

[Shri Samar Guha.]

India should do something in honour of Netaji. The earlier Government proved ungrateful; they did not even acknowledge the greatness of Netaji; they did not acknowledge even the contribution of Netaji. I would request the present Government that they should do at least something on the 23rd January, the birthday of Netaji, to acknowledge Netaji's contribution and honour our debt which is the national debt to Netaji.

MR. CHAIRMAN: This Bill will continue on the next day.

#### HALF-AN-HOUR DISCUSSION

##### NATIONALISATION OF SUGAR INDUSTRY

MR. CHAIRMAN: We now take up the Half-An-Hour Discussion. Shri Jyotirmoy Bosu.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Mr. Chairman, Sir, in reply to my Starred Question No. 164 dated 28th November, 1977, the Prime Minister had said:

"This particular problem is a complicated one so far as U.P. and Bihar are concerned and more complicated because of low production of sugarcane. They have taken no steps to increase the production. They go on asking for more and more prices. That goes on bedeviling the whole issue. So, it has to be gone into more deeply. We are trying to do that."

But this is what Shri Bhanu Pratap Singh said. It is a good thing that he does not really hide his political philosophy and his political thoughts. He should be outspoken. Here, Shri Bhanu Pratap Singh, in his wisdom has spelt out:

"Seven public sector factories are under the control of the UP State Sugar Corporation over the last four years and their performance is miserable."

I want to ask a question. If he cannot govern and run sugar mills, how does he want us to believe and accept that he will be able to govern the country. He says that the State management has rendered the condition of sugar mills in a miserable condition. I cannot understand this.

In this country, sugar really tastes bitter because in the sugar industry, there have been most generous financial patrons, politicians and champions of free and private enterprise. They have been champions of free enterprise; they have been champions of private sector and they have been working for only profit. They have found most willing patrons in the sugar industry, the sugar magnates, the sugar tycoons, to work in that direction. They purchased partial de-control sugar in 1968. I still remember that the transaction had taken place in Kanpur. He must be knowing it because he comes from Uttar Pradesh. They had paid Rs. 40 lakhs for purchasing the partial de-control sugar from the then Government headed by Mrs. Indira Gandhi. That brought them very rich dividends. The whole trouble is that Government control and sugar cannot live together because the producers of sugar move and act solely from profit motive. If sugar was properly handled, if there was a properly formulated sugar policy, it could have been used as a vehicle for rural upliftment. But instead in traditional areas like U.P. and Bihar, it had become a vehicle of impoverishment. Cane growers, mill workers and the weaker sections of the consumers, all, have been equally exploited, and the industrial adventurers have flourished. The sugar tycoons have minted money. Of course, they have parted with a big share—the hon. Minister is in the know of things—but they got enormous return for the same.

I will give an example, how they exploit. Mr. M. A. Chidambaram, Chairman of Maruti Limited, controls the South India Steel and Sugar Mills. He is not even willing to pay the mini-

imum price fixed by the State Government. His neighbouring sugar mills had been paying Rs. 105 per tonne of sugarcane last year; but he would not pay more than Rs. 93.

Today there are 103 sugar mills, the largest number concentrated in the worst power-stricken area. And it means what? Prosperity for a very few, and blood and sweat for many. That is what the sugar mills are in this country today.

Maharashtra, of course, is in co-operative sector—a new form. There are 47 mills, if I am right, and these cooperatives, to benefit slightly more in number exploit a huge number of consumers. In spite of the fact that Maharashtra produces the best quality of sugarcane which you can get in this country, in spite of the fact that Maharashtra sugar mills have modern machinery, yet, an average poor consumer in Bombay and its suburban pays the highest price for sugar. You can buy a kilo of sugar in Calcutta for Rs. 4 and a few paise; at the same price in Delhi also; but in Bombay—I verified it yesterday—one has to pay Rs. 4.50 or thereabout. Maharashtra produces sugar in the cooperative sector. Cooperation in what? In fleecing the consumers more effectively. That is what is happening in Maharashtra now.

