THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Thursday, 20th November, 1952

The House met at a Quarter to Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

11-45 A.M.

INDIAN MERCHANT SHIPPING (AMENDMENT) BILL

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): I beg to move for leave to introduce a Bill to enable effect to be given to an International Convention for the Safety of Life at Sea, signed in London on the tenth day of June, nineteen hundred and forty-eight, to amend the provisions of the Indian Merchant Shipping Act, 1923, relating to life-saving appliances, wireless and radio navigational aids and to other matters affected by the said Convention.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to enable effect to be given to an International Convention for the Safety of Life at Sea, signed in London on the tenth day of June, nineteen hundred and forty-eight, to amend the provisions of the Indian Merchant Shipping Act, 1923, relating to life-saving appliances, wireless and radio navigational aids and to other matters affected by the said Convention."

The motion was adopted.

Shri Shahnawaz Khan: I introduce the Bill.

SUGAR (TEMPORARY ADDITIONAL EXCISE DUTY) BILL

Shri Ramaseshaiah (Parvathipuram): The amendment which I moved yesterday reads thus:

In page, 1 line 25, omit "and six annas".

The present Bill has come into existence as a result of the reduction of the price of sugarcane from Rs. 1-12-0 to Rs. 1-5-0 per maund. I feel that this reduction is unjust. The price of sugarcane at the beginning of the year when the present standing crop was planted, was Rs. 1-12-0 per maund. The hon. Food Minister at that time gave indications that the Government were very eager to expand and encourage sugarcane production in the country. He promised several concessions and other facilities for the sugar manufacturers, with a view to encourage them to produce more sugar than they used to. The Government also fixed targets for each factory, and in the case of sugar manufacturers who exceeded the target, the extra sugar was declared to be free from controls of price as also movement. The present crop having been planted under such conditions, the sugarcane grower naturally expected that the price would remain the same for the present season also. But unfortunately the Government have reduced the price by As. seven per maund, just before the harvest. This amounts to Rs. 12 per ton, and for a grower who expects a yield of 20 tons per acre the fall in income would be Rs. 240. I beg to submit that for a poor grower this fall in income by Rs. 240 results in a real calamity. By no manipulation of agricultural economics can anybody say that Rs. 1-5-0 per maund would be a paying proposition for the grower. In South India the average yield of cane varies from 15 to 30 tons per acre. For a grower who gets 15 tons per acre, the gross income will be about Rs. 535 according to the present rate. As against this, he will have to spend

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Rs. 125 towards sugarcane seed, about Rs. 200 towards manure, Rs. 50 towards planting and weeding, and about Rs. 75 towards cutting and transporting to the factory. Besides all this, he has to meet the expenditure for preparing the land for wrapping and propping the cane, and for fencing and other incidental charges. In my opinion and according to my experience, this comes to nearly Rs. 600 per acre, while the money the grower gets from the millowner is only about Rs. 535. This expenditure of Rs. 600 works out to Rs. 1-8-0 per maund. According to my experience, this Rs. 1-8-0 per maund is the cost of cultivation per maund of sugarcane in South India. Even where the yield is 30 tons, the cost of cultivation will come to about Rs. 1000, because in South India unless large quantities of manure are applied, the sugarcane yield will not be quite satisfactory. When such is the cost of cultivation it is very unfortunate that the Government should now think of reducing the price of sugarcane from Rs. 1-12-0 to Rs. 1-5-0 per maund. Most of the growers in India have an average holding of about one acre. Naturally therefore there will be lakhs of families that grow this sugarcane as a money crop, and if they are to be deprived of Rs. 250 per acre, it will naturally mean a great blow to their family economy. According to the calculations I have made, the aggregate loss to the cane growers in the country will exceed Rs. 20 crores, and will affect about ten lakhs of families. On the other hand the advantage that goes to the consumer will be very insignificant when compared to the loss that the cultivator has to suffer. The advantage to the consumer will be at the rate of about As. eight *per capita* per year. For the sake of this little and meagre advantage to the consumer it is very unfortunate that the Government should choose to reduce the price of sugarcane to the detriment of a number of families.

In this connection, I may also point out that the small cultivator is not receiving proper attention at the hands of the Government. With regard to several crops and commodities, the Government have been fixing targets, and the cultivators have been responding very promptly. But when the question of finding a market for the produce comes, the Government is not coming to the rescue of the cultivator. I may give the instance of jute growers. Government have been making elaborate propaganda for the expansion of jute in the country, and have been fixing targets for production every year, and the cultivators also have been responding to the call and reaching the targets very punctually.

