time with this proposal to reduce the price of sugarcane by 25 per cent.

My hon. friend the manufacturer is sympathetic towards the farmer when he says 'It is really too drastic'. I agree it is too drastic.

SHRI C. G. K. REDDY : But he corrected himself immediately after.

PROF. G. RANGA : All right. It is too drastic. But it gives the impression as if this price must be profitable enough for the producer. I maintain it is not profitable.

SHRI L. H. DOSHI : I did not say that.

PROF. G. RANGA : If my impression is not correct, I stand corrected. But I wish to deny any such impression by saying that I come from the South,

from that area where from my hon. friend also comes from the Communist Party and about the factory in that area he had something to say earlier. I say with a due sense of responsibility that the price that is fixed, that is proposed to be fixed is not at all remunerative. Then, Sir, there were other friends in the other House as also my hon. friend here Mr. Sharma who made it perfectly clear that this price is not remunerative. At this price it will not be possible for the sugarcane growers to make both ends meet. It might be said "If he were to raise another crop, would he be able to get this much?" Now I would like these friends to remember the wages that we are obliged to pay. Otherwise those people will not have a decent living at all. Even at the present rate of wages those people are not able to have any luxury. When I was discussing this matter with one of the Ministers concerned with this Bill, he was telling me that even in U.P. and Bihar the wages are so high. I am so glad. But they ought to be higher too. If you calculate properly, you will come to the point that this present price that is fixed is not at all remunerative and it is for the Government to refute my statement. They have not been able, Sir, so far as I could read from the proceedings of the other House and from their statements, to make out a case that the peasants are making any kind of profit at all and on the other hand they stand to lose if this lower price were to be insisted upon.

Then, I come to the other point made by my hon. friend Mr. Sundarayya. I agree with him. If Government had come to this decision that the prices of sugarcane should be lower in order to benefit the consumers at the beginning of the season—long before the season—I could have understood their position. It might be that I would have had to argue with them, in spite of my anxiety to help the consumers, it would not be possible for the growers to accept any lower price for their

cane because it would not be remunerative. But, certainly, that would have been the time this argument could have been relevant and useful. But they ask the grower to accept lower price after having reduced the price, after the grower has placed the lands at the disposal of the sugarcane. And in very many cases they have borrowed money at very high rates of interest. Their statutory rate is only 6 per cent., but actually it is 18 per cent. in many cases, everything considered. He pays the interest and borrows the money and invests his spare cash and ploughs everything, into it, but he is not certain that some decent price will be got for all his efforts, and what, Sir, is Government's answer? Government had gone there; taken all the votes and come back in this overwhelming majority. Now, they say to us "all right, you defeat us". We will not be able to defeat you. Even the poor peasants also will not be able to defeat you, because they did not know what amount of mischief these people are capable of doing. There are various things to be got done by Government. For getting these done, for getting their difficulties removed, they have given their votes and they naturally expect these gentlemen in all honesty to play their roll in a decent, in a gentlemanly, in a parliamentary and in a responsible manner and not in this fashion. You reduce the price by 25%.

SHRI MAHAVIR TYAGI : Might reduce the price to the extent of Rs. 1-4-0.

PROF. G. RANGA : Most unfortunately, they seem to be in the same boat, and both of them are in the same leaky boat too. It makes no impression on my mind if the local Governments in Madras or in U.P. were to make an anti-peasant recommendation to this Government. The Legislatures there would have to deal with them. But, what about my hon. friend here? How could he dissociate himself from his own responsibility? Is it not his duty to look

[Prof. G. Ranga.]

into the recommendations of the State Governments? He might tell me : "That is why, instead of fixing that at Rs. 1-2-0, I have fixed it at Rs. 1-5-0. I think I have to be thankful to him for the charity of 3 annas. But that is not displaying due sense of responsibility. In regard to the cost of cultivation, they should have the information as to what prices could be said to be remunerative ones and then fix it whatever may be the recommendation of the State Government. There they fixed it with a 25 per cent. reduction. Where from are the growers going to get the money to make good the loss? Are they proposing on the other hand to give any compensation to the growers, as my hon. friend is trying to protect the sugar manufacturers, by raising the price of any other commodity that the farmers are raising or by supplying the consumers' goods in a manner that will make good the loss they are sustaining or by setting apart anything in order to protect those people from the forthcoming onslaught of economic depression? There is no such compensatory measures. I do not grudge the manufacturers getting the protection which they think they deserve from this Government for the stocks they have in their hands—the 4 lakhs tons of sugar. I can appreciate the point made by my hon. friend who preceded me when he said that we have to pay this price anyhow and that we have to stand the cost of production ourselves ; we have locked up all our spare money and we are paying the interest to the bankers and therefore.....

AN HON. MEMBER : Who are to pay the bankers? Why, they are their bankers. They have their own banks.

PROF. G. RANGA : Anyhow, they must pay the interest. Now, let them get the benefit ; but what about my people, the growers of the cane? Are they not to be protected at all? Is there anything in this Bill which gives them a benefit? It shows the callus manner, according to me, in

which the Government approaches this problem. They say that this is a simple Bill and therefore we should accept it. Evidently, they seem to have learnt a lot from the business men. If you go to the bazar, you may hear them saying 'a few more drops'. It is only a few more drops, but he tilts the hand and gets something more. That is the way he wants to deal with this.....

KHWAJA INAIT ULLAH : Let this levy be divided into two shares.

PROF. G. RANGA : I can assure the House that I for one am not opposed to the consumers getting anything at all. I would like them to get as cheap sugar as possible. I am only suggesting that I do not want it to happen at the cost of the growers. There, Dr. Kunzru and myself both agree.

On the third point, we agree—that he wants a remunerative price to be paid.

On the fourth point that he has made he would like these estimates, this cost of production to be carefully calculated from statistics. Before I come to that, I wish to point out one thing. This Government have been extending its statistical departments in various Ministries including the Agriculture Ministry. Recently, they had a very well advertised Agricultural Information Conference. Although there is the information service of that Ministry, we do not know whether it carries on statistical work. The other day we saw the unseemly spectacle of one Minister contradicting another Minister or answering each other. That is the way of this Government. They have no method at getting statistics for the calculation of the cost of production, but from year to year go on with it just as they carry on their survey business. They blame it—would you believe it—on the lack of funds, even though it is one of the most essential or basic needs. Then I suggested, "Why not prepare a scheme and send it to the F.A.O. and ask them to subsidise

the scheme for the whole period or as a pilot enquiry. They agreed to do that. But the F.A.O. has no such request from us on its Table. When I was talking to the Director-General the other day he expressed his surprise that in India with so many Statistics Sections in the different Ministries, there should be no steps taken at all for the calculation of the cost of production. Therefore, I would like to suggest to my hon. friend who is in charge of the Finance Ministry to set apart some funds for this purpose from out of the revenues arising from this and also from other sources.

SHRI MAHAVIR TYAGI : I have already sanctioned quite a few lakhs rupees for the work to be done in co-operation with the F.A.O. about two months ago.

PROF. G. RANGA : Well, Sir, that is good information. I hope it will very soon come to a crore of rupees. I

Then, my hon. friend Mr. Sunda-rayya used rather very harsh words about the manufacturers and my hon. friend Shri Saksena took him to task for it. But I would like to tell Mr. Saksena that though I may not like to go with Mr. Sundarayya in the harsh words that he has used about these gentlemen, it is unfortunately a fact that these manufacturers have not been behaving properly. They have not done well either with the people or with the Government and that has been stated quite clearly by the Sugar Enquiry Committee which was appointed in 1950 in regard to the July—August 1940 crisis. I need not say anything more than this, that these gentlemen need careful watching from Government and from the public and from this Parliament. But most unfortunately, State Governments seem to be more fond of saving them than the Union Government.

SHRI GOVINDA REDDY : They produce sugar?

PROF. G. RANGA : Why are they so soft? Because these gentlemen

are in charge of the key industries. If their factories don't run, all the canes produced would go useless so far as cane that is fit only for sugar manufacture goes. If on the other hand we want to convert it into *gur*, the price would be lower. All the sugar content would have gone down by the time we make up our mind to convert it into *gur*. On balance we suffer. Then there are the consumers. They would have to go to other countries to get their sugar. Unfortunately for us, as somebody had said whether we like it or not, people have got to have the sugar. That is so. Our friends have been responsible also for pampering us and developing this taste in all of us.

SHRI C. G. K. REDDY : In their own interest.

PROF. G. RANGA : It has become a habit and we must have this sugar and we spend also from out of our family budget a substantial amount— 1 % of our total expenditure. They can go on increasing it bit by bit without making anyone of us realize the incidence of it on anyone day. Such a key position it has come to occupy and such a key industry is able naturally to exploit—both the producers of the elementary raw material of sugarcane and also the ultimate consumer. Such an industry is essentially fit for being nationalised and it is most unfortunate that the Government has not thought of it. It is one of the industries that some of us, who were responsible for drafting the industrial policy of the Congress which has come to be the industrial policy of the Government of today, had in our mind when we wanted to sort out the number of industries that ought to be nationalised. What is the record of this industry? Our friends have told us that the other day the leader of the industrialists organisation has contributed a long article to one of the daily papers— their supplement—saying "Look at the contribution that the Indian private enterprise has made towards the development of economic resources. Then he gave a statement of

[Prof. G. Ranga.] these. It is true that in 1930 we were importing lakhs of tons of sugar into this country and therefore we had to spend more than Rs. 50 crores on the imports and that today we are not only self sufficient but are also in a position to export upto 4 to 5 lakhs of tons. All this stands to our credit but to whose credit? Our friends want us to believe that it stands to their credit but it does not, according to me. It stands essentially to the credit of the growers themselves of sugarcane. There are lakhs of them and they did not have all the resources that these gentlemen have had all these years and in spite of it they put all they could possibly spare from out of their own resources in order to raise the sugarcane and they paid the price because of the speculative price and very heavy prices too. In addition to that the consumer is there who has been paying high price for a number of years and up till now the price of sugar in this country has been much higher than the world parity price.

SHRI L. H. DOSHI : You had paid Rs. 40 a maund before the industry was established in this country.

PROF. G. RANGA : I thought my friend was going to give some information but instead he gives me wrong information. I was saying that the price that we have been paying for our sugar in our country has been higher than the world parity price. Therefore the consumer has made the contribution. What is the contribution made by the sugar manufacturers? In the first 4 or 5 years of the starting of the concerns, it is true they may have lost, or they may have failed to pay any dividend and they must have accumulated some losses also but they have now been made up over and over, many times over by the profits they have been able to make. Mr. Sundarayya has quoted certain figures. I cannot vouch for the accuracy of all the figures he has quoted.

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SHRI P. SUNDARAYYA : They are Government figures.

PROF. G. RANGA : Within the last 4 years, the Tariff Board also has said that, these gentlemen have been able to make as much, if not more than, what all they had invested in this industry. When they have made all this profit, does it stand to reason that today the Government should go out of their own way to give this protection to them while at the same time deny any protection at all to the producers? That is my answer so far as the plea on behalf of the consumer goes. I don't wish to carry the House any longer. Therefore, I am not in a position to support this Bill and I think it would only be reasonable on the part of Government and now I suppose it is impossible for them to withdraw this Bill. Even if they were to proceed with this, there are my friends also behind them who are in the unfortunate position of not being able to oppose this Bill. Even if they were to get this Bill passed, for God's sake come back with a more decent Bill at the earliest possible moment which would seek to give protection not only to the manufacturing industry but also to the other two more essential interests—the producers of cane and the consumers.

The Council then adjourned for lunch till half-past two of the clock.

The Council re-assembled after lunch at half past two of the clock.

VIR. DEPUTY CHAIRMAN in the Chair.)

MR. DEPUTY CHAIRMAN : May I know what time the hon. Minister is likely to take to reply to the debate?

THE MINISTER FOR FOOD AND AGRICULTURE (SHRI RAFI AHMAD KIDWAI) : Sir, I want to say a few words about this Bill.

