

[Secretary]

Sabha that the Rajya Sabha, at its sitting held on the 7th May, 1959, agreed without any amendment to the Displaced Persons (Compensation and Rehabilitation) Amendment Bill, 1959, which was passed by the Lok Sabha at its sitting held on the 4th May, 1959"

11 05 hrs.

## PUBLIC ACCOUNTS COMMITTEE

### EIGHTEENTH REPORT

Dr P. Subbarayan (Tiruchengode)  
I beg to present the Eighteenth Report of the Public Accounts Committee on the Appropriation Accounts (including Proforma Commercial Accounts) (Civil) 1955-56 and Audit Report, 1957

## CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

### ABNORMAL RISE IN PRICES OF SUGAR IN U P

Shri S M Banerjee (Kanpur)  
Under Rule 197, I beg to call the attention of the Minister of Food and Agriculture to the following matter of urgent public importance and I request that he may make a statement thereon

"The abnormal rise in the prices of sugar in Uttar Pradesh and the steps taken by Government in regard thereto"

Will you kindly allow us to put some questions because there were a number of adjournment motions and short notice questions on this?

Shri Braj Raj Singh (Firozabad)  
There were several adjournment motions

Mr. Speaker: I have received the short notice question also. If, how-

ever, there are one or two questions, I will allow

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas):  
Although the production of sugar this year is likely to be somewhat less than that of the last year, this year's production together with the carry-over from the last year is sufficient to meet the country's requirements of consumption during the current sugar year. Some unscrupulous persons, however, have been trying to create a scare in some towns of Uttar Pradesh particularly in Lucknow and Kanpur, which has led to a spurt in the prices. The retail prices in Lucknow and Kanpur have gone up by 10 to 20 per cent.

For some time it has been the policy of Government to increase the quantity of sugar to be sold through direct allocations by the Government and to correspondingly reduce the quantities to be sold by the mills, while the overall quantities allocated by the Government and sold by the mills remain at the old level. This has been done to control the market conditions and the allocations by the Government will be strengthened as need arises. It appears some persons have wrongly spread the rumour that the overall quota has been reduced. Thus the rise is totally unwarranted and is temporary. The Government of India have also advised the State Governments to license the wholesale dealers in sugar. Further, to counteract the rise, Government have released 5 000 tons of sugar for Kanpur, Lucknow, Allahabad, Agra and Varanasi during the last four days as against a release of about 3,500 tons during the whole of the month of April. Part of the sugar recently allocated is on the move and would soon be reaching the destinations. It is hoped that the sugar market in Uttar Pradesh will soon be under control.

Shri S M Banerjee: I want to know what action has been taken or is being taken against those who have created this situation. Secondly, has the hon.

Minister any information about the wholesale price per bag and retail price in Kanpur and Lucknow?

**Mr. Speaker:** The hon Minister, I suggest, may note down the various points that are raised and answer them once and for all

**Shri Tangamani (Madurai).** I would like to know the whole-sale and retail prices for last month and this month

**Mr. Speaker:** He says it has increased by 10 per cent

**Shri Tangamani.** He said 10 to 20 per cent retail

What was the stock available in these two cities, Lucknow and Kanpur, during the month of April as compared to March?

**Shri Braj Raj Singh.** May I know whether the mills are selling the sugar at the rate fixed by the Government to the wholesalers? Is it a fact that that some 30,000 tons of sugar less than the previous quarter was released for sale in UP? Is it a fact that certain people who are dealing in these activities have got complicity with certain officers, and the officers are not taking action against them?

श्री ब्रजराज राय (खेरी) जो टेडर डाइरेक्टर आफ शुगर के पास जाते हैं वे सब के सब मजूर नहीं होते हैं और इस में किसी के साथ खास रियायत की जाती है। कुछ लोगों के टेडर मजूर होते हैं कुछ के टेडर मजूर नहीं होते। और क्या डाइरेक्टर आफ शुगर न यह भी हुक्म दे दिया है कि जिन शहरो की आबादी एक लाख से कम है वहां के कोई टेडर मजूर न किये जायें ?

**Dr. Kam Subhag Singh (Sasaram).** What is the justification to keep controlled prices of sugar in UP and Bihar and not introduce the same system in other parts of the country?

**Shri Assar (Ratnagiri)** The price of sugar in Bombay has increased upto Rs 40 per maund when the price in UP is Rs 36 per maund. There is no control in Bombay. May I know what steps are Government going to take to decrease the price in Bombay?

**Pandit Thakur Das Bhargava (Hissar)** Five towns in the Punjab have been allowed to make tenders whereas in the rest of the Punjab, in cities and other places in rural areas the rates have risen too high and they are not allowed to tender. So that they are at the mercy of those who make purchases on account of tender or they go to the mills and pay the prices that they demand. According to the previous practice in vogue, merchants at several places had the right to tender. They got the sugar and they distributed it in the *mandas* and towns. Will the hon Minister clarify?