[MR. DEPUTY-SPEAKER *in the Chair*]

But the result is that about several crores worth of jute remains with the cultivator in the country, and the Government are not able to find a market for it. In the district of Srikakulam from which I come, there is about Rs. two crores worth of Jute lying with the cultivators and the Government is not able to find a market for it. It is perplexing to think what market the Government had in mind, when they encouraged these people to grow jute. On the wake of this jute slump, has come this reduction in the price of sugarcane. In the district of Srikakulam—in the taluks of Parvatipuram, Bobbih and Salur—they supply about 1½ lakh tons of cane to the sugar factories. According to the reduction of price, the loss to these growers will amount to about Rs. 18 lakhs. The cumulative effect of the losses which they have suffered on account of jute and the losses which they are now going to suffer on account of the reduction of cane price will irretrievably ruin several families in those areas. This may be the case in many other parts of India also.

I would, therefore, suggest that if the Government find it impossible to restore the old price of Rs. 1-12-0 they may kindly fix it at Rs. 1-8-0 per maund for sugarcane at least in South India; and to meet the difference in the prices of old and new sugar the carry-over sugar can be sold at Rs. three less instead of Rs. four less as proposed in the Bill. The Government may then fix instead of Rs. 1-6-0, Re. one per cwt. excise duty. This arrangement will easily cover the loss that may accrue to the producer over the carry-over sugar and in addition give relief to the cane growers in those areas.

Shri Syamnandan Sahaya (Muzaffarpur Central): I had sent in an amendment to clause 3. I do not know whether it finds place on the list of amendments.

Mr. Deputy-Speaker: Let me place this amendment before the House and then I will come to the other amendments.

Amendment moved:

In page 1, line 25, omit "and six annas".

Shri Gidwani (Thana): Yesterday I heard the debate in the House and I found that not only from the Opposition Benches but even from the Congress Benches every Member spoke against the proposed measure. I was glad that the Congress Members had the courage to speak against the measure, but when the time came for voting they all said 'Aye'. It is really surprising. If they really feel that this measure is against the interests of the consumers, they should not hesitate to vote against it. I may tell you, Sir, I am neither an industrialist, nor a trader, nor a merchant, nor a commission agent, nor even much of a consumer as I am all alone and have not to bother about it so much.

Shri Gadgil (Poona Central): Only an M.P.

Shri Gidwani: But I do look at it from the larger interests of the consumer. I am afraid more burden will be placed on the poor middle class people who are not able to make both ends meet.

The Minister of Food and Agriculture (Shri Kidwai): How?

Shri Gidwani: If the price of a cup of tea is going to be raised as the result of passing of this Bill and more burden is going to fall on the middle class I do wish to protest against it. Everyone in this House is opposed to this Bill. Some Members said that the Minister had not considered the Bill properly, some said Government had bungled and some others said Government had no sympathy for the grower or the consumer. If you take the speech of every Member of the Congress Party, they all oppose it. I have also received a telegram from a displaced merchant which I am reading for what it is worth. He predicts that if the excise duty is imposed, the crop turnover also will go down. As I said, I am not an expert in this matter, but I find that the whole House is against it. Therefore, if the Government have not decided to withdraw the Bill, I would urge upon them to at least accept the amendment of my friend which has been moved.

12 Noon.

Shri Gadgil: In the course of discussion yesterday many points were raised which were not very relevant to the points and principles embodied in this Bill. But since they have been raised—the inadequacy of the price paid or proposed to be paid to the cultivator, the huge profits made by the factory owners, and the high price that was charged and likely to be charged to the consumers—I think the time has now come for the Government to consider whether the Srivastava formula for fixation of price can be said to be valid today.

Shri Syamnandan Sahaya: It is not.

Shri Gadgil: It was fixed in 1937 on data collected for the year 1935-36. The schedule was prepared with reference to an average factory having a crushing capacity of 750 tons of cane per day on the basis of a sugar recovery of 9·5 to 10·5 per cent. from cane. I think the Government should seriously consider whether they should not now appoint an appropriate agency to consider the whole thing and see that fair prices are paid to the cane cultivators, a fair return is in a way assured to the factory owners and fair prices are charged to the consumers.

