

ance with a permit granted by the Administrator in this behalf."

My submission is that after the word "charged" you have to insert the words "or converted into ornament or other finished products". Supposing one has got some gold which is not an ornament and which is not to be declared, according to this it has to be kept only in that manner, hypothecated, pledged, mortgaged or charged. If that gold is made into a bar or something like that and if that is objected to, then it will become an offence. Therefore, that gold which is not to be declared and which is already exempted must be allowed to be preserved by the customer in the way he likes. You cannot ask him to keep that gold in a particular fashion as mentioned in the clause. That is why I have added the words "or converted into an ornament or other finished products that can be made". He must have the right to use it as he likes. Supposing a minor child gets some gold on the death of its parents and after he or she becomes a major wants to utilise that gold in a particular fashion, if my amendment is not accepted he is prohibited from utilising that gold in the manner he likes. Of course, I can understand that the hon. Minister's intention is to prevent smuggling of gold and that his intention is not to harass the people. If his intention is not to harass people, then he can agree to these minor concessions. Why should he be dogmatic in the sense that because it comes from the Opposition, even if the amendment is intended to improve the clause and put it in a better way in the matter of construction, he should not accept it. His intention, he has already stated, is not to harass people. If that is so, let him accept this amendment.

Shri Narendra Singh Mahida: Sir; wording of my amendment No. 108 is also the same as that of Shri Nambiar.

I support Shri Nambiar's contention. Once a person inherits or gets as present a particular type or variety of gold, he must have the liberty of using it in the way he likes. He cannot retain it in the same way. Supposing a person inherits or gets as present a powder box and he does not want to keep it as a powder box, he would like to change it. That liberty should be there. Why should there be a restriction on that? I would like the hon. Minister to think about it.

Mr. Deputy-Speaker: Shri Dandekar.

Shri Dandekar rose—

Mr. Deputy-Speaker: He may start tomorrow. We have to take up the Half-an-hour Discussion now.

17 hrs.

BAN ON MANUFACTURE* OF A AND B VARIETIES OF SUGAR

Mr. Deputy-Speaker: The House will now take up the half-an-hour discussion.

Shri K. N. Pande (Hata): Mr. Deputy-Speaker, the motion that I have brought before the House deserves not only the sympathy but also the serious consideration of the House. While initiating this, I must congratulate the Ministry for the fact that they are not at all tired of problems; not only so, they have started increasing the size of the problems, creating more dissatisfaction in the country.

The history of the matter is this. A and B quality sugar were being manufactured by many sugar factories. A and B qualities are bolder size of crystal sugar. It has got a history behind it. Now, when there is shortage of sugar in the country, you can take any step to discourage its manufacture. But when there is a surplus in the country, naturally it is left to the manufacturers to manufacture what-

[Shri K. N. Pande]

ever type of sugar is attracting the market. In this background, A and B quality sugar were being manufactured in the factories. At that time, the factories were required to design their plants in such a way that both types of grains could be manufactured. That involved incurring a huge expenditure in order to make alterations and to have some new plants for the purpose.

Then, as we are not self-sufficient in the matter of sulphur which is used by the sulphitation plant, we had to find some other material which could be used to clarify the juice, something which was available in the country, and that was limestone. Now, by this prohibitory order the whole situation has been changed. It has not only forced the factories to change their process from carbonation to sulphitation and thus creating unemployment to over 150 employees in each sugar factory which used to manufacture bolder sugar in the carbonation plant, but it is also going to cause unemployment to those workers who were working in quarries to produce limestone.

In the reply to my question it was stated,

"In manufacture of bold grains some quantity of sugar is lost in the process of remelting and re-boiling."

That is correct. For a bolder variety you have to re-process it and you have to have some more processes in order to achieve that result. That is correct. But you will find from the results that the recovery in carbonation plant is always higher than the recovery which is obtained in the sulphitation plant.

As I have stated in the beginning, by this order, the sugar factories have been prohibited from manufacturing these two varieties of sugar and they

have been asked to manufacture other varieties, which are of smaller grain. The Ministry issued this order with the hope that the production will increase. But what is the result? The result is quite the contrary. Because, for smaller grain, the centrifugal which makes the sugar takes much more time; at the same time, in the drying section also it takes more time.

The Ministry, without giving any thought or consideration to the fact that the season has already started, without considering whether the issue of this order was justified, because this will create some difficulty to the sugar factories. Without giving thought to it this aspect that the factories while producing sugar of smaller size, cannot maintain normal production, this prohibitory order was issued, with the result that the purpose for which this order was issued, that is the production will be more, is being defeated because the crushing is less.

Another point that was mentioned here was that if these two grades are avoided to be manufactured, naturally bagasse will be saved. How can bagasse be saved unless you have more production? Otherwise, you cannot save bagasse. Now, what is happening is this. When the speed of crushing is slowed down, naturally there is less bagasse and, therefore, if you want to keep the boilers going on, you will require more fuel in addition to the bagasse which is produced by the factories. So, both the purposes for which this order was issued have been defeated.