I remember, one sugar tycoon and a Minister, Mr. Mohite, had fed on the occasion of his daughter's marriage one lakh people—sugar tycoons. He is a cooperator. What sort of cooperator is he! Of course, we have other cooperators in this House—the Leader of the Opposition and his *chelas* like Mr. Annasaheb Shinde. They all sing song for the sugar barons. How they have fleeced the exchequer, I will give some account. In 1972-73 alone, sugar rebate—under the sugar rebate scheme—was given to the extent of Rs. 1,231.41 lakhs. The Public Accounts Committee, in its 155th Report, says this:

“Closely linked with the concept of modernization is the ‘economic size’ of the sugar factories. According to the Tariff Commission, 1973, a little more than half the total existing sugar factories, in 1971-72, were of ‘uneconomic size’ with the daily cane crushing capacity of less than 1,250 tonnes. The Committee are, therefore, of the view that since no efforts have apparently been made by the sugar industry to modernise its equipment, adopt improved methods of production and expand their existing cane crushing capacity to make it economic, the grant of excise rebate and similar incentives has only put a premium on inefficiency and increased black money circulation”

Then, further it says:

“If there is a substantial gap between the tariff value and the actual realization of the factories, the gap between the tariff value and the ruling market price is still wider. The Committee are amazed to learn during evidence that while the ruling market price of free sale sugar was Rs. 585 per quintal in September, 1974 in the Hapur market and Rs. 570 per quintal in the Calcutta market, the tariff value for the month of October, 1974 had been fixed as ridiculously low a figure as Rs. 320 per quintal. This gives rise to serious suspicion. After deducting the duty element of Rs. 120 per quintal from this price, the wholesale price, exclusive of excise duty works out to Rs. 465 per quintal in the case of Hapur and Rs. 450 per quintal in Calcutta”.

Absolute cheating! According to the existing laws and regulations, the excise duty has to be levied on the prevalent price in the wholesale market. At that time, unfortunately, I was the Chairman of the Public Accounts Committee and went a little deep into the matter. We found that while the prevalent market price at the Hapur market was Rs. 585 per quintal, for the purpose of calculating excise

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duty it was taken as Rs. 320. What a wonderful arrangement; The sugar tycoons investment in the politicians can bring wonderful return. Therefore, they cannot be touched. If you come out with that sort of utterances, how shall I differentiate between you and Mrs. Indira Gandhi? They have been describing you as right reactionaries, but I have been defending you outside and saying that there cannot be anybody more right reactionary than Mrs. Indira Gandhi? Do not let us down.

An amount of eight thousand lakhs was given as subsidy for exports. Prior to 1967 elections, Rs. 3750 lakhs were given as export subsidy in two years. Prior to 1971 elections, the amount was not far below. The Minister can tell us what would be the subsidy for 1978. I have not got the figures; I would be grateful if you could kindly enlighten us. I am not saying that they are subscribing to your funds also. I want to know how much subsidy you want to give to them in 1978.

These sugar tycoons, the exploiters and cheats, are getting rebates, even when the mills were not started. In the same report of Public Accounts Committee, it has been mentioned:

“Yet another distressing feature of the rebate scheme for 1972-73 is the liberal grant of rebate even to factories which had not produced any sugar during the base period.”

Shri Bhanu Pratap Singh has said in this House that they cannot nationalise these mills for nationalisation sake. If anybody can challenge these facts, he can share his views, but if I have understood Shri Bhanu Pratap Singh correctly, he would not at least support these mal-practices by these sugar tycoons. These are the facts, that I have given him.

If I remember correctly, Shri Bhanu Pratap Singh also belonged to

Congress Party once upon a time and then he came to Swatantra Party.

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI BHANU PRATAP SINGH): I was never in the Congress Party, I was in the Swatantra Party....