The second point that I want to urge is this. Government in bringing this Bill had the only objective of recovering Rs. 4·6 crores and avoiding the loss because Government has given a guarantee to the factory owners. It is somewhat difficult for one to say that the guarantee should be dishonoured, although it is possible in the changed circumstances to have negotiations with the factory owners. But apart from it, if the Government is determined to carry out their obligation and implement the guarantee given, I would most respectfully suggest to them that where the factory owners have not complied with orders and the agreement with the Government, appropriate and effective steps should be taken against them. If that is done, perhaps most of the people will agree to this Bill being enacted.

Shri A. C. Guha (Santipur): This Bill raises a number of points. It is designed to protect the interests of the millowners at the cost of the consumers. . .

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Protect only the Government!

Shri K. K. Basu (Diamond Harbour): That is the direct benefit.

Shri A. C. Guha: ... and of the cane growers. Then, the entire provision of this Bill has proceeded on certain assumptions—assumptions as regards the cost, as regards the stock and as regards everything connected with the sugar industry. From our experience of the past, it is very difficult to accept the statements given by the industrialists and the factory owners. I would like to refer to the enquiry conducted by Mr. Justice Ganganath in 1950. When that Inquiry Committee was set up, several factories and companies refused to supply the requisite information to them. Then the Government had to issue an Ordinance so that

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it would not only be a matter of courtesy and gentlemanly co-operation for the industrialists but also a matter of compulsion and legal obligation to send the requisite informations. Even then the Committee records:

"Out of them, 21 factories and 136 merchants whose names are given in appendices 13 and 14 did not send any reply. It is for the Government to consider whether any action should be taken against them or not".

I think the House is entitled to know what action the Government have taken against them and whether the Government can give us any guarantee that even now the facts and the statements on which they have proceeded are quite correct.

Then, in reply to certain questions of that Committee regarding the price charged by different factories, the factories gave one sort of reply, the companies who have been conducting these factories gave another reply and the merchants who were dealing with the sugar gave a third kind of reply. You will be surprised to know that the Sugar Syndicate gave the reply that only 13 factories charged an extra price over the fixed price. Then the companies mentioned 16 factories which had charged extra price over the fixed price and the merchants gave a list in which they stated that, over 70 factories had charged extra prices over the price fixed by the Government. So, there was no fixity about the statements and the facts given by these factories and companies.

Last time also, when a surcharge of four annas was charged on the plea that that surcharge would be utilised for facilitating export of sugar to foreign countries, that was not done. The industrialists simply pocketed the extra income of several crores of rupees. Then, when the proposal came from the Government that a certain amount of sugar would be exported, the allegation came that the stock of sugar was removed surreptitiously. The Committee of 1950, which I referred to, enquired into it and came to the conclusion that a certain amount of sugar was removed without permission, and surreptitiously, from the godowns.

Then, certain Members here also referred to the activities of the Sugar Syndicate, which was practically the monopoly organisation conducting the sugar industry of India. I can understand the position of delegating their power to an industrialist organisation when there was a foreign Government ruling in the country; but it was surprising that even this national Government continued that practice for some years, until there was a crisis and the Tariff Board and the Enquiry Committee recommended that the Sugar Syndicate should be dissolved. Only then did the Government take certain action. All along, this sugar industry has been proceeding on certain benefits given by the Government and even now it is doubtful whether Indian sugar can compete with foreign sugar as regards cost of production. So before this House can be persuaded to......

Shri Kidwai: It has been persuaded.

Mr. Deputy-Speaker: The clause is under discussion.

Shri A. C. Guha: I think this House should be told what actually is the position in the sugar industry today, whether we can really export our sugar and whether Indian sugar can compete with foreign sugar in price and quality.

Shri Kidwai: Not yet.

Shri A. C. Guha: The Minister admits 'Not yet'. Then how long is this sugar industry going to be protected by taxing the consumers? So, I think the Government should take into consideration the report of 1950. I think the Government should make a clear statement as to whether they have taken any action against those factories and companies who did not supply the requisite information to the Committee and against those who gave incorrect replies as regards having charged extra price over the price fixed by the Government.