MR. DEPUTY CHAIRMAN : But I suppose Shri Tyagi is going to reply?

SHRI MAHAVIR TYAGI : Yes, Sir.

MR. DEPUTY CHAIRMAN : How much time are you likely to take?

SHRI MAHAVIR TYAGI : I will take about 20 or 25 minutes.

MR. DEPUTY CHAIRMAN : May I know how many hon. Members are anxious to speak on this Bill?

(Several hon. members stood up.)

I think it is necessary to ration the time. Each hon. Member will please take only 10 minutes.

SHRI B. RATH (Orissa) : Sir, is it necessary to ration the time in this manner?

MR. DEPUTY CHAIRMAN : Yes, this is a money Bill and we have fixed that the second reading should close at 4-30 p.m.

Shri Kidwai can now speak.

SHRI RAFI AHMED KIDWAI : Sir, this Bill deals only with sugar. It has nothing to do with the price of cane. It has nothing to do with the profit of the factory owners that they make for the manufacture of the sugar. Hon. Members are aware that up to now the practice has been that Government enter into agreement with the factory and take over the produce of the factory at a given price and then distribute it through Government ration shops. This year our production has been much more than in the past years. As a matter of fact, the production has reached the figure which the Planning Commission has fixed for the year 1955-56. Therefore Government finds that it has a stock which costs more than the production cost justifies and therefore to make up the loss they have to find out ways and means. This can be done only in two ways. The first is to subsidise the sugar and to find subsidy from Government source i.e. tax payees. The other method is to re-

duce the price and collect the reduction from the future consumers. Therefore, this procedure has been adopted. There were 5 lakh tons in hand and Government had decided that the new sugar, the cost of production of which will be Rs. 6 to Rs. 7 less than in the past year should not be released for sale till this stock is exhausted. The continuance of high price when lower price sugar is available will create difficulties. Therefore, it was decided that Re. 1 per maund should be charged from the consumers and the consumer will get the immediate benefit of reduction, that is to say, sugar at reduced rates would be available to consumers with lower incomes also while up to now, the prices being high it was not available to them. The Bill should be treated only as a Bill which adjusts prices of new sugar with the old sugar and also collects from the consumers an amount which goes to subsidise the present-day stock. Therefore, to discuss cane prices or the profits of factories would not be relevant in this connection.

Some Members have criticised the reduction of the cane price. But I may say that the prices of agricultural products are always comparative to each other. I may remind hon. Members that cane price in 1947-48 was Rs. 1-2-0 while the price of wheat or the price of rice in that year was higher than what it is today. And yet cane growers were cultivating cane with some profit. As the prices rose, the acreage under cane also increased. All of a sudden, one year when the cane growers and the factory owners reached an agreement about the prices and the prices of cane were raised from Rs. 1-4-0 to Rs. 2 although there was this increase in the price of cane, the next year the production went down because the price of wheat in the U.P. market and the price of rice in the Bihar market also went up. Prices of wheat rose in the open market from Rs. 20 or Rs. 21 to Rs. 26 or 27. Therefore there was more production of wheat than sugarcane and actually the acreage under sugarcane went down. The effect of keeping the cane price high was to encourage the

[Shri Rafi Ahmed Kidwai.]
diversion of acreage from wheat or
rice cultivation to cane cultivation.

There was the difficulty that was experienced last year, as hon. Members know. There was so great a production of cane that it became difficult to utilise it. In the U.P. in some places cane had to be actually burnt for on account of over-production the *gur* prices collapsed and the crushing capacity of the factories was limited. This problem faced us and as was mentioned here, the cane growers could not be paid what was due to them. They have not yet been paid last years' arrears. How did this arrears accrue? The factories in North India generally stop crushing by the first week of April; but last year the U.P. Government persuaded them to continue crushing so that as much sugarcane as possible might be crushed. The factories said they had no money to pay the growers and also that their godowns were full with sugar which had not been sold. Therefore they could not pay cash to the cane growers. However, the U.P. Government persuaded them to continue crushing and pay only Re. 1 per maund for the cane and keep the balance in arrears to be paid when the sugar was disposed off. I think at one time this arrears amounted to as much as Rs. 17 crores in the U.P. only. As the sugar is being sold out, this arrear is also being paid off. I know the reduction in the price of cane might have resulted in some loss to some people, persons who had rented land on a high rent, assuming that the current prices would continue. This is not the case in North India where the land rent is fixed and the proprietor cannot revise it every year. But this might have happened in the South. But South Indian factories have an advantage in that the recovery there averages about 12% while in North India it ranges between 8 to 10 per cent. South India has another advantage, for the sugar produced there is not sufficient for the local consumption and therefore the north Indian sugar is being consumed there and so the

freight charges are also added to the sugar prices there. The cost of production here is more than in South India. Therefore the South Indian sugar factories get the advantage of not having to pay the freight in transport and also high recovery. Their profits are naturally high. I am drawing attention of State Governments to these facts so that the profits that will accrue to them may also be shared by cane producers. That is all that can be done.

PROF. G. RANGA : When you fix the same minimum price for cane everywhere, and as it generally happens the minimum price becomes the maximum price that is paid, how do you expect the cane growers to be benefited?

SHRI RAFI AHMED KIDWAI : That is not exactly correct, because, there is always the competition between *gur* and sugar. You know, in the former days, as soon as the factories started crushing then the movement of *gur* was banned. *Gur* was not allowed to be manufactured and, therefore, the *gur* prices were kept low and the.....

PROF. G. RANGA: May I interrupt for one minute, Sir? The cane that we grow cannot be turned into *gur*, Sir.

SHRI RAFI AHMED KIDWAI : I don't think the hon. Member is correct because there is a lot of *gur* available in the South, and there was pressure on us that export of *gur* should be allowed. We have not put any restrictions on the manufacture of *gur*. Wherever the cane grower thinks that he will get higher prices by converting his cane into *gur* he will manufacture *gur*; if he thinks that he will not get the prices from *gur* then you will get more supply to the sugar factories. About two years ago, the *gur* prices were as high as Rs. 22 per maund and the factories had to pay Rs. 2 to Rs. 2-4-0 per maund for cane although the fixed prices were only Rs. 1-10-0. Therefore, it is always the comparative prices

that weigh and if the cane grower can get higher prices by converting his cane into *gur* he should do so and we do encourage him. We have allowed export this year from the very beginning so that the cane grower will get advantage of this. But, as I have said, all that we intend to do by this Bill is to charge Re. 1. per maund from the consumers of this cheap sugar that will be available from February and to subsidise the present stock by that money. Therefore, it is wrong to say, as one paper's correspondent said, that it is looting the consumer. We are trying to distribute sugar in such a way that the low-priced sugar may be available from the very beginning of the season and they need not wait for four months for cheaper sugar, making this a burden on the Industry.

SHRI B. C. GHOSE : Sir, I should like elucidation from the hon. Minister on 3 or 4 points. The first is, naturally, about cane prices. Although I agree that this should not have come into this Bill, it is the hon. Minister who, in his introductory observations, offered an argument as to why cane prices were reduced and that has brought about this debate. In the observations which the hon. Minister made, the basis was given as the basis of *gur* prices. But, I believe, the Tariff Board had pointed out, as the hon. Pandit Kunzru, has also observed this morning, that the basis should be not only *gur* prices but also the cost of cultivation. I don't know if Government have any statistics about the cost of cultivation, but the Tariff Board calculated that for 1948-49 the estimated cost of cultivation was Rs. 1-6-5 per maund of cane. If we are going to fix Rs. 1-5-0 then we should have some figures to show that cost of cultivation has gone down from what was calculated by the Indian Tariff Board. If we cannot do that, then I don't think it would be fair to give the cane growers a lower price than what was suggested by the Tariff Board. That is the first point.

The second point is

SHRI RAFI AHMED KIDWAI : The Tariff Board itself had suggested a lower price for this year in the same report which the hon. Member is quoting. Therefore, if they accept the calculation of the Tariff Board, they should accept that price this year should have been Rs. 1-3-0 or Rs. 1-4-0 and not Rs. 1-5-0.

PROF. G. RANGA : It should have been announced early enough.

SHRI B. C. GHOSE : May I say that the basis on which the Tariff Board recommended that the price should be brought down was this : They had recommended certain scientific improvements to be brought about and for the sucrose content to be increased. Then, in that case, the prices may be brought down. Let us have the facts about it. The hon. Minister has said that the sucrose content is not so high and I don't think, compared to 48-49 it has increased, if that has not increased, then the Tariff Board's contention that it should be revised has not been fulfilled.

SHRI RAFI AHMED KIDWAI : It has increased in South India about which the particular question is at issue ; in North India, the price fixed is accepted. In South India, the production per acre has also increased. In Bombay, I think the average production is 65 tons per acre while in the North it ranges between 15 and 30. Recovery in the South is more than 12 % while, as I said, in North India it is still between 8 and 10.

SHRI B. C. GHOSE : But, we are concerned mostly with North Indian factories ; South India does not come into the picture.

SHRI RAFI AHMED KIDWAI : North India is satisfied.

SHRI B. C. GHOSE : The second point on which I want information is the date on which the new prices would come into operation. Would they, come into operation immediately this Bill is passed or

SHRI RAFI AHMED KIDWAI : I have announced that the new prices will be effective from 1st December. In North India, it will be available at less than Rs. 4 of the average prices and in some factories Rs. 7 less than the prices. In South India, it will be available for Rs. 27.

* SHRI B. C. GHOSE : I presume that the Government would continue the price fixation of sugar for some time more.

SHRI MAHAVIR TYAGI : Yes.

SHRI RAFI AHMED KIDWAI : So long as the old stocks are there.

SHRI B. C. GHOSE : I understood that the old and the new are going to be mixed up and the old will not remain separately.

SHRI RAFI AHMED KIDWAI : No.

SHRI B. C. GHOSE : There should be price fixation so long as our stock is not finished.

MR. DEPUTY CHAIRMAN : I think the hon. Minister may explain.

SHRI RAFI AHMED KIDWAI : Government will control the old stocks only. Government does not intend to take over the new production except that they will reserve one fourth of the new production so that when prices go up, they may issue them at cheap prices. But, in future, prices will be governed by the competition between the factories and if production is much more than the consumption, there is no danger of prices going high.

SHRI B. C. GHOSE : Until the 4 lakhs of tons, whether old or new, are finished, sugar will not be given over to competition. Is that the position ?

SHRI RAFI AHMED KIDWAI : Yes.

SHRI B. C. GHOSE : The third point is when that situation arises—

I presume, then there will be no control—I should like to ask the Government whether that would be in conformity with the Government's general policy that no essential food stuff should be de-controlled? I am not offering any observation now of my own as to whether that is good or bad, but Government had elaborated certain principles and that principle is, if I understood correctly, although it has not been.....

SHRI RAFI AHMED KIDWAI : Yes.

SHRI B. C. GHOSE : Then, it would constitute a deviation of that policy ?

SHRI RAFI AHMED KIDWAI : No.

SHRI H. N. KUNZRU : But, Mr. Kidwai had never accepted that policy.

SHRI B. C. GHOSE : The last point I wanted to know was about the future of the industry and what Government think about it. The present position is that there would be a surplus. The Tariff Board which enquired into the industry had not very much in favour of the industry to say with regard to the way it had conducted itself and one of the reasons why it recommended that protection should not be continued was, it said "the complacency into which the industry had fallen". Now, what would be the position when there will be no protection and also not limited fixed prices by Government? Do Government feel that the industry will have attained a situation by then that it will be in a position to compete with foreign markets so that any surplus that may be in the country could be exported profitably? If not, both the industry and the cane growers will be faced with a serious situation. I should like some information as what Government feel about the position and what they intend to do about it.

SHRI C. P. PARIKH (Bombay) : Sir, various points have been expressed in the debate on this Bill, and in the brief time at my disposal, I will try to explain my view points.