SHRI JYOTIRMOY BOSU: I know you have been a big Swatantra leader. Congressmen promised better life and higher standards to common man in the country. I know, you do not make a promise which you do not want, but they made promises, though they did not want. That is the difference.

There was a slogan for increased production, but for whom? Every American citizen's child has a per capita income which is the highest in the world, may be Rs. 15000 a year and here we are have the second lowest per capita income in the world. What is the consumption pattern? Production: 1975-76—42.64 lakhs tonnes, 1976-77—37.46 lakhs tonnes and 1977-78—54 lakhs tonnes. Internal consumption: 1975-76—37 lakhs tonnes, 1976-77—37.46 lakhs tonnes and 1977-78—34 lakhs tonnes (estimated). Mr. Minister, will you kindly tell us, who do you stand for?

The Economic Survey shows a steady decline in the per capita consumption in the last ten years of sugar by the poor native India. You should know that sugar is an essential commodity for survival which generates heat in your body. And they are talking about the welfare State. Marxist Communists believe in violence but you are all Jain Munis. But this is the slow poisoning method where you starve that man, give him malnutrition, plenty of it and you give him that much which makes him work the next day for you. What is the result? A stockpile of 15 lakhs tonnes.

So, this government now—I point my finger to Mr. Bhanu Pratap Singh.

You come with a rescue operation. You reduce the excise duty by Rs. 47. Have not you done so very recently? And has the reduction in the excise duty been passed on *in toto* to the consumer? No. It is a sacrifice of a revenue of Rs. 183 crores, roughly, if my quick estimate is right.

SHRI BHANU PRATAP SINGH:  
You are wrong.

SHRI JYOTIRMOY BOSU: If it is wrong, I would like to be corrected. I may be wrong. I never say that I am always correct.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI S. D. PATIL): The consumer is protected.

SHRI JYOTIRMOY BOSU: Now they are passing on the benefit to the extent of Rs. 25, but Rs. 22 they are retaining themselves which I have come to know after talking to a number of dealers, wholesalers and sugar producers. Rs. 25 they are passing on to the consumer but Rs. 22 they are retaining. Is it not the duty of your government to ensure that the whole amount is passed on to the consumer because you want an average Indian to have more per capita consumption of sugar? That is not taking place.

Then, of course, payment to cane-growers is in perpetual arrears and this small Khandsari producer—I know it has come down in the last three years. It has substantially come down. I know that. That is why I do not want to quote the figure. But what was it some years ago? Every month in this House voices rang. What about the cane-growers? These sugar tycoons have taken finance—unsecured interest-free loans from different sources, from the grower, one from the wholesaler and from this source and that source. But it is these Khandsari people who are very much aggrieved. I would like the Minister to kindly look into their grievances. They say that their ex-

cise duty is very high. It is a small-scale and cottage industry. I am not a spokesman of the Khandsari industry. I am saying that this has been brought to my notice and it is my duty to place it before this House. It has been put forward that Khandsari has more or less worked as a sort of price-checker or price-reducer for sugar. If that is so, why are you not examining their case and see whether the present rate of excise duty is good for them? I do not say that I know everything about the Khandsari industry. In the new sugar policy, there is a price rise, but what about the cane price? This has remained the same. For how many years? We would like to know that. Cane price in 1974-75 was 8.5 rupees a quintal. What is the price today? It is the same. Between 1974-75, 1975-76, 1976-77 and 1977-78 what is the rise in the cost of living index? Who voted you to power? We come to big cities and we forget the poor village agriculturists. Today, after the price rise of 200 per cent, the cane price has remained the same. Why? Because, sugar-producers can't be disturbed. I know how your recovery figures are manipulated. Through manipulation of figures the sugar tycoons get 25 per cent black money, which is generated in this process. They result in inflation of cost of production, evasion of excise duty, evasion of income-tax, deprive the labour of its due, deprive the grower of his due, and freeze the consumer. I tried to compile a chart of sugar prices but I could not do it as I was taken a State Guest during the emergency in 1975 and confined in a cell. Although we have the lowest per capita income we pay one of the highest prices for sugar in the world. There are countries where you can buy sugar at Rs. 1/50 per k.g. In one year, in 1974-75 alone, the sugar tycoons here have earned Rs. 200 crores. They are hand in gloves with those who have ruled this country for the last 30 years. You can't remove them; they have a powerful lobby. I know how they work when agricultural commodity prices are fixed and when dalda prices are fixed. We know the