Shri Kidwai: I thought that what I had said yesterday would have made the object of this Bill clear to the hon. Members. Government holds a stock of five lakh tons. The factories are not concerned whether we sell it at a loss or whether we sell it at a profit. The new sugar that will be produced will cost between Rs. six and Rs. seven less per maund. Now, Government holds a special position. Government has decided not to release the new sugar for sale till this old stock has been sold out. Now, there are two ways of avoiding the loss. One way is to continue to charge the present prices from the consumer and then after three or four months when all this stock has been exhausted, to allow the new sugar to come into the market at lower prices. The other way was to lower the prices of the present stock, which Government holds and for which Government is responsible, and then whatever loss the Government suffers, the Government bears and it goes either to all the tax-payers or it is recovered from the consumers. This was the simple proposition. It had nothing to do with the factories, the working of the factories, the factory owners' past sins or the factory owners' future conduct. It had also nothing to do with the fixation of cane price except that the cane prices have been reduced because Government found that the cane prices were disproportionately high and therefore the area under cereal crops was going over to sugarcane crops. Therefore, I would put it to the hon. Members, if they have any suggestion to make; what alternative action should Government take? Should Government continue to sell the sugar at the present prices and allow the new sugar to come into the market after three months, or should we give the benefit of the lower prices of new sugar immediately and whatever loss we suffer we pass it on to the consumer of the new sugar?

Now, I thought that the House would welcome it that from the first of December, we will be able to reduce the cost of sugar by about rupees four to the consumer and the consumer will like it. It is true that the cost of new sugar would be less by about rupees six or rupees seven per maund. Therefore, one rupee would be taken out of that decrease in the price of new sugar and the consumer's price will be reduced only by rupees four.

My friend, Mr. Gadgil has said something about the Srivastava formula. I have told the mill-owners whenever I had occasion to meet them that the cost of sugar manufacture is high according to the Srivastava formula and it needs revision. But, for the present, as I have said, there is going to be a change in the system. In the past years, Government was fixing the cane price and accordingly the Government was fixing the sugar price also—that is, the cane price plus the cost—according to the formula. Now, sugar will not be controlled. Government will not be responsible to take over all the production of sugar by the different factories. As there is more production of sugar than there is consumption, sugar would be sold at competitive prices and I am sure that in the course of actual working we would find that the factories are getting less for their production costs than according to the Srivastava formula. But if ever again the Government has to take up the control of sugar and fix a price, then of course the Srivastava formula shall have to be revised.

Another point that my hon. friend Shri Gadgil made out was about the past sins of the sugar factories. Some of the things complained of were committed years ago and Government had been dealing with them from time to time. I cannot reopen all the matters that have been closed, but I assure the House that if anything is brought to my notice—I mean, anything which has not been brought to the notice of the Government before and which has not been closed—I will scrutinise it and also see that the law is enforced.

Shri Ramachandra Reddi (Nellore): The alliance between the sugar producer and the Government seems to be so thick that neither of them is able to understand the viewpoint of the sugarcane producer or the consumer. Whatever policies the Government adopt, they seem to be designed with a view to helping the producer of sugar. Whenever the fixation of sugar price is thought of, it is done at a time when the production is commenced or before the production is commenced. But whenever the price fixation in respect of sugarcane is done, it is done after the plantation is over and before the cane is delivered for crushing. This policy obviously seeks to help the producer of sugar rather than the producer of sugarcane. The Dutt Committee of 1950 suggested a price of Rs. 1-7-0 per maund for sugarcane and the Tariff Board recommended that a gradual reduction should be effected in the sugarcane prices from Rs. 1-12-0 during a period of five years and the price should be brought down to Re. one per maund. But what we witness now is that there is a steep reduction from Rs. 1-12-0 to Rs. 1-5-0. Therefore, neither the advice of the Tariff Board nor of the Dutt Committee has been adopted in this particular instance. Before planting the sugarcane, every cultivator had been under the impression that the price would be kept up at Rs. 1-12-0 in 1952-53 and it is to his great disappointment that the price has been cut down just before the cane is going to be crushed. This steep reduction will certainly work very injuriously to the sugarcane producer at the present moment, but it will also ultimately affect the sugar producers. If this policy continues for another couple of years, then the conditions in the agricultural sector would be seriously affected and all the quantity of sugarcane that is required for running the mills that have been established in the country will not be available. Most of the mills would not find enough sugarcane to crush and

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produce sugar. The result will be that we would be putting the sugar production economy and sugarcane cultivation back by ten years.

After 1950, that is, after the Dutt Committee had recommended certain things, so many things have happened. The price of fertilizers has gone up and the railway freights have also increased. There is a great disparity between the price of fertilisers—the supply price to the paddy growers and sugarcane producers. This and several other factors that go to contribute to the increased cultivation cost of sugarcane will have to be considered before any drastic policy of the type that is now adopted is continued.