My suggestion in regard to this is this. The country is already facing the problem of shortage of sugar and in many factories there is no adequate supply of cane. At that very time, if by an order of the Government some more complication is created, naturally the Minister should think over the matter seriously as to whether to continue this order or to stop it for the time being. Let us take some time

to find out some solution as to how to avoid this shortage of sugar production and at the same time to avoid retrenchment particularly when the country is facing a big problem of unemployment.

May I request the hon. Minister to think over this? There is no point of prestige in this matter. After all, the cane is available there and sugar has to be produced. There were some regions, for example, Gujarat, which used to take it. Anyhow, if you want to avoid it, kindly give them some time because for this type of sugar they require a different type of equipment of a different design and all that. Moreover, if they have to leave this process of carbonation and go over to sulphitation, they will require 400 times more of sulphur in these sugar factories. Now, sulphur is not available in the country and you have to spend foreign exchange for that. When we are short of foreign exchange resources and just at that very moment if you create such a problem which involves more foreign exchange, naturally it is not advisable to do so. Therefore, my suggestion is that the hon. Minister should consider the matter seriously and stop the operation of this order for the time being.

Mr. Deputy-Speaker: Shri D. C. Sharma....not here; Shri Prakash Vir Shastri....not here. Shri Bibhuti Mishra,

Shri Bibhuti Mishra (Motihari): Sir, I want to say something on this.

Mr Deputy-Speaker: You can only ask a question. No speech is allowed.

Shri Bibhuti Mishra: May I know whether it is a fact that in switching over from 'A' and 'B' varieties of sugar to a smaller grain, the capacity of the sugar factories is going to be reduced? Another point is, whether the production of sugar will be 15 per cent less and whether it is also a fact that the National Sugar Institute,

Kanpur, has given its definite opinion that the sugar recovery will go down and that the production will shrink. Another question is that there will be retrenchment of workers if you switch over to a smaller grain and also more sulphur will be consumed in that process and there will be fall in recovery also. After the very start of the crushing season, Government has imposed this ban. We have not given sufficient time to the factory-owners to change their equipment and switch over to sulphitation process. We have not given them any notice and we have asked them to switch over to that process very soon. So, all sorts of difficulties are going to be created. The most important fact is that this Kanpur Sugar Institute says that there will be less of recovery and the sugar production will go down. I want the hon. Minister to reply to all these points.

Shri Sivamurthi Swamy (Koppal): On the ground of the economy of sugar this order has been issued. In view of the fact that the Ministry wants to increase sugar production in the country, may I know whether it will revise or reconsider the policy of issuing the licences especially in the irrigation areas like the Tungabhadra irrigation area where so many applications are pending since 1958 and yet no licences have been given, in spite of the fact that nearly 1,20,000 acres are under the localisation scheme, and fixed sugarcane crop is there, and already on 50 per cent of the area, there is standing sugarcane? In spite of the fact that sugarcane is supplied in plenty there, may I know why the Ministry is so stringent and so slow in issuing the licences? May I know whether the hon. Minister will revise the policy of issuing licences specially in Kamalapur and Gangavati?

The Minister of Food and Agriculture (Shri C. Subramaniam): That will not come within the scope of this half-an-hour discussion.

My hon. friend Shri K. N. Pande has raised two issues: one is that

[Shri C. Subramaniam]

because of this order there is likely to be retrenchment of thousands of persons, and the other is that this will stop the production of good quality of sugar in the field which was achieved by hard efforts in several years.

Shri K. N. Pande: Due to this order, there will also be less production.

Shri C. Subramaniam: Another point made by the hon. Member is that there will be less production.

I had the advantage of consulting technical experts since this matter has been raised in Parliament, and I wanted to be fully informed about the implications of the order which had been issued, particularly with reference to retrenchment, the quality of sugar and also the drop in production. I am assured by the technical experts that all these three apprehensions are not well founded.

It is necessary to understand the process and the qualities which we are producing today for the purpose of appreciating the points raised by the hon. Member.

The quality of sugar produced by the vacuum pan sugar factories in India is judged in terms of two main characteristics, that is, the size of the grain and the colour or whiteness. For this purpose, sugar standards for determining both grain sizes and colour are issued by the National Sugar Institute, Kanpur, every year, based on the specifications laid down by the Indian Standards Institution.

According to the present ISI specifications, there are five grades of grain sizes of sugar denoted by A, A. B. C. D and E. A being the boldest, and E being the smallest size of grain; and there are three grades of colour denoted by 28, 29 and 30 in numbers). Therefore, there are 15 grades, that is three grades of A, three grades of B, three grades of C, three grades of D and three grades of E. In fixing the ex-factory controlled price, D-29 grade is taken as the standard, and with

reference to that, increased prices have been given to the other grades. For example, as against D-29, A-29 fetches a higher price to the extent of Rs. 4.70, and as against D-29, A-30 fetches a higher price of Rs. 5.70. Therefore, there is a price factor involved in this. B-30 fetches Rs. 4 more, and B-29 fetches Rs. 3 more than D-29.