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result of the Economic Survey of 48 sugar companies out of the total of 235 in 1975-76. There were the borrowings from nationalised banks of Rs. 79.44 crores. The Financial Institutions accounted for Rs. 11.93 crores and the other public institutions Rs. 16.25 crores. Who owns the sugar industry. Is it not the people of India? Mrs. Indira Gandhi nominated a set of handpicked friends, sugar barons. I know all of them. I appeared before that Commission and even there substantial number of Members have said this. I quote:

“Nationalisation of the sugar factories other than the cooperative factories, operating in the private sector, is the only alternative for securing to the sugar industry an efficient and rational organisation. It will improve the working and performance of the sugar industry in general and solve the problem of sick sugar mills in particular. Keeping in view the socio-economic objectives which the industry must work towards and achieve, and recognising the urgency of fulfilling these aims and objectives, we recommend as follows:

(i) The entire private sector of the sugar industry other than the cooperative sugar factories, should be nationalised;

(ii) The marketing of sugar up to the level of wholesale trade should be completely nationalized;

(iii) Provision should be made for adequate representation of labour and canegrowers in the nationalised sector and in the cooperative sugar factories at all levels;

(iv) For formulating and educating policies in regard to the entire sugar industry (public sector and cooperative sector) and for the administration of the public sector of the sugar industry,

the following statutory bodies and organisations should be set up; etc....etc.”

They have given the fullest details. But the Government was purchased. They are completely in the hands of the sugar tycoons. We have seen how this Government behaves. Otherwise, after this highpowered Commission's Report, this sort of recording, still they have not lifted their little finger. Therefore, if you want really the welfare of agriculture—it seems to be your political will—growth of rural economy and the poor people, the consumers, then you have no other alternative but to nationalise the sugar industry. Already money is there. All that you need to-day is to take it over. They are fiddling with your money and getting honey out of it. On the contrary, if you are a believer of only making profit or allowing somebody to make profit, that your economic activity should be aimed at one thing only, that is making profit, then, of course, you will leave the men untouched.

That is the capitalist path of development. Whatever you may say on the floor of the House, you will not be able to solve any of your problems leave aside the problem of unemployment. You won't be able to solve any problem. You will go on having more and more deterioration in the economic conditions of the country. I do not want to say anything more than this. I demand that in view of what I have stated, the sugar industry must be totally nationalised.

MR. CHAIRMAN: Let the questions be put. That will be better and helpful for the Minister. Mr. Bosu. Don't take much time.

SHRI CHITTA BASU (Barasat): I shall just put questions. In the course of the reply on 28th November last it has been said by the hon. Minister that he is not in favour of nationalisation for the nationalisation sake.

This is what he said. But the question was specific as to whether any proposal was made by Government of Uttar Pradesh and what was the reaction of the Government thereto. May I know in this context what was the actual proposal of the U.P. Government in the matter of sugar industry in U.P. and what his decision is as the position obtains to-day? My sectioned about the Bhagwati Committee's Report. Has it put a blanket ban on the nationalisation of industry? If not, whether it is also not a fact that the majority of the Members of the Bhargava Committee have recommended the nationalisation also.

May I know in this context if he has not proposed to give a green signal to the nationalisation proposal? What measures does he propose to take in the matter of ensuring remunerative price to the growers of sugarcane, to modernise the sugar mills and revitalise the mills which had already fallen sick?