There is one sugestion that instead of reducing the sugarcane price to Rs. 1-5-0, it may be as well kept up at Rs. 1-8-0. If you maintain it at Rs. 1-5-0, the price of sugar would be about Rs. 23. But if you keep it up at Rs. 1-8-0 then the sugar price would work out to Rs. 26 or 27. This latter price may be adopted as the price for the new sugar. At present, instead of making the consumer feel very happy that a reduction of Rs. four per maund has been made for old sugar and asking him to pay the increased price for the new sugar, it is much better that he is made to expect only a reduction of Re. one now. By that adjustment, the sugarcane grower may be given an increase of three annas per maund. The new sugar may be sold at Rs. 27 per maund and the old sugar price also may be adjusted to sell at the same price. These are things which may be considered by a closer examination of the situation than by rushing the Bill through at this stage. Anyhow, we on the Opposition Benches have not got the strength and power to give a direction to the Government saying that such and such ought to be the policy. They have a strong majority and they will certainly carry the day and our arguments will be of very little avail.

Mr. Deputy-Speaker: If the hon. Member wants to carry the day, he should sit on this side of the House.

Shri Ramachandra Reddi: There is another difficulty which I have to point out in regard to the sugarcane grower. Sugarcane producers are not able to get payment immediately after they deliver their cane to the mills. They are asked to wait for some time. This sort of deferred payment to the sugarcane growers is affecting their economy to a great extent. So, from all points of view, it must be urged that the policy of Government needs reconsideration, and instead of this steep reduction from Rs. 1-12-0 to Rs. 1-5-0, a *via media* may be thought of. It would be then possible to make all the adjustments necessary by reducing the duty from Rs. 1-6-0 to rupee one as has been suggested by the amendment of Mr. Ramaseshaiah.

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): Sir, the question be now put.

Mr. Deputy-Speaker: I need not put it. I think there has been enough discussion. The hon. Minister.

The Minister of Revenue and Expenditure (Shri Tyagi): Many points have been made. It is not possible for me to reply to all of them, because if I do so I would be accused of irrelevancy. The fixation of the cane price is certainly irrelevant to the amendment now under the consideration of the House. The minimum price for sugarcane cannot be related to the present amendment. Therefore, I would leave this point alone. A suggestion was made by my hon. friend Mr. Gadgil that we should apply the Srivastava formula.

Shri Syamnandan Sahaya: He said that it should not be applied.

Shri Gadgil: The time has come when this formula, which was based on data collected in 1935-36, should be reviewed, because it is no longer valid.

Shri Tyagi: That formula is not applied. In fact that formula has been given up. I may in this connection say that in matters of fixation of prices, which are to be adjusted with the trends of the market of other commodities, the policy of Government cannot be dogmatic and they cannot be guided by one set formula which was propounded years ago. That formula was being applied only for some years. Afterwards it was found that the application of that formula was adversely affecting the interest of the cultivators. I might inform my hon. friend that the Ministry of Food and Agriculture have already appointed an expert committee to revise this formula. They have done a lot of work and have proceeded far enough in that direction. I should, however, observe that application of the formula is not the real remedy of difficult situations. Problems vary in their character and every problem requires an independent key for its solution. There can be no master solution of all problems that arise from time to time.

My hon. friend Mr. Gadgil also said that the mills have not fulfilled their part of the obligations with regard to payment of cane prices to cultivators. I myself am a cultivator, though I have only about two and a half acres of land under sugarcane. My cane price has not yet been paid to me in my own place. The man who manages my little fields asked me whether he should approach the authorities. I asked him not to, because I know that immediately the mills would send an application for some arrangements to be made for their ways and means facilities or to lift the sugar. The real difficulty has been that the sugar with the mills has not been lifted and it is on that account that the mills are not in a position to make full payment to the cultivators from whom they have taken the sugarcane.

In Uttar Pradesh there is a general complaint that huge balance of payments is outstanding with the mills. They have not paid because their ways and means position is unsatisfactory and every time they are insisting on the Government...

Shri Gadgil: It is a two-fold problem. In some cases they paid less price and in other cases they have not paid as yet anything.

Shri Tyagi: The problem which is widespread is that the payment has been deferred. Whenever that question arises the mills immediately ask that their sugar should be lifted. We have not been in a position to lift that sugar. It is to ease that position that we have come forward with this Bill.