**Shri C. D. Pande (Naini Tal)** In view of the fact that there is enough sugar to meet the year's demand, why is there the necessity of having this tender system and restrictions on the trade, thereby leaving scope for a little corruption here and there with the directorate occasionally indulging in a little favouritism?

**Shri Bibhuti Mishra (Bagaha)** The price of sugar is fixed at Rs 36 per maund. If the price rises beyond that, do Government contemplate giving the benefit of the rise in the price to the cane growers?

सेठ बख्त सिंह (भागरा) जब कि हमारे देश में चीनी की पैदावार खर्चों से ज्यादा है तो कंट्रोल की क्या जरूरत है, क्योंकि कंट्रोल की वजह से जो नारमल भाव है उससे पाच-पाच सात-सात रुपये मन ज्यादा का भाव हो जाता है।

**Shri K. N. Pandey (Hata).** Is it a fact that some of the factories in UP and Bihar are selling their sugar at even less than Rs 36 per maund?

**Shri Braj Raj Singh:** I am told that the Cabinet Minister, Shri A. P. Jain, is here in Delhi. It is not proper that when such an important policy matter is being discussed in the House he should not be present here.

**Mr. Speaker:** What is the question of policy matter here? The object of having Deputy Ministers is to officiate in the absence of the Ministers.

**Shri A. M. Thomas:** It is proper that hon. Members are made aware of the control that we have got on the sugar market. We have no control on the retail side at all. The control we exercise is (1) by regulation of releases from the various factories, (2) by fixing ex-factory prices in certain areas, and (3) by reserving a certain percentage of the production for distribution strictly as per instructions issued by Government. These are the various methods by which we control.

In the nature of things—the hon. House knows—it would be very difficult to control the retail market. We cannot afford to have a far-flung organisation throughout the length and breadth of our country to have retail distribution of sugar, especially when we have not attempted it in the matter of foodgrains. When we were having foodgrain distribution, of course, we have controlled distribution of sugar also. But that is not possible now and I do not think any hon. Member would advocate that.

With regard to the spurt in prices, this question came up a few days back when Shri H. C. Heda asked a question. Has not this been partly due to the scare that has been raised because of rumours that there has been a considerable shortage in the production of sugar? I explained that there is not so much shortage as has been made out. The production of sugar in the current year is round about 19 lakh tons and thus, with the carry-over of the stock, will suffice to meet the consumption requirements of the entire country. Again, in the pre-monsoon period there is always some

spurt in price. During this period, as you know, there is considerable demand for sugar for manufacturing cold drinks and for various other purposes.

If we view the whole country, it is only in certain centres in U.P. that there has been this considerable rise; in other areas, there is no such rise. If you take Bombay, there has not been such rise as in the case of U.P. In U.P., the prices have gone up, according to the information that we have received, to about Rs. 1-2-0 per maund or something like that, in certain areas.

**Shri Khushwaqt Rai:** Rs. 1-4-0

**Shri S. M. Banerjee:** From As. 14 to Rs. 1-2-0

**Shri A. M. Thomas:** Even according to what newspaper reports indicated, it comes to Rs. 1-2-0 or something like that. We have been regulating the releases so that the markets may be adequately fed. On the 29th April, we released for free sale about 1,40,000 tons. We reserved 30,000 tons for distribution against tenders. One hon. Member asked whether all tenders are being accepted. It may not be possible to accept all tenders. Our strategy in this matter is to control prices specially in the larger cities. If as a matter of fact, those areas are adequately fed, naturally the prices would even out and the markets in the entire country would be controlled. That has been our object when we fixed control prices in U.P., North Bihar as well as Punjab. The major part of the production of our country is from these areas, and if the ex-factory prices are fixed in these places, naturally the other markets also will be controlled thereby. It will be seen that in other markets prices have not gone up.

**Pandit Thakur Das Bhargava** referred to the case in Punjab. He has spoken to me also about that some time before the House assembled. Of course, I will look into that. But

according to our information, prices have gone up mainly in Lucknow and Kanpur, that is, in U.P., and we have taken the necessary steps. We have made adequate releases. We have reserved more quantity to be distributed as against tenders. We hope that the phase will only be a temporary one and normal conditions will soon prevail.

I may also say something about the licensing procedure that we are going to adopt. The wholesale trade of sugar is going to be licensed, so that we will have better control. We can cancel licences. We can take action also.

**Shri S. M. Banerjee** raised the question as to what action we have taken. No cases have come to our notice to the effect that sugar mills have sold at more than the ex-factory prices, where the ex-factory prices have been fixed. So that it is not possible to take action. If any case is brought to our notice certainly we will take necessary action.

**Shri Bibhuti Mishra:** What will be the fate of the sugarcane growers? If the sugar price rises, do Government contemplate giving the benefit of the rise to the cane growers?