PROF. P. G. MAVALANKAR (Gandhinagar): Mr. Chairman, Sir. I think the discussion has been very ably done by Mr. Bosu. He has taken a lion's share and so we need not take more time.

The discussion is welcome because clarity and decisiveness from Government are needed on this issue. I am sorry to say that my friend's answer on that day both on the original question and also the subsequent answers to the supplementaries brought more complexity and confusion rather than clarity and decisiveness of the Government on this basic, fundamental and controversial issue. So, I hope this Half-an-Hour discussion will give him an opportunity to give a clearcut view of the Government on this point. Will you not take up the responsibility of a welfare State and socialise those sectors of the economy where socialisation and nationalisation is called for. I want you to approach this problem not as a matter of dogma but as a matter of practical reality. In this

context I would like to know whether the question of nationalisation is being dealt with on the basis of ideology or on the basis of reality of the situation and the needs of the industry and the social needs.

Further, Sir, will the hon'ble Minister not agree that there is exploitation by sugar magnates and they are pressuring in all kinds of ways. Whether the present Government with all its tall talk of Gandhian ideology will go the same way as the previous Government and will only talk about the poor but go by the richman's lobby.

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Then, Sir, the Minister talked about sick mills and said, "We will take care of the sick mills". But, how? He did not elaborate on that point. Will he take care of them by verbal sympathy or he will take some concrete steps. If he proposes to take some concrete steps then what are those concrete steps. The Minister also said, "If the mills are too sick, I will allow them to die." But my plea is why do you allow them to become too sick? I do not think that is a solution to the problem. Government can not be insensitive to the whole thing by saying that they are sick. Who made them sick? What is the responsibility of the Government?

I do not want to refer to khandasari but I am very sorry to say that on the one hand the industry of khandasari—which is a rural based industry—is being burdened by excise duty whereas concession is being given to sugar magnates.

Lastly, Sir, the Minister referred to the divergent views of the members of the Sugar Industry Enquiry Commission. The members are holding divergent views on nationalisation. I want to know whether these views held by the members of this Commission are held on the basis of their study of the actual realities or on the basis of their pre-conceived

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notions about nationalisation. I do not believe a person aware of the hard realities of the case—in spite of his known ideologies—will say 'no nationalisation.' Because, I believe in no nationalisation. Let him tell us clearly whether the views which are divergent are based on facts and realities and studies or they are merely based on likes and dislikes and prejudices against nationalisation or socialisation as such.

SHRI JYOTIRMOY BOSU: I missed one point. I wanted to point out one statement showing the per capita consumption of sugar in selected countries; it was compiled recently some months ago. Whereas it is 50.8 kg. in America, 41.2 in Mexico, 24.8 in Ceylon and 16.6 in Philippines, in India it is only 6.9 kg per annum.

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI BHANU PRATAP SINGH): My difficulty is that my friend Shri Jyotirmoy Bosu has very fixed and rigid idea and is not open to conviction. The ideas which he imbibed in his younger days are still lingering with him. I will not make even an attempt to convince him because he is determined not to be convinced.

As regards nationalisation, we made our stand very clear. In fact the Prime Minister also intervened and he said that we do not believe in nationalisation for the sake of nationalisation. We have also stated that whenever and wherever required we will not hesitate to take over any industry but we will not take any industry for the sake of ideology as Mr. Bosu would like us to do. That point was made very clear on that day. Shri Mavalankar is asking about the question of socialisation. He should be aware that we are progressively encouraging the establishment of co-operative sugar factories, so much so that more than fifty per cent of the

total sugar production in the country is in the cooperative sector and we propose to encourage it further. Of course there is some mismanagement even in cooperative factories but on the whole this kind of ownership is more desirable than otherwise.

SHRI JYOTIRMOY BOSU: That is the political outlook.