Another complaint which I have heard from various sources—though I never had any occasion to verify it—is that when there was a panic among the sugarcane growers they brought their cane to the factories and the factories were reluctant to crush it. The result was the cane-growers had to accept whatever price was offered to them by the millowners. It has been said that in such cases some of the millowners took the sugarcane at much lower than the fixed prices. I have not gone into these complaints because they are matters within the purview of the State Governments and it is not my business to look into and enquire into individual cases or local problems. But even if the cane-growers had offered their stock at low prices, the mills should not have accepted them. If any hon. Member has knowledge of any specific cases of such nature to show that the mills have not fulfilled their obligation, I shall invite the attention of the State Governments to them and I have no doubt that the State Governments will enquire into them with a view to seeing that the obligations of the mills are fulfilled.

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan): I think my hon. friend the Finance Minister is aware of the fact that the State Governments did allow the mill-owners to purchase sugarcane at prices in accordance with the rate of recovery of sugar at that particular time of the year. For instance, in March the rate of recovery of sugar from sugar-cane was much higher than it was in May.

Shri Tyagi: My friend could speak to me in private.

Mr. Deputy-Speaker: I believe the Parliamentary Secretary is only taking a leaf out of the book of the Minister!

Shri Tyagi: I have learnt to be wiser now!

Mr. Deputy-Speaker: Members of Government should talk to one another instead of on the floor of the House.

The question is:

In page 1, line 25, omit "and six annas".

The motion was negatived.

Mr. Deputy-Speaker: There is another amendment tabled by Shri Syamnandan Sahaya. As the time was short yesterday, I did not allow it. He may now move his amendment.

Shri Tyagi: No notice of it has been given.

Mr. Deputy-Speaker: Yesterday Mr. Sahaya tabled the amendment and sent note of it to me. Clause 3 was then under discussion and I thought that that clause would be completed yesterday. Therefore, I did not allow notice to be waived. Today office must have circulated it.

Shri Syamnandan Sahaya: I beg to move:

In page 1, line 21, after "manufactured" insert "in 1952-53".

The idea is that this taxation is for a particular purpose and the hon. Minister has emphasised throughout his speech that the whole object is to meet the losses which may be occasioned by the sale of sugar contracted for and the responsibility of the sale whereof lies on the Government. Now, if that is so, I think the House will agree with me that it would not be desirable to give in this Bill a general power of taxation which really clause 3 amounts to. I am fully aware and conscious of the fact that the hon. Minister yesterday when replying to

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the debate said that he had no intention of making this a permanent measure. But I hope Mr. Tyagi has not forgotten the days when he was occupying one of the seats on this side of the House and I ask whether he would then have agreed as a Member of this House to give any Government a general power of taxation on the assurance that it would not be a permanent measure. It is to a salutary principle that I draw your attention and the attention of this House particularly; whether in matters of taxation which in my opinion is the most important function of this House, it would not be desirable to restrict the power of taxation for the purpose for which it is meant. If it had been a general tax this question would not have arisen. But from the Statement of Objects and Reasons and from the speech delivered by the hon. Minister it is quite clear that this is a very temporary measure and as such it would not be desirable in my opinion to give in this clause a general power of taxation which is what it really amounts to.

While the hon. Mr. Tyagi knows very well that an assurance given by the Government has great weight in this House, I am sure he knows also that an assurance given by a Minister has no legal significance, and that a Minister might give an assurance today and another Minister in his place tomorrow might not accept it. Therefore, while passing a legislation it should not be a question of mere assurances from Government, it should be a question of what the law really lays down. I would therefore submit that this House should consider this matter carefully.

I would aslo request the hon. Minister to consider this matter carefully whether in a measure of this nature it would not be more desirable to limit the power of taxation to what is exactly required for the time being. This Bill quite clearly, in its Statement of Objects and Reasons, says that this taxation is only intended to get over the difficulties created by the high priced sugar produced in 1951-52 and the low priced sugar which is likely to come to the market in the year 1952-53, and therefore a levy of a certain amount will be fixed on the new production so as to equalise the cost of the old and new sugar.