First, with regard to the price paid of Rs. 1-5-0. A lot of criticism has been made. The Tariff Board had recommended the payment of Rs. 17-0 and Rs. 1-11-0, in 1947, but only Rs. 1-5-0, in 1952 and Re. 1 in 1954. There are going to be better conditions, development programmes as well as facilities given to the cane cultivators, and I think Government are doing what they should do in this matter. It is important to bring down the prices, and therefore, I think this price is reasonable. I may say that at any moment when the Government find that this price is inadequate for the cultivator, they will take stock of the situation and come to cultivator's help. Government have had the first opportunity during the last 8 years of establishing adequacy in the country. They are now fully alive to the situation. They have also established adequacy in textiles. Now they are establishing adequacy in sugar, and I think they have taken the correct step in this direction. The hon. Minister has already said that the production of sugar next year will be 13 lakh tons. But if he finds it necessary he will revise the whole matter—if he finds that the cane prices are being pushed down. With a buffer of 4 1/2 lakh tons, he has a golden opportunity of controlling sugar prices. He has already contracted for this carry over quantity of sugar. For controlling the situation this method is very good.

Sir, the present price of sugar is Rs. 30, next year the price will be Rs. 24. He has levelled the price at an average of Rs. 27. There is likely to be an increase in consumption to the extent of one lakh tons and over in production, and the carry over will be reduced 3 lakhs. But if Government find that the cane growers are suffering at any moment they will scrap this arrangement and allow export of sugar, and they will allow their export in such a way that the internal prices will not

rise. That is the position and if the cane cultivation of next year 1953-54

SHRI C. G. K. REDDY : Is the hon. Member making a policy statement on behalf of the Government ?

MR. DEPUTY CHAIRMAN : Government will take care of it.

SHRI C. P. PARIKH : If Government find, for any reason that sugar production is reduced they will not release any quantity for export and see that adequate stocks are maintained within the country. That is the advantage of the new policy we are pursuing. Adequacy is to be established in the country and I think we should see that nothing comes in the way of our doing so. Next year, if there is increase in production, exports will be possible, but if we find that cane is not marketed at Rs. 1-5-0 it will be the duty of the Government to see that the growers are able to get Rs. 1-5-0 for all the cane they grow—then and only then will Government will step in, and it will be thus possible also to export. These are the conditions which Government should bear in mind. With regard to the contractual obligation of 4 crores, which is there, Government have brought this from the producers on guarantee of price. That guarantee has been given in order to make sugar available to the consumer at the fair price of Rs. 30/-. I think that if the consumer, if he pays Rs. 30 now, or Rs. 24 afterwards it will create instability both for the consumer and the cane grower, and therefore the average price of Rs. 27 has got to come into being.

With regard to the clause 4 which Pandit Kunzru has referred to I say that this clause mentions that a specific exemption has been given on sugar manufactured in certain areas. If an efficient unit is able to export at a competitive price to foreign countries, I think that facility and inducement should be given to them because Government should not spend on subsidies. In some areas the cost of production is low; in some areas it is high. But Government have got control of all these

[Shri C. P. Parikh] areas in their hands in order to regulate the whole trade of exports and internal consumption. All consumers in the country are crying for lower prices. If the price of sugar is kept low, other agricultural products competing with cane will also sell low. There is already a great clamour in the country that it is really good if prices come down, and this is the first step in this direction. We are not satisfied with the present index which is at the 1948 level. We want it to come down to the 1945 level, to bring it down to 250 instead of the present index of 380, and this is the only way of doing it, because the cultivator, then gets in exchange, his other commodities at cheaper prices. If we have to increase our national income, national production has to be raised. We have to bear this in mind because, there are not only cultivators, but there are also the labourers in the country ; then there also is the middle class. The national production has to increase in order to help these people. To achieve this object the Government have adopted the proper method. Then Sir, with regard to the mill-owners profits. With the carry over stocks in their hands, I may tell you Sir, that they will not be able to make any large profits. They will be buffer stocks and no mill-owner will be able to make any large profits. I think that free competition will bring down the prices to a fair level. With regard to the profits which Mr. Sundarayya was mentioning, he was saying yesterday that he would not speak because he had not studied the problem, but today he has spoken at great length. I think he has studied the whole industry in twenty-four hours. I may tell you that it is absolutely impossible.

SHRI P. SUNDARAYYA : The figures are government figures.

SHRI C. P. PARIKH : It requires considerable business experience to understand these figures. It is not just the paid up capital. You have to take into account, the reserves, the depreciation funds etc., etc. The gross profit is not as Mr. Sundarayya thinks, on 3 1/2 crores. There has to be 6

j per cent, return on gross block, otherwise the industry will collapse. This country has to be industrialised. During the past four years, since we had our independence, Government have made many mistakes for lack of business experience. They have no soft corner for the capitalists. They did not understand business. They were not used to the working of business. Now they have gained experience, and they have studied the problems. They have now controlled the economy in such a way that business makes only the minimum profits. You can see this from the industrial enactments which they have made. The profits are being brought to the minimum level. That is the position. If the country is to be industrialised, you have to see from the angle which suits our country, from the national view-point. Industrialists must not and should not exploit the country, and we must develop our industries in such a way that they add to the prosperity of the people of the country, month to month, day to day, and year to year.

3 p.m.

This is necessary, because economic policy cannot be laid down for one definite period. Circumstances change during the year. Circumstances change every month. I think, therefore, that only if a Development Council is established, our object will be achieved. Action by the hon. Minister with the help of his Secretary is not sufficient. He will not be able to discharge his full obligations. Industrialists are shrewd people, intelligent persons, and there is collective intelligence from various directions, and therefore, unless he establishes a Development Council and takes proper persons who will give him correct advice, there will be no solution, and Government measures will be exploited, and the country will be exploited, and the industrialists will be unnecessarily abused. What happens today ? Honest persons suffer, and dishonest persons thrive. This has been brought to the notice of the Government repeatedly. In spite of many representations by many associations, the Government have ignored them. And now only they are

coming forward boldly with a policy which I say is in the national interests—in the interests of the industry, in the interests of the consumer, in the interests of the country's prosperity as a whole. We want this to be done in such a way that all our countrymen are satisfied.

As regards research, large amounts should be spent on research with a view to increasing the sucrose content. There are great possibilities, and I think they must be explored. Income from cess must be utilised on research and should not be made over to the general revenues. This receipt must be utilised for helping the cultivator in matters of improved quality of seed essential supply of implements, and so on. That is the only way in which we can stand up to foreign competition. Our cost of production of sugar is much higher. The international price is Rs. 16 or Rs. 17 per ton. Where do the industrialists come into the picture? They have got to buy the raw material at a fixed price. They have to pay labour a fixed wage. (*Time bell rings.*) Only one minute more, Sir.

With regard to managing agency commission, reduce it by all means. Reduce it as much as you deem necessary and do it by ordinance. The industry is oftentimes blamed. We sometimes want to surrender our commission but we are not allowed to do so. If the managing agency commission is fair, there will be no criticism or abuse. The industrialist oftentimes do not come into the picture. They have to buy the raw material at a price which is fixed by the Government, and they have to pay their labour a wage which the trade unions and courts dictate. Members opposite also put all kinds of obstacles in the way of lowering cost of production. Our cost of raw material is three times higher, and our cost of manufacture is also three times higher as compared to foreign countries. In foreign countries the manufacturing cost is 10 to 15 per cent., whereas our manufacturing cost is 30 to 40 per cent. How

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can we compete in foreign countries? And unless and until we compete in foreign countries, unless and until we are able to export 4 lakh tons of sugar over and above our own consumption, there will be no salvation. We must try and explore¹ this method. And the golden opportunity of having buffer stocks /or the first time should not be missed.

With these words, I support this measure.

SHRI D. NARAYAN (Bombay):

श्री डी० नारायण (बम्बई) : श्रीमान् उपसभापति जी, हमारे सामने जो बिल है और उसके जो कारण अभी तक हमको बतलाये गये हैं उन में मेरी समझ में एक ही कारण विशेष दिखाई देता है। हम पहिले से अपनी ज़रूरत से ज्यादा चीनी पैदा करने लग गये हैं। जो ज्यादा चीनी पैदा हुई है उसे बाहर भेजने की ज़रूरत आ पड़ी है। वह चीनी तब ही बाहर भेजी जा सकती है जब बाहर के मार्केट में वह सस्ते दामों में बेची जा सके। जो हम से एक रुपया ज्यादा इस तरह से मांगा जाता है उसका मतलब यह है कि जो चीनी बाहर भेजी जायेगी उसको बाहर बेचा जाने के लिये एक तरह से मदद पहुंचाई जाय। इसका कारण यह है कि जिस कीमत में यहां पर चीनी मिलती है, या जो कीमत हमको यहां पर चीनी की देनी पड़ती है, उससे कम दामों पर वह चीनी बाहर भेजनी होगी। जो नुकसान ज्यादा कीमत पर बाहर भेजने पर होता था वह न होने पावे और साथ ही साथ यहां के भाव भी नीचे आ जायें इसी के लिये यह तरीका निकाला गया है। यह एक ऐसा तरीका है जिससे हमारे मुल्क को कभी भी फायदा होने वाला नहीं है।

सोचना हमको यह चाहिये कि हम उतनी ही चीनी पैदा करें जितनी कि हमें ज़रूरत होती है। बाहर भेजने से किसानों को फायदा नहीं होगा। यानी इससे यह सवाल पैदा होता है कि हमें "क्राफ प्लानिंग" करनी चाहिये। हमारे मुल्क में "क्राफ

[Shri D. Narayan]

प्लानिंग" विल्कुल नहीं है। इसका असर यह होता है कि कारखानेदार और व्यापारी इसका बेजा फायदा उठाते हैं। जब कभी कोई "मनी क्राप" ज्यादा पैदा हो जाती है तो भाव नीचे चले जाते हैं और जब कभी कम हो जाती है तो भाव ऊपर चले जाते हैं। जब भाव ज्यादा हो जाते हैं तो किसान उस क्राप को ज्यादा करने लग जाता है और जब भाव कम हो जाते हैं तो किसान उम क्राप को कम करने लगता है। इस तरह से यह खिलवाड़ चलती रहती है। यह बात सिर्फ एक ही चीज पर नहीं होती। कपाम और मूंगफली को ले लीजिये, उसमें भी इसी तरह की खिलवाड़ की जाती है। इस तरह से किसानों के साथ खिलवाड़ की जाती है। किसान जो पैदावार करता है उसके भावों की निश्चतता न होने की वजह से वह किसान लोभ में आ जाता है और इसका नतीजा यह होता है कि उसको नुकसान होता है और वह उस "क्राप" की पैदावार कम जादे करता रहता है।

जो कुछ नुकसान उठाना पड़ता है वह अन्न के जरिये हमें उठाना पड़ता है क्योंकि "मनी क्राप" ज्यादा हो जाते हैं तो अन्न की पैदावार कम हो जाती है और अन्न के लिये जमीन कम हो जाती है। इस तरह से हमारे देश में अन्न की कमी बनी रहती है। तो मैं यह देखता हूँ कि सब से पहिले आज हमारे सामने जो सबाल दिखाई देता है वह यह है कि हमें देश में "क्राप प्लानिंग" करनी चाहिये। हमको चाहिये कि हम अपनी जरूरत से ज्यादा ऐसी चीज पैदा न करें जिसके कारण बाहर के मुल्कों का मुंह देखना पड़े। इसमें हम बात का अन्देशा रहता है कि बाहर के मुल्कों से कम्पीटिशन करनी पड़ती है और हमें इसकी कीमत देनी पड़ती है और यहां के लोगों का जीवन अनिश्चित सा बन जाता है।

दूसरा सबाल यह है कि अभी हमारे बहुत से भाईयों ने शिकायत की कि गत वर्ष एक रुपया १२ आने गन्ने का भाव रक्खा गया