SHRI BHANU PRATAP SINGH: As I said, your political outlook cannot change. We do not have any fixed ideas; we keep on changing our opinion with experience. All over the world it has already been proved that nationalisation does not always lead to social good. Still my friends in India will not change their view.

Many questions have been asked about the U.P. Government. The U.P. government wrote to the Union government several times, not once. Only once they wrote to the Janata Government after it was established here. Earlier they were writing to their own government; they had passed a resolution. They had ample time to implement that resolution. Perhaps they never intended to implement it. But they wanted to take advantage of it and hold out a threat to the sugar magnates, perhaps. We cannot say what passed between the U.P. government and the Union government. As far as this government is concerned, we received only one communication and that was in April 1977 perhaps. But before we could reply the Government in U.P. also was removed from office. The next government did not write to us; they did not press for it and they are not insisting that they be nationalised. We will not say 'no' to any proposal coming from any State Government which wants to nationalise it. We will not stand in the way. If the State Government want to nationalise it, let them do it. There is no difficulty. The State Governments are as well empowered to take over sugar factories as Union Government.

**SHRI JYOTIRMOY BOSU:** But you control all the resources.

**SHRI BHANU PRATAP SINGH:** So far as excise duty is concerned, I have rightly explained it but perhaps people do not want to be convinced. About sugar industry, taking past figures into consideration is not going to help us today. The situation is entirely different now. Only three years ago, sugar was selling in the international market at £ 700 a tonne. Now it is slightly higher than £ 100 a ton. Perhaps there is no commodity the price of which has gone down so steeply. Sugar industry did make profit in those days. Even the Government of India earned a lot of foreign exchange, but that situation has entirely changed. In fact, during 1976-77, the sugar industry has suffered a loss. This is not my view. The Government has established the Bureau of Industrial Costs and Prices. It is according to their figures that I say that the sugar industry has lost money during 1976-77. They were losing and it was only to prevent further losses that the excise rebate was allowed. According to BICP, the cost of production of sugar per quintal was Rs. 215.

**SHRI JYOTIRMOY BOSU:** So far as BICP is concerned, many of them are on the pay roll of the sugar magnates and other industrial magnates.

**SHRI BHANU PRATAP SINGH:** I can assure you even the managers of your nationalised industries will also be on their pay roll. There is no less corruption in nationalised industries. If there is corruption, it is all-pervading, in all walks of life. I am not here to defend or give explanation for the past sins. I am going to explain the present situation. The per quintal cost of production has been estimated at Rs. 215. 65 per cent of the sugar produced was taken at an average price of Rs. 168 per quintal. In order that the industry could make up its cost of production, it should have realised Rs. 303 per quintal on

the 35 per cent remaining sugar. It has failed to do so. It has realised only Rs. 280 per quintal. It is to make up this gap that the excise duty relief has been given. In fact the excise reduction was only partly made to bring down the prices; it was made mostly to cover this kind of loss. If that had not been done, sugar factories would not start. You must have received complaints that this year, the sugar factories started functioning late. This was one of the reasons. They were adamant that at the price that they were getting, they could not start production.

**SHRI JYOTIRMOY BOSU:** That was the black-mailing tactic that they always adopt.

**SHRI BHANU PRATAP SINGH:** It is very easy to say this; but the factories will not work. It is the interests of the cane-growers which will suffer. We had 4 options before us, viz., raising the price of the levy sugar; allowing the price in the open market to rise; lowering the price of sugar cane; and lastly, to reduce excise duty. We did not touch the consumers and cane-growers, but only reduced excise duty. (Interruptions) Mr. Chitta Basu, I have already replied to the first part of your question, viz., whether any proposal has been received from U.P. Regarding the second part, viz., remunerative price, the mere fact that the area under sugar-cane is increasing is evidence enough that farmers are satisfied. (Interruptions) Otherwise there would be a lesser area.