Therefore, it is this price factor which is the most important and attractive thing as far as the industry is concerned. Therefore, we find particularly during the control period, there has been more and more a switch-over to the production of A and B grade grains, and from a start of about 12 per cent of the production it has now reached 17.5 per cent of the production so far as A and B are concerned.

Then, in view of the financial advantage in the manufacture of A and B grain-size sugar, not only are A and B grades produced, but over-grading of the production of the various sizes also takes place.

Apart from the above considerations, which is a technical view which is also confirmed at the highest level—I had consultations even yesterday—the manufacture of bold-grain sugar is considered wasteful both from the point of view of production as well as consumption. Manufacture of bold grain-sugar results in loss of sugar in the process of melting small grain-sugar and reboiling the melt. Waste occurs in consumption because bold grain-sugar takes comparatively more time to dissolve and invariably some quantity is left over in the cups etc. That has been my personal experience also. In the opinion of experts, by switching over to small-grain production, the capacity in the boiling house would be augmented to the extent of 10 per cent, and the increased capacity could be usefully employed for better boiling of low-grade massecuite, with the result that the sugar loss in molas-

ses would be reduced. The production of bold grains requires higher consumption of steam. Switch-over to medium-size grain would, therefore, contribute to higher production and saving of fuel, viz. bagasse which could be utilised for paper manufacture.

Then, the point was raised that there are two processes, sulphitation and carbonation, and it was assumed that carbonation means bigger grain production. As a matter of fact, through the carbonation process you can have smaller grain production also at a higher level and more advantageously also. Through the sulphitation process also you can produce A and B grades with a certain amount of difficulty. Therefore, as far as the processes are concerned, they are not confined to the production of either C, D and E or A and B grades. Both the processes can be used for the purpose of producing C, D and E and A and B which have been prohibited.

Shri K. N. Pande: But that will also require change.

Shri C. Subramaniam: I am coming to that. After all, I am not a technical person. I have got technical advice. I shall try to place the facts before the House.

Out of the total number of factories in India, only 36 are involved in producing A and B grades, as follows: Punjab 6, U.P. 20, Bihar 9 and Madhya Pradesh 1. As far as producing bigger grains are concerned, smaller centrifugal capacity is involved. It is on that point the case is being made out, that if they change over to the production of smaller grains, the centrifugal capacity will not be available to a sufficient extent, so that those who are producing A and B grades will have to produce less. This factor has also been examined with reference to the available centrifugal capacity. Out of 26 factories, roughly 22 or 23 factories have already sufficient centrifugal capacity to produce the smaller grains. Therefore, there is no

necessity for a fall in production simply because you switch over from the bigger to the smaller grains. I do agree that a few factories, three or four, may be affected, and they may have to immediately have full centrifugal capacity which may not be possible. Therefore, that will have to be taken into consideration, and I shall refer to it a little later.

Then, the question of quality was raised. In this connection, it may be mentioned that in most developed countries of the world, which are highly quality-conscious, there is no production of sugar of A and B grain-sizes. Generally, the sugar produced in those countries is of grain sizes E or D and a small quantity is produced termed 'coarse grain' which may be at best our C grain size. In these countries, stress is laid on whiteness which is also an indicator of purity. It is worthy of note that the ban has brought in no representation from the consumer who is the person primarily interested in the quality of sugar. On the other hand, he seems to be gratified that he would be able to buy his sugar cheaper. It is only the industry whose profits have been curtailed which is representing in the matter.

Then, the question of retrenchment has been brought out. I am assured by the technical experts that no retrenchment is involved. Only for the purpose of frightening the people, the sugar factories have issued notices that they would bring about retrenchment. Such retrenchment cannot be made, particularly in U.P., without the sanction of the State Government. So, the hon. Member who is interested in labour need not be afraid.....

(Interruptions)

श्री हुसम चन्द बख्शवाय (देवास): वे नोटिस की अवहेलना करते हैं। वे बहुत से लोगों को स्थाई नहीं करते हैं।

Shri C. Subramaniam: Kindly wait, till I finish my speech; if anything more remains, they can be asked again.

[Shri C. Subramaniam]

There is no case for retrenchment of any labour and if anybody has given notice, it is only for the purpose of bringing pressure to allow them to continue to produce A and B grains. Considering all these aspects, it appears to me that the problem is mainly one of reduction of profits and not technical. One need not consider whether the order should be reviewed or not from that point of view.

Two or three factories, I agree, may be affected immediately during this season with regard to their capacity of production. Therefore, I have decided, after consulting technical experts, that the prohibition against the production of A and B would be withdrawn but this concession of higher prices for A and B would not be available. Anybody who wants to produce A and B may produce it, but it will be

sold and on the same price as C. They will not be able to make a profit which they have been making all along, undue profit, according to me.... (*Interruptions.*) I have already stated that there is no question of any decrease in production; by prohibiting A and B there is likely to be 10 per cent increase in production; there is not likely to be any retrenchment. Still, all these things are academic because I am not making any prohibition; only the cost will be the same as for the C variety.... (*Interruptions.*)

Mr. Deputy-Speaker: No more questions now. The House stands adjourned.

17.25 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, December 23, 1964|Pausa 2, 1886 (Saka).