था मगर इस साल गन्ने का भाव १ रुपया ५ आने कर दिया गया है। मैं पूछना चाहता हूँ कि जिस वक्त एक रुपया १२ आने गन्ने का भाव रक्खा गया था तो वह किस हिसाब से रक्खा गया था? अब एक रुपया ५ आने जो गन्ने का भाव रक्खा गया है वह किस हिसाब से रक्खा गया है। क्या ऐसे कोई कारण पैदा हो गये कि जिससे किसानों के खर्चों में कमी हो गई, या आप ने उनको किसी प्रकार की और सहुलियतें दे दीं, जिसकी वजह से आप ने गन्ने के दामों में कमी कर दी है। इसकी कोई शास्त्रीय जांच होनी चाहिये जिससे यह निश्चित किया जा सके कि किसानों का खर्च कम हो गया है। यह नहीं होना चाहिये कि हमें बाहर के मार्केट में चीनी भेजनी है और उसका मुकाबला करना है। इसलिये गन्ने के भाव कम किये जायें या ज्यादा किये जायें, यह तो गरीब किसानों के साथ खिलवाड़ करना है। कारखानेदार और व्यापारियों के फायदे के लिये कि वह बाहर के मार्केट में चीनी को भेज सकें और किसी प्रकार का नुकसान उन को न होवे इसके लिये यह करना योग्य नहीं है। इसलिये मैं आप से यह निवेदन करना चाहता हूँ कि सब से पहिले जरूरत इस बात की है कि हमें यह देखना चाहिये कि हमारी जरूरत कितनी है, उसी आवश्यकता को देखते हुए हमको पैदावार करनी चाहिये। अगर इस तरह की बात हम नहीं करेंगे तो यही खिलवाड़ हमेशा होती रहेगी जो आज हो रही है, जिसमें हमारे कारखानेदार, हमारे व्यापारी ही फायदा उठाते हैं। इस बात का निश्चय हो जाना चाहिये कि हमारे किसानों को कितनी पैदावार करनी चाहिये। अगर इस तरह का कोई निश्चय स्वरूप हो जाय तो बहुत सी बातें जिनसे किसानों को नुकसान होता है वह खत्म ही जायेंगी। फिर इस तरह की बातों पर विचार करने का हमें मौका नहीं आयेगा।

अब तो यह बिल पास होने को ही है क्योंकि मिनिस्टर साहब ने कहा है कि जो हमारे पास

५ लाख टन चीनी गत वर्ष की है उसके ही हिसाब से यह किया जा रहा है। ५ लाख हमें बाहर भेजना है क्योंकि १२ लाख टन चीनी तो हमारे देश में खर्च होती है और ५ लाख टन के लिये हमें बाहर का मार्केट देखना होगा। बाहर के मार्केट में जो चीनी जायेगी वह यहाँ के आज के हिसाब से नहीं खरीदी जा सकती है, इसलिये आप एक तरह से बाहर के मार्केट वालों को "सबसिडी" दे रहे हैं और इसके लिये आप ने यह तरीका सोचा है। ठीक है, जैसा मैं ने अभी आप से कहा कि जब तक हमारे देश में, "क्रॉप प्लानिंग" नहीं होगी, हमारे किसानों की पैदावार की कीमत ठीक तरह से नहीं आंकी जायेगी, उसका कोई निश्चित स्वरूप तय नहीं किया जायगा, तब तक किसानों के साथ यही खिलवाड़ हो ती रहेगी। इसलिये मैं मिनिस्टर साहब से यह प्रार्थना करूंगा कि आप इस तरह से हमारे किसानों के साथ कृपा करके खिलवाड़ न करें।

[For English translation, see Appendix III, Annexure No. 16]

SHRI KISHEN CHAND (Hyderabad) : Mr. Deputy Chairman, several hon. Members from this side of the House have drawn your attention to the fact that the cultivator is going to get instead of Rs. 1-12-0 per maund only Rs. 1-5-0. Thus he is making a sacrifice to the extent of 25 per cent. The hon. Members on this side desire that the sugar mill-owners should also make some sacrifice. You are aware, Sir, that in this industry the factories are allowed about 6 to 7 rupees per maund as manufacturing cost. So what we want is that the mill-owners or the sugar factories be asked to bear a burden of Re. 1 out of their cost of manufacture. That is, the factories instead of getting Rs. 7 per maund as manufacturing cost, will be getting Rs. 6 - . We do not see why the consumer should be burdened with this one rupee excise duty when the mill-owners have made such

huge profits and they can easily forego one rupee out of their seven rupees as manufacturing cost. If they do so, their sacrifice would amount to 14 per cent., whereas the cane grower has made a sacrifice of about 25 per cent.

Now we come to the main problem of cane growers that out of 4 1/2 million acres of land under sugarcane, came from one million areas of land goes to the sugar factories and the remaining 3 1/2 million acres of land supply cane for gur making. It has been pointed out in this House that the price of gur had gone down to Rs. 6 per maund some time back. At present it is about Rs. 12 per maund in big mantis. The actual gur maker gets about Rs. 10 per maund and if we allow 10 maunds of cane for one maund of gur, and some margin as cost of gur making he is only getting about 12 annas per maund for his cane. Thus out of 4 1/2 million acres of land which is under cane, cane growers of one million acres of land get Rs. 1-5-0 per maund and the remaining cultivators are getting only twelve annas per maund. I therefore submit, Sir, that the hon. Minister for Food should consider the question of a minimum price to be guaranteed to the cane growers of those areas which are producing gur. Either I it should be done by fixing a minimum price for gur or more factories should be started and they should be persuaded to carry on their period of crushing to a longer time, so that all the cane growers get a fair price.

As regards the price of cane, I agree that Rs. 1-5-0 is a fair price and for that I submit, Sir, that the yield of an acre of sugarcane is about 20 tons. On this calculation of Rs. 1-5-0 per maund it comes to about Rs. 700 per acre of land.

SHRI RAJAGOPAL N A I D U : Rs. 530.

SHRI KISHEN CHAND : The average is 20 tons, as there are fields producing 15 tons and there are other fields producing 25 tons. We therefore take 20 tons as an average.

[Shri Kisheti Chand.]

It will be clear that a sugarcane grower of those fields which are supplying cane to sugarcane factories is getting about Rs. 700 per acre, the *gur* maker is getting about Rs. 400 per acre while in the case of food crops the average yield is not even Rs. 150 per acre.

PROF. G. RANGA : Is that the net income ?

SHRI KISHEN CHAND : Yes.

May I go further, Sir, and say that in our country about 250 million acres of land is under cultivation ? Out of that barely 10 per cent, land is under cash crops and the rest of the land is under food crops. The grower of food crops gets only about Rs. 150 per acre of land while the grower of these cash crops gets about Rs. 700. And therefore if we want a long term plan and we want a fair distribution of income to the entire agricultural population, we will have somehow or other to bring down the price of cash crops and raise up the price of food crops. I can assure you Sir, that time will come when the price of cane will go down to ten annas per maund and we should be prepared for it. If all the cane produced in our country is converted into sugar, we will have about 52 lakh tons of sugar per year and I do not see how it can be consumed in our country.

I would therefore request the hon. Minister in charge of this Bill that instead of levying the excise duty of one rupee per maund, he should ask the factory owners to sacrifice to the extent of one rupee out of their manufacturing cost and then this Bill will become redundant and unnecessary.

SHRI RAJAGOPAL NAIDU : Sir, I rise to oppose this Bill with all the vehemence I can command—with all the weight also. It is for this reason, Sir, that the Government has absolutely no sympathy for the agriculturists. A time has come, Sir, when the agriculturists in this country are living in a state of utter frustration. That is because at every stage the interests of the agriculturists are thoroughly neglected.

When I go through this Bill very carefully, I find. Sir, that you are trying to safeguard the interests of only the mill-owners and this Bill has been brought forward only for the purpose of safeguarding the interests of the mill-owners. The hon. Mr. Kidwai, who has just now spoken, said that the Government had controlled sugar and entered into an agreement with the factories for the last few years that so much sugar will be taken from them for sale in the ration shops. I would like to know first of all why this sort of agreement has been entered into with the mills. I go to the very fundamentals and ask this Government as to under what provision of law the Government is empowered to enter into this kind of agreement with the mills. Having done that, Sir, the Government is now trying to impose all sorts of burdens on the agriculturists. Now, you say, Sir, that you have got to discharge your obligations to the mill-owners. I am asking : Is not the Government bound to discharge their obligations to the cane growers also ? When the cane grower planted his crop, the Government had guaranteed a price of Rs. 1-12-0 per maund. Now without any warning at the time of the harvest they have reduced the price to Rs. 1-5-0, Sir. What is the reason behind the whole thing ? I may submit, Sir, that just as you had guaranteed certain prices to the mill-owners, though it is not reduced to writing but it is implied at least that you are bound to respect the prices that you had guaranteed to the growers also. Though it is not reduced to writing, it is a very honourable agreement and it will be your duty to see that you guarantee that Rs. 1-12-0 price for the agriculturists.

Now just take a glance at the prices of sugarcane from 1947 right up to this day. In 1947 the price of sugarcane was Rs. 2/- per maund. That is fixed by the Government. I am talking of the Madras State. In 1948-49 it was Rs. 1-15-4 in 1949-50 it was Rs. 1-11-6. In 1950-51 the price was Rs. 1-12-0 and in 1951-52 it was Rs. 1-12-0. Now, Sir, I cannot understand how the Government can reduce

the price from Rs. 1-12-0 to Rs. 1-5-0 so suddenly, i.e., by 25 per cent. Has the cost of production increased or decreased? I am sure the whole House will be in agreement with me if I say, Sir, that the cost of production had gone up really from 1951-52 to 1952-53. Why I say that is this. For instance, the cost of all the materials that are required for the sugarcane crop, namely, the fertilisers, the iron and steel implements, the labour have gone up. I shall name them one by one. For instance, take ammonium sulphate which is mostly the fertiliser that the manufacturer resorts to in the South. The price of ammonium sulphate in 1947-48 was nearly Rs. 210 per ton. But what is the price of the article now? It is nearly Rs. 410 per ton. It has increased by two times. Take again, super phosphate. It was distributed to the growers at subsidised rates. It was given to the agriculturists at 50 per cent, of the cost. Now, the Government has withdrawn the subsidy in regard to this article and the result is that the people will have to pay as much as Rs. 400 per ton which means that the price has gone up by nearly two times. Oil cakes are also used for the raising of the crop and there again, the prices have gone up by nearly four times. In the State of Madras, there is absolutely no control over that. Take iron and steel. It is required by the agriculturists, and there also the price has gone up. Recently even one month back it had risen by 50 rupees. All the requirements that are needed by the agriculturists have gone up in price. Is the Government justified under these circumstances in reducing the price from 1-12-0 to 1-5-0? On the other hand, they ought to have raised the price to Rs. 2. But they have the audacity to reduce the price to Rs. 1-5-0.

In this set up the labour will also be very much affected if the price is reduced, because the agricultural wages depend upon the prices which the landowners get. If the landowner gets Rs. 1-12-0 per maund, he would be liberal

in paying the labourers to that extent. On the other hand, if you reduce it to Rs. 1-5-0 he would only reduce the wages of the labour. Sir, on the top of this, the Madras Government is imposing a surcharge on the land and the landowners will have to pay more henceforward. These are the circumstances which should weigh with the Government to see that the price of the sugarcane is not reduced from Rs. 1-12-0 to Rs. 1-5-0. The Government has not taken notice of the various reports of the conditions existing today. For instance, the Dutt Committee has recommended Rs. 1-7-0 per maund. What is the recommendation of the Tariff Board? It has suggested that you should reduce uniformly. Uniformly reduce the price from 1-12-0 to 1-0-0. You bring down the price and maintain it for two years. But you have suddenly reduced the prices. I have no objection if you reduce by one anna per maund. But the sudden reduction is very alarming to the agriculturists.

{Time bell rings.}

I want only two minutes more.

Sir, with regard to these mills, I may point out that they had made huge profits. I know one mill in South India has made twenty lakhs net profits and the Managing Director has earned four lakhs.

MR. DEPUTY CHAIRMAN : Why repeat things which have already been mentioned?