**SHRI JYOTIRMOY BOSU:** Why is the per capita consumption one of the lowest in the world? (Interruptions)

**SHRI BHANU PRATAP SINGH:** The increase in the area only shows that it is more profitable than producing other alternative crops. Some Members want us to take over these mills. I will give you a description of some of these mills. Out of the 30



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mills in Bihar, 29 are more than 30 years old. If they know this fact, why do some Members advise us to take over this junk and invest money in them?

**SHRI CHITTA BASU:** I know that they are old, and that they were established 30 years back. But how do you propose to modernize them?

**SHRI JYOTIRMOY BOSU:** You take them over at book value.

**SHRI BHANU PRATAP SINGH:** In 1977, 66 mills are more than 25 years of age; and it is estimated that a good working life of a factory is only 25 years.

**SHRI JYOTIRMOY BOSU:** Don't believe that.

**SHRI BHANU PRATAP SINGH:** What about rehabilitation? We have a programme of rehabilitation. Finances are being provided to those who want to modernise their factories. They are provided with money.

**SHRI JYOTIRMOY BOSU:** You give money at a lower rate of interest, repayable in 35 years.

**SHRI BHANU PRATAP SINGH:** If you are interested, and can show results, I can recommend 1 or 2 factories. Some factories were taken over by the U.P. Government. Now they have suffered so much losses, they do not know what to do. I throw a challenge to him. Let him take over some mills and run them.

**SHRI JYOTIRMOY BOSU:** If you cannot govern some sugar mills, how can you govern the country?

**SHRI BHANU PRATAP SINGH:** We do not want to invest our money in these mills. New mills are coming up. There is no dearth of mills. We can increase their capacity. Some

of them will die and some of them will be rehabilitated. I cannot understand why every single mill must be kept alive. If some mills die, some other mills will come in their place.

**SHRI JYOTIRMOY BOSU:** But a modern mill is not labour-intensive.

**SHRI BHANU PRATAP SINGH:** So long as the capacity of sugar production in this country is increasing, so long as co-operativisation is proceeding in a satisfactory way, I do not see any wisdom in the investment of scarce resources by the Government in this kind of industry... (*Interruptions*) Fortunately, there are public sector factories and also co-operative factories. We can compare the performance. There is no difference between one or the other. Their performance is about the same. In fact, if anything, the performance of the public sector industries is worse.

A point has been raised about consumption of sugar. Perhaps, Shri Jyotirmoy Bosu is not aware that only 35 per cent of our sugarcane goes into production of vacuum pan sugar; 65 per cent goes into the manufacture of *gur* and *khandsari*. If account is taken of all the sweetening agents, it would be found that the *per capita* consumption of sweetening agents in our country is not less than that of the average of the world. I am not talking of rich countries like America, France or Germany, but the average of the world, which is 20 point something kilogram *per capita per annum*, and ours is a little higher, not less than that. So, there is the satisfaction that in spite of our poverty, our consumption of sweetening agents is not less than the world average.

About the *khandsari* I will again say these large factories were unable to recover their cost of production. That is why some kind of transfusion has been given to them in the form of excise relief. But *khandsari* units

are able to recover their cost of production. Asking for a reduction in excise duty by *khandsari* only because there has been a reduction in the other industry is like a situation where in a family, if a member falls sick and he is provided some tonic, the rest of the members of the family claiming that they should also be provided with tonic. So long as the *khandsaris* are getting a price higher than the cost of production of *khandsari*, they do not need any tonic. But the day the prices fall in the open market and they are unable to realise their cost of production, I have assured them and I assure the House now that we will certainly take care of them and we will not allow them to die.

I may also state that we have retained the dual pricing system simply because we thought that perhaps under the decontrol there would not be a kind of protection that is required for the *khandsari* and the *khandsari* industry would die a natural death. It was to save that industry that we have retained the dual pricing system. Otherwise, there is no merit in that system at all.

18.27 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, December 19, 1977/Agrahayana 28, 1899 (Saka).*