**Mr. Speaker:** We are not going into details now. We seem to be going away from one question to the other—the whole question of sugar production, sale, distribution, prices to be paid to the agriculturists. The whole thing is not now before the House.

**Shri Braj Raj Singh:** Last year during the off-season period, when we adjourned for three months for recess, the Government issued an Ordinance for the export of sugar. Since then, the sugar position has been going from bad to worse. I fear that within the next three months, when Parliament will not be in session, there may be a sugar famine in India. So I would request you.

**Mr. Speaker:** Nobody will die of sugar starvation. I do not know for whom hon. Members are talking. Hon. Members are talking as if we are born

in sugar and will die in sugar. Every small matter becomes an important matter. I am not going to allow this. For whose benefit are these matters raised? I do not know. What if sugar is not available? We can take to pur and various other things. The same emphasis is laid on foodgrains, sugar, soap, toilets and cosmetics! I am afraid that cannot be allowed. (Interruptions) One hon. Member was suggesting why don't you introduce control all over the country? Another hon. Member asked the question when there is plenty of sugar, why do you have control? Control brings black-market along with it. Equally, absence of control makes people corner. In between what is it that the Government want to do? What is this control for? I expect an answer from the hon. Minister. What is the need to give licences? **Pandit Thakur Das Bhargava** asks why don't you give to others also.

**The Minister of Food and Agriculture (Shri A. P. Jain):** The position is that the Government is carefully watching the situation. Now, for the time being we have decided to license the wholesale dealers in U.P. and also in other States. We hope that as a result of this licensing, we shall be able to control the situation. It is always an assessment of the situation and anybody who deals with the matter has to take action according to the assessment. That is our assessment and we hope that the trouble will not continue for long.

**Mr. Speaker:** If there is no control what will happen? Formerly when we had controls when everybody concerned was for controls the late **Rafi Ahmed Kidwai** and **Rajagopalachari** joined and removed the controls. Here sugar is not such a thing that if it is not taken people will die of starvation. What is the need for control?

**Shri A. P. Jain:** The need for control is this. While there is sufficient sugar there is not an unlimited quantity of sugar and controls will discourage hoarding and will prevent it. Therefore, we have taken a midway line,

{Shri A. P. Jain}

that is, we are licensing the wholesale dealers.

Some Hon. Members rose—

Mr. Speaker: I have allowed a number of questions.

Shri K. N. Pandey: Sir, my question has not been replied to

Mr. Speaker: There is another hon. Member who also says that his question has not been answered

I would urge upon the hon. Minister this thing. Whenever they themselves come to know of such things, without waiting for questions of this kind they must make statements. The Members here are not only Members of Parliament but they represent lots of people outside who would also like to be satisfied as to why there is a spurt in the prices and what steps Government are taking in the matter

With great difficulty I allowed the adjournment motions in another form. But for that the hon. Minister would not have made a statement. I have insisted upon hon. Ministers who are in charge of certain things such as Defence, Air Services, Railways and so on to come to Parliament themselves and explain what has happened in cases where there is an accident or something of that sort. It is not only about accidents taking away life. These are matters of life and death when prices go up. Whenever there is an abnormal rise in prices, I expect the hon. Minister of Food to come before Parliament, without waiting for questions to be put, and explain what has happened, when the House is in session. But when the House is not in session he should issue statements as to why this has occurred and what steps Government are taking. Notwithstanding everything done by Government, it will remove a lot of misunderstanding about the actions of Government.

Shri A. P. Jain: What you have suggested is perfectly all right. But sometimes the difficulty arises because,

when we are contemplating certain action, if the line of action is made public, then, instead of producing the correct effect, it may produce the reverse effect.

We are also thinking upon certain lines; we are discussing with the State Governments and we may take action. But it is not always possible to make public the lines on which we propose to take action.

Mr. Speaker: Normally, the hon. Minister must have issued a notification. There is plenty of rice and plenty of sugar in the market. This is all artificially done by certain people.

Shri A. P. Jain: It has been done; that has appeared in the papers, not only in today's papers, but in the papers of a few days back also.

11.23 hrs.

#### STATEMENT RE EXTENSION OF EMPLOYEES' PROVIDENT FUND ACT

The Deputy Minister of Labour (Shri Abid Ali): Sir, yesterday, when a copy of the notification, regarding the number of workers in the motor transport industry covered by the Provident Fund scheme, was placed here, one hon. Member said that it covered only 5,000 workers while another hon. friend said that it covered 23,000 workers. The fact is that about 215 establishments in the private sector employing approximately 21,000 workers and about 83 establishments in the public sector, employing approximately 82,000 workers are likely to get the benefit of provident fund scheme.

Shri Narayanankutty Menon (Mukandapuram): The first notification was issued in February 1959 just on the eve of the meeting of the Budget session and the hon. Minister took about 3 months—just on the last day of the Budget session—to place that notification on the Table.