SHRI RAJAGOPAL NAIDU : Then, Sir, there is only one point. These mill owners were given power to sell one-third of their production in the open market. I know sometimes they are selling at Rs. 5 per maund; and they have made huge profits. There is yet another point which I wanted to submit, but as it may take more time I do not wish to speak about it.

SHRI J. R. KAPOOR : Mr Deputy Chairman, Sir, I extend to this Bill and the present sugar policy of the Government my wholehearted support.

[Shri J. R. Kapoor.] I think, Sir, that the present sugar policy of the Government and the present Bill cannot be divested from each other. Both of these make up an integrated scheme for the development of the sugar industry in the country and for the protection of all the parties concerned. I therefore, Sir, extend my wholehearted support to both this Bill and the sugar policy of the Government. Sir, this Bill arises out of the situation that this year we have been able to produce so much as fifteen lakh tons of sugar, a figure which we had put as a target to be accomplished in the next four years. That is the situation, Sir, of which we may all feel proud and we must congratulate the Government, the cultivators, the mill-owners and all the parties concerned, for enabling the country to produce such huge quantities of sugar within the short space of two years. What is the reason that during the short space of two years, we have been able to produce as much as fifteen lakh tons. ? Two years ago, we could only produce ten lakhs. During this interval we have increased production by 50 per cent. It is worthwhile on this occasion to enquire into the reason for this increase. It is simply because, two years ago, the Government adopted a policy of partial decontrol. Many of us advocated even at that early stage a policy of absolute decontrol and if Government had only adopted that policy even two years ago, we would have had this increase last year. But the Government wanted to move cautiously and to have an experiment that year and they adopted a policy of partial control two years ago. The result is that we have now this very satisfactory state of affairs. I am trying to draw the attention of the Finance Minister, who I hope will convey our views to the hon. the Food Minister who is not here at present, that this very policy if adopted in other fields will bring about good results. We are not for absolute decontrol.

MR. DEPUTY CHAIRMAN, We are not discussing controls.

SHRI J. R. KAPOOR: Not at all. I was submitting that the present results have been achieved because of the policy of progressive decontrol and I would like to urge that at no future time the Government should go back to the policy of controls, because if they do that, they will find themselves in the same difficulty in which they found themselves in the matter of the sugar industry two years ago. I submit that they must continue the same policy so that they may continue to have the same results hereafter also.

This Bill, though it is technically a money Bill and taxation Bill, yet, I consider it to be more in the nature of a relief Bill, because it seeks to give relief to every part in the affair. The cane grower, the producer, the consumer and the Government and the general public get relief.

Sir, two important speeches, or rather three not ignoring, my hon. friend on my right, have been delivered in opposition to this Bill. The one is that delivered by my friend Mr. Rajah and the other by my friend Mr. Sundarayya. There is also the one delivered by my hon. friend Mr. Naidu. Even if ah. that they said are considered, you will see that there is nothing that could be said against this Bill and the present policy of the Government. I am sure that everybody, who has an impartial mind, will realise that there is nothing which could possibly b§ said against this Bill. The speeches would seem to serve a good plea for establishing the necessity of the Bill. Two points are made. One is that more and more land has been brought under sugarcane cultivation. Why was it so ? For the simple reason that the cane price was fixed at Rs. 1-12-0 per maund and if the price was not fixed at that high figure, so much extra land would not have been brought under sugarcane cultivation. It would have been brought under wheat or rice crop. Therefore, when more and more land should not come in under sugar cultivation, it is necessary that the price of the sugarcane should not be fixed at a very high level.

The second point that was made out was that this levy should not be imposed, but the loss which the Government has to bear must be borne by the general tax-payer. May I ask, in all humility and with all respect, whether it is the intention of my friends that the general public should suffer this loss of over four crores of rupees ? Or, whether only the sugar consumers should bear it. And who are the sugar consumers? Not the general public. It is only the urban population which really consumes sugar. It is not the rural population that consumes sugar. They consume *gur* and it is only about ten or fifteen per cent, of the whole population of India that consumes sugar. The rest form the rural population and they consume *gur*. Therefore if all these Rs. 4 crores were to be paid out of the general exchequer the burden would have fallen on the whole population which consist mostly of the common man. Now, however, the loss is being shifted by the Government very wisely only to the urban population of the country which consists only of about 10% of the whole population of India. I, therefore, submit that this measure should be readily accepted and Government should be congratulated that, rather than paying this loss from the general exchequer, they have shifted this burden only to the city population. My hon. friend, Mr. Sundarayya, spoke in very abusive and vituperative language. We are not very much surprised to hear this sort of language from my hon. friend, because by this time we have got accustomed to associate such abusive and vituperative language and also the deeds and misdeeds which these words represent with our Communist friends in the country. However, there is a saying that if you have no case, abuse your adversary, and it seems to me that all this vitu- ! perative language was used on this occasion because practically there was nothing to be said against the present policy. Two things were said and they were full of misrepresentations. One was that the Government had given a guarantee to the cultivator that

they will pay them at Rs 1-12-0. I wonder wherefrom my hon. friend got this

information. The Government gave absolutely no guarantee to the cultivator so far as the present season is concerned, that they will get Rs. 1-12-0 per maund. They did give this guarantee last year and they fulfilled it as my hon. friend over there very ably made it out, but, so far as the present season is concerned, they had given absolutely no guarantee and now when the time came for fixing the cane prices, taking everything into consideration, they have fixed it at Rs. 1-5-0. It cannot be said that the cane grower was taken unawares. What happened actually last year ? Though the cane prices were fixed at Rs. 1-12-0, it is an open secret that in many places the cultivator did not actually get Rs. 1-12-0 as there was a huge bumper crop in the country leading to competition among cane growers and so many factory owners acted dishonestly and did not purchase at Rs. 1-12-0. And even then as the hon. Food Minister just now pointed out, a very huge amount of the price of the cane has not yet been paid by the mill-owners to the cultivator. These were the two difficulties which the cane growers faced last season. Thirdly, the cane growers found it very well from their experience that the *gar* price last year had gone down to Rs. 6 or Rs. 7. These were the important factors before the cane growers last year -one, that they had to sell their cane for less than Rs. 1-12-0 even though that was the controlled price ; and secondly, they could not get the price from the mill-owners because of the heavy accumulation of sugar in the factories and the mill-owners had not the money to pay, and thirdly, the *gur* prices had gone down. So the growers had warning to adjust themselves accordingly.

MR. DEPUTY CHAIRMAN : Time is up.

SHRI J. R. KAPOOR : I will take only one more minute. I have one or two suggestions to make with your indulgence.

MR. DEPUTY CHAIRMAN : You conclude.

SHRI J. R. KAPOOR : My one suggestion is that Government should very seriously consider as to whether what they are doing at present is sufficient to meet the needs of the situation. I would suggest to the hon. Finance Minister and the hon. Minister for Food and Agriculture that they should see that in the present season more than 13 lakh tons are produced and that can be done only if Government take over the present stock of 4 lakh tons of sugar from the mills, keep it themselves paying the factory owners so that they may have the necessary finance to produce the 15 lakh tons and they may also have the necessary space to stock the new produce. Otherwise, the expectations of the hon. Ministers would not be fulfilled. The factories will not be able to produce the 13 lakh tons as they have neither the finance—their banks are pressing hard on them—nor have they the necessary space. So this is very necessary.

My second suggestion is that they must take immediate steps to export sugar as much as they can so that the mills may be able to work upto their maximum capacity of 15 lakh tons. For that it is necessary that the export must be subsidised and I for one would have absolutely no objection if this Bill is kept in operation even for more than 2 or 3 years because it is only a fraction of the population of the country—the urban population, who will not grudge, which is affected. In return, the whole country would benefit and the Government would earn valuable foreign exchange and the 10 or 15% of the urban population cannot mind this little sacrifice in the larger interest of the country. And lastly I would request the Government

(Time bell rings.)

(Shri Govinda Reddy got up to speak but was not permitted by the Chair.)

SHRI MAHAVIR TYAGI : I must thank this House for giving so much consideration to this Bill. I must confess that the discussion in this House is of a high level and it has not only been

engaging but also educative. I never expected that I shall really have to touch so many points as my friends all round have advocated and put forward. Perhaps it will not be possible for me to do justice to all these important points but I may assure hon. Members that I have made a note of each and every point that has been suggested and Government will never lose sight of the reactions of the House still I have to make a few closing remarks as is conventional about the Bill. So that I may remain fresh, I will start from the end.

I am grateful to my friend Mr. Kapoor. When he was speaking I was feeling as if he was speaking with my tongue in his cheeks and whatever I really wanted to say, most of it he has already said. He had made two valuable suggestions: that we must take the stocks away from the mills. Really their godowns are very much crowded and for a long time they have been insisting that we should remove the stocks from there, but we could not remove. If I had removed the stocks, I would have had to pay the price promised to them and unless I knew how to make up that loss of revenue it was not possible for me even as a merchant to remove those stocks because the prices, not only in the international market but even in the local market, were going down. If I had removed that stock at that price, then it would have meant dead loss to the Government revenue. I, therefore, did not with the result that the factory owners could not get their money. It was all locked up and consequently the peasants who gave sugarcane have been waiting for months and they also need their money because their monies have not been fully paid. Now I must thank my hon. colleague the Minister for Food and Agriculture—he, as it were, had a brain wave in his ministry—and they suggested to us a way that we could take over the stocks by making payments and the loss can be made up from the margin of cheapness that the consumers will have in the next crop because it will be cheaper. So that idea struck and we thought it was a good method of making the whole society share the loss, rather than making

one party or the other to bear it. In fact, it is not a question of giving any concessions to the industry. The industry has manufactured sugar on our responsibility. Now, my hon. friends have asked me the question, "What right have you to take over that responsibility and give that type of an undertaking to the industry?" Well, it is not like that. When controls come and Government starts controlling, it is done according to law. When ceiling prices are fixed, in that connection the prices of sugar or other commodities are also fixed. Once Government fix the price of the finished product, they also fix the price of the J producer's raw material. In the case of sugar, originally, it was in the interest of the cane grower himself that Government started fixing the minimum price for sugarcane. Cane growers were rushing with their sugarcane, some fifteen years back, to the factories and these factories were not accepting the cane, with the result sugarcane crops were actually burnt, as there was no buyer for the sugarcane. The factories were sometimes having very cheap sugarcane and making very good profits. This has been already referred to by hon. Members here. It is with a view to taking away the margin of profit from the hands of the manufacturers who alone were enjoying it, and to see that the profit was shared by the cultivators also that the prices of cane started to be fixed. When fixing the prices of cane and of sugar, naturally we had to take into consideration the cost of the raw materials, the cost of production or manufacture, the wages paid and all the connected factors: After considering all these factors the final selling price of sugar was fixed. After that, it was our responsibility to see that the sugar is lifted and sugar was not allowed to be lifted except by those who had obtained permits from the Government. Only such merchants could lift it as had permits and that sugar was rationed and it was sold in our control shops. We were selling it at the current prices. Now if we lift the stock in hand, it will have to be sold at the current prices unless we could have some margin of profit from the next coming crop. From that point of view this duty has been suggested and I have.....

SHRI J. R. KAPOOR : Am I to understand that Government will now remove the sugar from the godowns of the mills and stock them somewhere else? Is that the intention? Or will it remain in the factory godowns?

SHRI MAHAVIR TYAGI : Stocks are not being lifted and we have decided that our control shops should first sell all the old sugar and thus give relief to the godowns. It will be difficult for Government to take away all the stocks just all of a sudden. Our godowns are full of other things— foodgrains and all that, and I am afraid Government has not got so much of accommodation at their disposal as to be able to take away all the sugar stocks at once.

SHRI J. R. KAPOOR : Will controlled sugar be once again sold through our control ration shops? For some months now sugar is not being sold through the control shops, but it is sold in the open market.

SEVERAL HON. MEMBERS : Also through the ration shops.

SHRI MAHAVIR TYAGI : It is sold in the open market and also in the ration shops. But wherever it is sold, Government will see that this sugar is consumed first.

Reference was made to the export of sugar. Government is also anxious to export sugar. But there are difficulties because in the international market prices are low and the sugar produced in our land costs more, due to various causes, due to the cost of cane, cost of labour. Therefore it is not possible to export it now because the outside market price has gone so low.

So, it is becoming difficult; but, this is the policy of Government that if there is any demand from any country for sugar, we shall be very anxious and we shall be very glad to supply sugar, either on a Government to Government basis or through private channels.

[Shri Alaha vir Tyagi.] Now, Sir, my hon. friend, Shri Rajagopal Naidu, has spoken with quite a vehemence and his main argument was about the agreement with the mills. I have already replied that it was not an agreement. It was our own liability and not the liability of the mills. The sugar in fact is with the mills. It is not as if we are going to give any help to mills; it is not like this. The sugar is ours and we have to sell it at the prices at which it was sold and, therefore, to put the cheap sugar into the market at an early date, we have decided that we draw from the coming sugar some excise duty. ■

SHRI RAJAGOPAL NAIDU : May I point out to the hon. Minister that so long as the sugar is not paid for by Government it does not become the property of the Government?

SHRI MAHAVIR TYAGI : I think it was our moral responsibility to make payment while the sugar was still in their stock because all work of the factories stands stuck up. They were not in a position to pay. In the interests of the sugarcane grower the Government had to provide some ways and means facilities. We tried but it was my own failure. You will be surprised to know that even my own sugarcane has gone to a mill nearby my fields. My farm is a very small one and is immediately adjacent to a sugar factory. I could not really insist for my money because I know that they will immediately say 'Remove the sugar and take your price'. And that is the reply that they have given to many and I have become slightly unpopular; peasants would come and say "why are you not paying the mills" as their money is accumulating with the mills and they are not being paid. The mills always give that argument and say "Ask your Tyagi and he will pay". I hope, after this is passed, my little money will also come.

Sir, my friend said that we have reduced the prices all of a sudden with-

out giving any notice. It was not done all of a sudden. It would be recollected that a Notification was issued in April last and it was mentioned therein that the prices were going to be reduced for this crop and so, it did not come all of a sudden to the cultivator.

Then, Sir, it is very difficult to fix what is called a fair price for things. It is not so easy. There are so many factors which have to be taken into account. First is the question, the classical one, that of supply and demand having quite a lot to do in the determination of prices. Then, in the matter of agricultural produce, there is also the question of the season—whether the crop has been good or bad—that has its effects. Another point is the area of cultivation, whether it is more or less. Over and above these, come irrigation charges, revenue and rent, etc. Here it is not the same case as with a factory or industry. The same case does not apply to agricultural products because these also depend upon the prices of sister crops or the other crops cultivated by the same cultivator which also fluctuate in the market. When the price of one goes down, well, sympathetically the prices of others are reflected. So, it is not always the case of your picking up a formula and applying it, as it is, and fix prices on any basis. Prices to cultivators or manufacturers cannot remain constant. It is not possible in these fluctuating markets because commodities, all-told, will have uniform effects on one another. So, it is not also fair to fix prices and keep them constant. It would be unfair and unnatural to keep one fixed price for one commodity only. If we were to do so, perhaps, our production will not go up. In fact, we shall be practically stuck up. This can be possible of achievement only when there is absolute control on all social activities. I mean to say, only when the total agricultural activities and the commercial and industrial activities of the society are controlled, a complete control of prices is possible. As is done in Russia where nobody is

free to even, choose his calling or profession. There the Government is in a position to control everything. Perhaps, prices are not only fixed for every commodity but every consumer will also have a price lable. So long as we have not adopted that principle of total slavery to the Government and so long as our Constitution guarantees political and economic freedom, etc., we cannot have such a complete control in the society, as to make individual freedom in the country impossible.

SHRI K. S. HEGDE (Madras) : Why are you tinkering with only one section of the country ?

SHRI MAHAVIR TYAGI : I am thinking of both the sexes.

MR. DEPUTY CHAIRMAN : He said 'Sections'.

SHRI MAHAVIR TYAGI : We have to take so many factors into consideration—the cost of living at present, labour cost, i.e., wages. All these things are taken into consideration, and then prices are fixed. It is not easy for a Finance Minister to claim that he has been absolutely fair in fixing prices. This is a matter in which opinions always differ. There are so many elements which counter act one another. It is like weighing live frogs in a balance. It is not possible to do so because if one frog sits in the pan another will jump out. Likewise there are so many factors which, it is difficult for anybody to keep in grip. The fixation of price is not easy. It will always remain a subject of controversy. Sir, the country is passing through a process of development. It is therefore incumbent on everyone to tighten one's belt. May I, here give a warning to all whether they are peasants, producers, industrialists, labour or consumer? Everybody must be prepared to make sacrifices—the producer as well as the consumer, everybody. It is not possible for the Government to give too much attention to individual's profits, because they have to look

after so many nation building and I constructive activities. Germany has built herself so soon after the ravages of the war because her men, her labourers came forward with a spirit of sacrifice. Similarly in our country, the cultivator, the mill-owner, all have to be prepared to make sacrifices rather than to seek to grasp as much as they can, in these days of national reconstruction. Therefore, I am not guided by popular instinct of trying to appease this or that section. I am not going to appease any section whether big, or small, whether of manufacturers or cultivators. All must forget to some extent the profit motive, and should invest for earning additional wealth which will accrue to them ultimately. I am not guided by cheap slogans, nor am I ruffled when motives are questioned, whether the Government had acted against the interests of cultivators or against the interests of labour. I know it for a fact, and I am confident that as far as lies within our power, full justice is being done to all classes of society, whether it be cultivators, industrialists or labour or business. Sir, friends have mentioned in their speeches that the industry made a lot of profit in the past. It is a fact. They did. And Government is aware of it. In the past a lot of profits were made. There have been loopholes in either the arrangements or in the law of controls, or whatever you might say, profits were made. And it is for this reason that I wish to strike a note of warning that now such things will not be permitted. The jute industry, for instance, made quite a lot of profit. I remember there were days when they were making huge profits. And they are suffering for that today, because there is depression now, and we are now anxiously looking for markets outside. Likewise, all industries will suffer if they do not look to their interests in advance.

Coming back again to the criticism of my hon. friend Shri Kishen Chand, I must thank him for his advocacy in favour of a reduction in the profits of

[Shri Mahavir Tyagi;]

foodstuffs. It is correct to say that unless the prices are reduced, progress cannot be made. Prices have to be reduced. And I think for the last one year or so the Government has been persistently trying to reduce prices and bring down the cost of living to a level where our development activities can go on smoothly, and I hope the House will acknowledge that to some extent the Government has been successful in this respect.

Then, my hon. friend Shri Deoki-nandan asked: Why was the rate raised to Rs. 1-12-0 and again reduced to Rs. 1-5-0? As I have already explained, it was raised to Rs. 1-12-0, and it is very pertinent to observe that when it was raised from Rs. 1-4-0 to Rs. 1-12-0 all of a sudden—an increase of 8 annas per maund—people never came forward to ask why. The country does not belong to cultivators alone. There are also other classes of society. They bore this : increase.

SHRI RAJAGOPAL NAIDU : May I ask whether it is not a fact that it was reduced from Rs. 2 to Rs. 1-12-0? j

SHRI MAHAVIR TYAGI : In the past it was Rs. 1-4-0 and it was raised to Rs. 1-12-0 when that was done, people did not raise their little finger. All that extra money was given ' to the cultivators. It had to be raised, not because any cultivators were to be benefited, but because the price of gur had gone up. We should not j forget that, of the sugarcane crop taken as a whole, 60 per cent, goes into | the manufacture of gur, and it is only 40 per cent, which is affected by the control of cane prices. What about the rest? What about the 60 per cent.? These cultivators of 60 per cent, cane are also dear to us their interests are as dear to us as the interests of the cultivators of the 40 per cent, cane—which is supplied to mills. Some friend mentioned that the price of gur had gone as low as Rs. 7 per maund. So far as they a'e concerned the price of sugarcane calculated

in the basis of gur would be reduced to a few annas only. Still they will have to make gur, because they cannot bring their sugarcane to the factory : they are too far away from the

factory, and there are no 4 P.M. roads, and they will suffer.

When gur market was crashing we did not leave it ihere Government was quite conscious of it; immediate export was permitted so that those people could also hft/vft-fair deal. So the Government is keeping quite a vigilant eye over the market rates which affect either the price of gur or the price of sugar. So it is not only from that point of view tkit we reduce the prices-arbitrarily. We have to keep into account the range of prices of other sister commodities, for instance, gur in the case of sugarcane.

Then, Sir, Mr. Chandulal Parikh has been very good to me. He has said half of what I was required to say. He has already put it in a better language and has produced stronger arguments. I need not repeat the arguments once again. He has said that the Development Councils should be constituted. Sir, while I was speaking on this Bill in the Lower House— which, perhaps, now the Members resent calling as ' Parliament'—I had announced that it is the intention of the Government to constitute a Development Council and it is soon going to be constituted where all interests will be represented.

Then, Sir, my friend Mr. Ghose and Dr. Kunzru have said something about the Tariff Board prices. They have asked for the information about improvements in the crop. Dr. Kunzru's argument is : While I am taking the cue from the Tariff Board's recommendation about reduction of prices, what have I got to say about the improvements which the Tariff Board expected in the development of the cane crop? Sir, for the information of the House I may say that not only the Governments of the States concerned are doing their work for the development of cane crop, but even the Central Government has not been

sleeping over it and the Central Government has extended its help to the State Governments in this matter. For the five year sugarcane development scheme, which is already in operation Rs. 56 lakhs were granted. Rs. 103 lakhs were given on account of subsidy to sugar factories in U. P. and Bihar to compensate for additional cost awarded to workers as increment of wages. I am sorry my Communist friends are now forgetting the labour interests. They perhaps think that labour was too small for them. Now they seem to have taken to the peasants' interests. Labour they have left in the lurch. I have to take notice of labour also. Rs. 103 lakhs were allotted for the labour cause. Their wages were raised in the sugar factories. This was out of that amount which the Central Government received from excise duty from year to year on the carryover stocks. Whenever excise duty was raised, it was raised with reference to the point of time and whatever sugar was then in the factories, every bit of it had to yield excise duty to the Government. The revenue derived from the sugar which was lying in stock already—of the old crops as it is said—was kept earmarked for the development of sugarcane. So, Sir, the total fund for that purpose was about 4 crores and 12 lakhs or so. Rupees 54 lakhs went towards development schemes and Rupees 103 lakhs towards labour wages. Then, expenditure, on sugar technological institute of rupees 50 lakhs has also been spent by this Government. The balance is rupees 203 lakhs out of which rupees 100 lakhs is earmarked for the cane development schemes for the period 1952-53 to 1956. It is extended and we have earmarked rupees 100 lakhs for this purpose.

Then, Sir, we have earmarked 71 lakhs for the falling of markets, etc.

SHRI H. N. KUNZRU. : All this money is going to be given by the Centre.

SHRI MAHAVIR TYAGI : Yes, Sir. This is from the revenues we have had from the old stock of sugar as and when excise duty was levied. The five year scheme for development was started in the Part A States and has recently been extended to Part B and Part C States for which a sum from this fund has been allotted to help them carry on the schemes they have launched. The scheme provided for irrigation facilities, seed improvement, soil extension services, etc. A sum of Rs. 56 lakhs has actually been spent on this account. The contribution by the Centre to the development schemes is based on the condition that the State Governments will themselves contribute at least half of the cost of the scheme. So, the same amount has also been spent by the State Governments. Well, the total estimated cost of the scheme in U. P. and Bihar is 1,401 lakhs. The contribution from the Centre will be about 42 lakhs.

SHRI H. N. KUNZRU : What is the income that the U. P. and the Bihar are deriving from the cess ? Will the Government kindly give us these figures separately ?

SHRI MAHAVIR TYAGI : I shall just come to that.

The increase in the cane yield on account of the development activities in factory zones has been much in various States ranging from 4.2m in the case of Bombay to 96 per cent, in the case of the U. P. Besides part A States, this cane development activity is being extended by part B and C States and some 1 crore has been earmarked for 1952-53 to 1955-56.

My friend is anxious to know as to how much is realised from the cess on cane. Luckily, I have got figures with me. The U. P. realised about 3,01 lakhs in the year 1948-49 and 2,10 in the year 1949-1950, and 2,80 lakhs in 1950-51. About the other years, information is not readily available to me. But I have got the reports from both these States and I

[Shri Malmvir Tragi.] have the information that the Bihar Government, save in times of financial stringency, uses the entire proceeds from the cane cess for the development of the industry. The U. P. Government are spending, about 50 lakhs on the development of the cane industry. They spent a huge amount on agriculture in general and on roads and irrigation, all of which have in direct effect on the general industry. I have not been able to get fuller information from these two States. But it is my intention, as the points have been raised by my hon. friend, to get fuller information. I will do that. I will be in correspondence with those States. But so far as I know, they have devoted quite a large portion of their resources derived from the cane cess towards development of the cane industry. My friend Prof. Ranga when he spoke.....

SHRI K. S. HEGDE : Dr. Kunzru raised a few points about section 4. He raised some relevant objections.

SHRI MAHAVIR TYAGI : My friend Prof. Ranga mentioned about the *gur* manufacturers and he said, " why should you not protect the *gur* manufacturers ". It is very difficult and I could not really follow how he expects me to control the price of cane going into *gur* manufacture as the sugarcane growers themselves are manufacturing *gur*. If his price is controlled he will himself lose or gain. Government can only see that the *gur* price does not go so cheap that it may become uneconomical. For that purpose a vigilant eye shall be kept and as a son of a peasant, I will take pretty good care that whenever it goes low I raise the price not because I come from his family but because as Finance Minister it is my duty.

MR* DEPUTY CHAIRMAN : Please keep an eye on the time also.

SHRI MAHAVIR TYAGI : Prof. Ranga said something about statistics. I might inform the House that with the help of the F. A. O. we have put up a good organisation spending more

than 20 or 30 lakhs on it and our statistics are now coming to order. We have organized ourselves in a scientific manner and with their help and guidance we are having sample surveys, crop surveys etc. and we hope that our statistics will soon become factual. He said that Government is giving protection to the industry and not to cultivators and he said why should the Government give protection to the industry. I have said that the protection is being given to all.

My friend Mr. Lalchand Hirachand Doshi spoke in very clear terms and his arguments were as clean as his coat, and as sweet as sugar. I must say he has been of great help because what I really could not express he had expressed for me. I thank him.

Then I come to Dr. Kunzru. He has been my guide for long and I still look upon him as all people do in U. P. look upon him as the elder politician of our State and he is the father of this House. He is probably the oldest Member and his words nobody can miss.

SHRI GOVINDA REDDY : He has cause to be proud of his disciple.

SHRI MAHAVIR TYAGI : I don't know whether he is happy about it. He said about this levy as to how will this act go after we decide that the levy be withdrawn. He has rightly said that the intention of the Government is not to prolong this tax. On the date on which we know our loss has been made up and some of the sugar which we have to export is also exported, we will just cry a halt and immediately instruction will be sent, as I did last time when this tax was decided on the 5th November, to all excise inspectors immediately to take account of the stocks there were on the eve of the date when the duty was to fall. Likewise when we withdraw it, all stocks will be taken account of and this tax will not be carried further and it will be stopped. I am asked, " Why should this

Act remain longer?" Now, as we all know, every year we have to come up with a Finance Bill. I say that when Finance Bill comes, on that occasion, this Act will also be withdrawn. Therefore no one need have any fear on that account. It is an open promise on behalf of the Government. It is not the intention of the Government to perpetuate this duty. If need be, I can come up to this House any time and request the House to re-enact the law. After all, this House is as much responsible for the welfare of the State and the Nation as I am and I approach this House with all humility because when I face this House and the hon. Members here, I feel I am facing the Nation. I am a humble being, being a Minister, and so I face the Nation with all humility. And so I say that when I come next time with the Finance Bill, if the House finds that I have not fulfilled this promise, the House will be at liberty to throw me out. That is I think, the biggest guarantee.

Then Mr. Rajah made a vehement speech and said that prices should not have been reduced. At the same time he was saying that land should not have been diverted to sugarcane. This means that he wants the cultivator to get good price for his cane, and at the same time he does not want any diversion of land to sugarcane to take place. This, I am afraid is contradictory ; there are two contradictory economic forces at play and I am unable to understand how I can do both. If you raise the price

SHRI H. D. RAJAH : I did not say that. I did not say that the reduction was unwarranted. You cannot find it anywhere in my speech.

SHRI MAHAVIR TYAGI : Anyway, I will not dilate more on this point. Mr. Rajah also referred to "hell-fire" or "hellfare" State as opposed to "welfare" State. There also there is contradiction in terms for "hell" and "fair" don't go together.

SHRI H. D. RAJAH : You may make it "sugar-fare" State.

SHRI MAHAVIR TYAGI : Then I come to the observations of my hon. friend Shri H. P. Saksena. I need hardly repeat that I have already promised that the duty will not go beyond the date when we make up our loss and that is enough for him.

Mr. Sundarayya said that notice of reduction of cane price was not given in time. I have already stated that as soon as Government thought that they were going to reduce the price, in April last notice was given to the cultivators that price of cane was going to be reduced.

Sir, I think I have covered most of the points that were made. I need only add that the making of *gur* is not banned. The hon. Member, who said that, was wrongly informed. In 1950-51 for a few weeks the making of *gur* was licensed. But then there was a huge agitation from thousands of *kolhu* owners and hon. Members may remember that I myself agitated against the order of the Government—I was then sitting where Dr. Kunzru is sitting today—and it was on my personal initiative that that licensing system or order was withdrawn. So it did not remain for long. And, therefore, at present, there is no control over the manufacture of *gur*. There is no restriction even in the sugar factory areas. Cane growers can manufacture their own *gur* freely. What is really needed is that we have to see that he does not suffer relatively compared with those cane growers who take their cane into the sugar factories. We shall see that *gur* prices also do not come down, very much down in the market. With these words, Sir, I commend the Bill.

SHRI K. S. HEGDE : On a point of information, Sir.....

MR. DEPUTY CHAIRMAN : I am putting the motion to the House

[Mr. Deputy Chairmafn.] The question is :

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

The motion was adopted.

MR. DEPUTY CHAIRMAN : We will take up clause by clause consideration of the Bill. There is no amendment to clause 2.

Clause 2 was added to the Bill.

MR. DEPUTY CHAIRMAN : The question is :

'That clause 3 stand part of the Bill.'

There is an amendmsnt in the same of Shri H. D. Rajah.

SHRI C. G. K. REDDY : Sir, is it an amendment or a recommendation, because this 'a money Bill?

MR. DEPUTY CHAIRMAN : Under the rules, it is permissible.

SHRI H. D. RAJAH : Sir, I move :

At page 1. lines 24-25, for the words, "one rupee and six annas" substitute the words "eight annas."

Sir, I do not want to take much time of the House with regard to this amendment. I have heard with rapt attention—the able speech delivered by Mr. Tyagi our Finance Minister. But, he has not covered any of the points that I raised in my speech. There was a question as to how to share the profit of the industrialists and that dispute was between this side of the House (*pointing out to his left*) representing the industrialists and that side (*showing the Opposition Benches*) of the House, representing the workers [whom Mr. Tyagi has repudiated. The workers are not represented by communists, according to Mr. Tyagi. I I would like to suggest: that this Govern- \ ment keeps an even position. It does not identify perfectly with the

1 industrialists leaving other to the wolves.

MR. DEPUTY CHAIRMAN :
Speak on the amendment.

SHRI H. D. RAJAH : Sir, this is a golden mean I have proposed in this House. I have said that the industrialists must be cajoled by our Government to come down so that the consumers may be satisfied. I am not concerned as to how the profit is to be divided between the capitalists and the labourers. It is only a question of dividing the loot between the parties. That is their internal matter and their dispute. But, what about the consumer ? Again, I am talking only from that point of view and have proposed a certain amendment. You lose nothing by accepting my amendment or if you raise the price level for the new sugar that these factories are going to produce by about eight annas.

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH) : How long to continue this?

MR. DEPUTY CHAIRMAN :
Order, order.

SHRI H. D. RAJAH : I would suggest that eight annas cess or eight annas increase in price should continue only so long as you are in a position to cover the loss by half. That is the main motive behind this amendment. Therefore, it is a golden mean. It will, at least, give some relief to the people who are groaning under your high price levels. Mind you, each producer is also a consumer. Mind you, 100 of our population are consumers.

With these few words, I would request Mr. Tyagi to accept this amendment.

MR. DEPUTY CHAIRMAN :
Clause 3 and the amendment are for discussion.

SHRI H. N. KUNZRU : This additional excise duty which Government proposes to levey is intimately

connected or is the result of the reduction that they want to make in the prices of sugarcane. The reduction they want to make is annas 7; they want to reduce the price of sugar cane from Rs. 1-2-0 to Rs. 1-5-0. I ask Government to tell us why their figure is lower than the one proposed by the Tariff Board. My hon. friend, Mr. Tyagi, told me in this connection that great developments had taken place in connection with sugar cane cultivation. In the U.P. the production had risen by 96 per cent. What I should like to know is whether this increase in the production of cane per acre, has taken place since the Tariff Board Report. If the increase had taken place by the time the Tariff Board reported, then obviously no credit can be claimed for it now. That can be no ground for reducing the prices of sugarcane, from Rs. 1-7-0 per maund as suggested by the Tariff Board to Rs. 1-5-0. I hope my hon. friend will be able to make it clear.

SHRI MAHAVIR TYAGI : This increase was effected after the development schemes had been put into operation.

SHRI H. N. KUNZRU : Had this increase taken place when the Tariff Board reported or has it taken place since the Tariff Board submitted its report? I mean, if it took place earlier, then there is no new factor that could be taken into consideration by Government to justify the reduction in the price of sugarcane from Rs. 1-7-0 to Rs. 1-5-0.

SHRI MAHAVIR TYAGI : I am sorry it is very difficult for me just now to say.

SHRI H. N. KUNZRU : Apart from that, can the Government say anything to enable us to understand why they have not accepted the figures proposed by the Tariff Board? Why have they reduced the price of sugar cane by two annas per maund?

43 C of S

SHRI MAHAVIR TYAGI: It is mentioned here, while the price suggested by the Director of the Institute was Rs. 1-4-0 per maund and that recommended by the Sugarcane Committee was Rs. 1-12-0 per maund, the price fixed by the Government was Rs. 2 per maund. They say further that.....

MR. DEPUTY CHAIRMAN: The Tariff Board fixed Rs. 1-7-0, but you have reduced it to Rs. 1-5-0. He wants to know why?

SHRI H. N. KUNZRU : May I clarify my point Sir? The Tariff Board took two things into consideration. One was the price of sugar and the other was the cost of cultivation. The price of sugar, taking all factors into consideration was determined on the basis of all these factors, by the Tariff Board, to be Rs. 1-4-3 per maund. But taking the cost of cultivation into account they said that the cost of production was Rs. 1-6-5 per maund. Taking both these factors together, they thought that the fair price for sugar would be Rs. 1-7-0 per maund. Now Government have disregarded that recommendation and provided a substantially lower price for sugarcane. Why have they done so? What are the arguments justifying their decision?

SHRI MAHAVIR TYAGI : Sir, I have some information in my note here. In the first place, I might as well say that the question as to why the price of cane was reduced or increased is not a pertinent question with regard to this Bill, because this Bill did not at all have anything to do with the price fixed for sugarcane; it was about excise duty.

SHRI C. G. K. REDDY : This is a consequence of that.

SHRI MAHAVIR TYAGI : That is right. But this question cannot be made the subject matter of a discussion. I never came prepared for a discussion

[Shri Mahavir TyagT] of that point here. But I have a note here, and it is mentioned :

"It will not be out of place to mention that the Indian Tariff Board in their report on the sugar industry in 1950 had observed that the estimated cost of cane cultivation in the country as a whole was about Rs. 1-6-5 including transport charges to factories and a profit of 10 per cent."

This is their recommendation. These are not my words. The Board also calculated that the fair price of cane on the basis of return from *gur* and of an average price of Rs. 13 per maund—which is the price today—was Rs. 1-4-3. We have fixed Rs. 1-5-0. A, 1V

PROF. G. RANGA : There is another sentence in the report.

SHRI MAHAVIR TYAGI : I cannot find the original just now. I will try to find out the page, but I am referring to the note which I have on my record.

SHRI H. N. KUNZRU : It is page 124.

SHRI MAHAVIR TYAGI : Then, my hon. friend will read it and he will find out what their recommendations were. After these recommendations were made, cane development schemes started. In 1949-50 cane yields had improved, and they improved further in two or three years. The Tariff Board expected that after this improvement the price of cane would come down to Rs. 1-4-0 and even to Re. 1.

SHRI H. N. KUNZRU : May I interrupt my hon. friend ? What I am trying to find out is whether these improvements have actually taken place, and Government are unable to give a definite reply to that.

SHRI MAHAVIR TYAGI : That is what I have already said. They have ^aken place.

SHRI H. N. KUNZRU : The hon. Minister said that increase had taken place in the yield of sugarcane per acre. I asked him whether that increase had taken place before the Tariff Board reported or afterwards.

SHRI MAHAVIR TYAGI : I have said, afterwards.

SHRI H. N. KUNZRU : I asked my hon. friend, and he said he could not tell me just now when this increase took place.

SHRI MAHAVIR TYAGI : I will read out the words of the report of the Board. The Board knew that they had started a programme of development and on the basis of that programme the Board made their recommendation. They said :

•On the basis of development programmes which were being earned out by various State Governments it should be possible to reduce the price cane supplied to sugar "factories to Ke. ^ per maund by 1951-52 and possibly to Re. 1 per maund by 1954."

These are the words of the Board. After judging the extension of the programme and its merits the Board gives the verdict that if the programmes go on, it will be fair to fix the price at Rs. 1-4-0 by 1951-52.

PROF. G. RANGA : The only point is whether these expectations have materialised. That is what my hon. friend Pandit Kunzru has been asking, and there is no reply to that.

SHRI MAHAVIR TYAGI : It is very difficult for me to answer, because the Board did not lay down any sort of scale to measure to what extent it should materialise.

SHRI H. N. KUNZRU : I am not asking anything about the Board. I am asking whether the actual achievement that the Board expected has taken place—whether any increase in the yield of sugarcane per acre has taken place since the Tariff Board reported. That is a very simple question.

MR. DEPUTY CHAIRMAN : He has answered it in the affirmative.

PROF. G. RANGA : No, Sir. There was no answer. He has no information.

MR. DEPUTY CHAIRMAN : He did answer. Now I am putting it to vote.

PROF. G. RANGA : Why do you want to rush it like that ?

SHRI J. R. KAPOOR : Sir, before you put it to the vote of the House, I would like to say something on this.

MR. DEPUTY CHAIRMAN : Yes, Mr. Ranga.

PROF. G. RANGA : Since this morning, Sir, the whole argument has turned on this question of price of sugarcane and my hon. friend thinks that it is not germane to this discussion. We think on the other hand that it is very much germane to this discussion for the simple reason that it is as a result of the reduction in the price of sugarcane which the Government had achieved by some notification that they had issued that they were able to think in terms of a reduction in the price of sugar and because they thought of this, they had to make this special arrangement in order to help these sugar manufacturers or rather help them from out of their own possible losses. That is why this Bill has come before us. Now my hon. friend Dr. Kunzru has brought forward this amendment.

MR. DEPUTY CHAIRMAN : He has asked for information.

PROF. G. RANGA : He has asked for information and he has made this very relevant observation that here is a Tariff Board which is supposed to be the spiritual mentor of the Government. Government is expected to respect its findings as well as its recommendations. It has recommended that Rs. 1-7-0 will be reasonable.

MR. DEPUTY CHAIRMAN : Rs. 1-6-5.

SHRI H. N. KUNZRU : The cost of cultivation was Rs. 1-6-5 per maund. But the price recommended by them for sugarcane was Rs. 1-7-0 per maund.

PROF. G. RANGA : I should not be supposed to have accepted all their calculations in regard to the cost of cultivation. Dissatisfied though I

might be with their own calculations with regard to the cost of production because I consider them to be an underestimate, they themselves have suggested that Rs. 1-7-0 should be fixed, although they came to some sort of an approximate figure of Rs. 1-6-5 and so on. Even that has been dismissed according to our contention by the Government and they have decided upon Rs. 1-5-0. The Government has been saying that they came to an agreement with various interests. The only interests with which they seem to have come to an agreement are the manufacturing interests—the mill owners and nobody else. I do not know whether they have consulted anybody else, any representatives of the sugarcane growers or the workers in the sugar mills. These people have also got their organisations. But I do not think they have consulted them. They might say they have consulted the State Governments and State Governments are expected to represent the interests of the sugarcane growers or labour. Well, I do not think the House ought to take that to be a satisfactory answer. Now when they have not consulted the agricultural interests or the labour interests, when they have consulted only one interest, would it be unreasonable on our part to think that Government has really not given proper consideration to this matter and has only consulted the advice given by one very powerful interest and no more and on the basis of that they have come to their own arbitrary decision that it should be Rs. 1-5-0 and nothing more ? And all because they wanted to satisfy the consumers. Here are these powerful people. They have thrown this carrot in their own face and they have thrown lakhs of cane growers to their own fate. Now that is the conclusion that I am obliged to come to and I am afraid my hon. friend the Minister has not been able to dispel our doubts or fears. On the other hand he simply quotes what my hon. friend had read out but only a portion. Possibly he was not given the rest of that quotation or the rest of that paragraph. But whatever it is, I do plead for this. Saddled as he is with this Bill—I do not think that he is the

[Prof. G. Ranga.]
 father of the Bill, but he seems to be
 fathering it—would it not be possible
 for him to take some time to come back
 before the House with information ?
 Will it not be possible for the Govern-
 ment to reconsider and improve the Bill
 and come back to this House and the
 other House with a more satisfactory
 proposition ?

SHRI MAHAVIR TYAGI : Sir, the
 recommendation of the original com-
 mittee referred to by my friend Mr.
 Ranga is as follows : " Here we are to
 determine the fair price for cane on the
 basis of the cost of cultivation and the
 estimated return from *gur*." I crave the
 indulgence of the House now. We have
 seen that the estimated cost of
 cultivation was only as low as Rs. 1-6-5
 per maund of cane. We have also seen
 that the fair price of cane based on the
 estimated return from *gur* is Rs. 1-4-0
 and

AN HON. MEMBER : Yes, come
 along.

SHRI MAHAVIR TYAGI : My
 difficulty is that it is not worked out on
 the basis of these two figures. They
 considered that Rs. 1-7-0 per maund
 should be a fair price for cane in the
 present situation.

PROF. G. RANGA : That is exactly
 the position.

SHRI MAHAVIR TYAGI : This was
 the recommendation which was made in
 1950 when we were giving Rs. 1-12-0.
 This was the recommendation in 1950
 made for the 1950 crop, when the price
 of sugarcane given was Rs. 1-12-0. So,
 there too, Government did not go below
 what they said. But it does not end here.
 My friend should read a few lines more.
 "Rs. 1-7-0 is regarded as a fair price in
 the present circumstances. It is
 however expected that when the
 intensive development and research
 programme now taken up in hand" (it
 means it had been taken in hands two
 years ago) .—"by the provincial
 Governments are carried out, the price
 for cane could be reduced to Rs. 1-4-0 in
 the next two

or three years and possibly to Re. 1 per
 maun din a period of five years". That
 was the recommendation. Now, Sir, my
 friend wants to know categorically
 whether the development has taken
 place as it was expected. I submit that
 within these two years it has progressed
 fully and completely. Not only that, the
 development programme has been
 extended further and there is every
 hope that the yield will further increase.

PROF. G. RANGA : Where can we
 have the figure cited by the hon.
 Minister, the figures relating to in-
 creased production.

SHRI MAHAVIR TYAGI : I have
 cited the figures from the reports I
 have received. They can be had from
 me. It is naturally from the Govern-
 ment sources that you can have them.

PROF. G. RANGA : Could the hon.
 Minister send me the report that he has
 received from the department that
 deals with sugar ?

SHRI MAHAVIR TYAGI : I have to
 look whether the whole paper is
 transferable or not. If it is I shall send
 the Report. But if there is any
 confidential matter, I shall give an ex-
 tract to him.

MR. DEPUTY CHAIRMAN : The
 question is :

At page 1, line 24-25, for the words "one
 rupee and six annas" substitute the words
 "eight annas."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The
 question is 1

That clause 3 stand part of the Bill.

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

MR. DEPUTY CHAIRMAN : The
 question is :

That clause 1, the Title and the Enacting
 Formula stand part of the Bill.

Sugar (Temporary Additional

There is an amendment by Dr. Kunzru but it has come late and I rule it out of order.

The motion was adopted.

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

SHRI MAHAVIR TYAGI: I move : That the Bill be returned.

SHRI C. G. K. REDDY : At this late stage, especially with the very str?n<w» attitude which the hon. Minister "Revenue and Expenditure has taken, it would not be of much use possibly to oppose it. In any case we are going to oppose it but I would like to draw his attention to only one thing. He has tried to 'dodge' the many criticisms that have come over from this side of the House. In 195° the Tariff Commission had fixed the price of Rs. 1-7-0 as a fair price to the cultivator. Two years have passed and the song of the hon. Minister is that many bright things have happened to the sugar growers. We have tried to elicit from him any definite information that he could give in respect of this and we have got nothing from him.

MR. DEPUTY CHAIRMAN : It is not correct. He gave the percentage.

PROF. G. RANGA : No, Sir.

SHRI C. G. K. REDDY : In spite of the fact that his very eminent colleague the hon. Minister for Agriculture came to his aid at some stage of the debate although he said that it was not relevant for him to take part in the supposed irrelevance, we found that even he could not throw any light. He of course told us that the relevance does not come in, because the price was fixed sometime in April. Now what I should like to say is that the relevance comes in this manner i.e., that this Bill is a consequence of the decrease in price of sugarcane. It might have been given notice of even two years ago but

this Bill has come as a direct consequence of the fixation of the cane price at Rs. 1-5-0. If it had been maintained at Rs. 1-12-0 this would not have been necessary. There is another point I should like to make out and that is this. Regarding the guarantee that has been given to the mill owners I would say that once when the Government had made certain commitments with one section, naturally they ought to have realised their responsibility in respect of others. I am not speaking only on behalf of the growers but am speaking, let me say, on behalf of all the three interests concerned. I feel definitely and all of us here feel that only one interest has been taken into consideration. When they brought this Bill, and even when they fixed the price at Rs. 1-5-0 for this season and onwards, they did not think of their responsibility to the growers. They say, they thought of their responsibility, at that time, to the consumers. Today they are thinking in terms of the interests of the mill owners and we don't know when the growers are going to come into the picture at all. The hon. Minister in charge of the Bill, of course said that the Government which he is happy to represent, has the interests of all, that it represents all interests. But with due respect to him, I should like to submit that it is not possible for any Government to represent all interests. Perhaps for his elucidation I may say that democracy and the parliamentary system of party government have grown in such a manner that all parties are developing on the basis of representing particular interests and a Government, naturally can represent only one group. That certainly is the case and the colour of the pohtics in a particular party is determined by the manner in which it represents that particular interest. Of course, the hon. Minister may not agree with me in this. But so far as the history of the price fixation of sugar is concerned, its history during the past five years or so, and even the Government's policies of control and decontrol and monetary policy and other policies are concerned, and this erratic manner in which the price of sugar has been jumping and descending, show that