In the circumstances I do feel that the Government should be able to accept this small amendment, that is to limit the power of this taxation to the sugar produced in 1952-53. If, however, as the hon. Minister said yesterday, it becomes necessary, for the purpose of export or for other things, to have this taxation for one year more, that is for 1953-54, nothing would stand in the way of the hon. Minister coming up to the House and seeking fresh sanction. But, surely, he himself should not be a party to passing a legislation which places no limit whatsoever on this new levy which is going to be imposed.

I hope the House, you, Sir, and the hon. Minister will consider this matter carefully and that the attitude will not be taken that just because a Bill has been introduced, do not accept any amendment. That, I hope, will not be the attitude of the hon. Mr. Tyagi.

Shri T. T. Krishnamachari: The point raised by my hon. friend by means of this amendment is very naive. Logically it falls in tune with the declarations of Government in this matter. After all, the intention of Government is merely to reduce the price immediately and cover that loss by means of putting an additional excise duty on the sugar manufactured up to the new crop which will cost about Rs. six or Rs. seven less a maund than the previous one. What my friend likes to do is to put us in a little quandary by asking us to identify a particular sugar as 1952-53 stock or 1951-52 stock. And therefore there is bound to be a chance of some sugar mill-owner going to the High Court and saying: this is 1951-52 stock, on this you cannot levy the cess, therefore the levy is *ultra vires* of the Act.

Mr. Deputy-Speaker: I think the hon. Member is willing, according to his amendment, to have the levy on the stocks of 1951-52 as also on the stocks of 1952-53. He seems to be only anxious to avoid this on the later year's production...

Shri Syamnandan Sahaya: That is of 1953-54.

Shri T. T. Krishnamachari: The question of identification of the sugar is there. We are all laymen. We do not know anything about sugar factories or sugar manufacture—the hon. Member perhaps knows more about them. But if he can identify sugar as being made in a particular year for the purpose of taxation, I think if he could also devise some formula by which it could be administered, my colleague may find it possible to accept his amendment. But as the amendment makes the position of Government difficult I think it will not accept it.

Mr. Deputy-Speaker: So far as the difficulty is concerned it is better that the House clearly knows what the difficulty is. So far as the stocks of 1951-52 as also the quantity that is going to be manufactured in 1952-53 are concerned, they may be mixed together. There is no difficulty or confusion about that. All that is said by the amendment is that in 1953-54 no levy shall be made unless Parliament once again sanctions it. Before the levy is made the stock may not be released to the public. Then the difficulty would not arise. There does not appear to be any difficulty about that. Of course, there may be other difficultries.

Shri T. T. Krishnamachari: The assurance has been given that it is a very temporary measure and it is for a year. If it goes beyond that the question might always be raised—before my hon. colleague or anybody else—that the Government has contravened the assurance; the Government is always open to be accused. And I hope the hon. Member will be there even though we might go away.

Shri Syamnandan Sahaya: I am at present one of the "we"; that is my trouble.

Shri T. T. Krishnamachari: But at the present moment we seem to be anticipating that this measure will be applied to the 1953-54 crop also, which is not at all the intention.

Shri Raghabachari (Penukonda): Clause 4 provides for all such contingencies—that the Government might at any moment stop the levy.

Mr. Deputy-Speaker: In this matter the table seems to be a little turned! The hon. Member belonging to the party is wanting a little more assurance while the Member of the Opposition is satisfied with the clause as it stands.

Well, I shall place the amendment formally before the House.

Shri Syamnandan Sahaya: If the hon. Minister does not agree to accept this amendment it is not my desire to press it. I wanted to bring this to his notice and I had hoped that he would see the usefulness of the suggestion. But if he does not want to accept it I will not press it.

Mr. Deputy-Speaker: Then there is nothing more. Enough assurance has been given on behalf of Government that except under very great necessity they will not continue the cess. And the matter could always be raised before the House.

I will now put clause 3 to the vote of the House.

Shri Tulsidas (Mehsana West): Sir, though my amendment has been disallowed I would like to oppose this clause. May I be permitted to say a few words on clause 3?

Mr. Deputy-Speaker: Very well. But I would request the hon. Member not to repeat what has already been stated.

Shri Tulsidas: I am not going to say what has been said before. It seems from the speech of the hon. the Food Minister that he feels that the levy of one rupee is a simple measure for covering the loss that the Government will suffer on the four lakh tons. As I pointed out yesterday, Government has realised extra revenue by the increased production. Therefore, if they desire to sell the present stock at a lower price, they can easily do it without burdening further the next year's production by a levy of one rupee. That is the point I made yesterday and I am afraid that no reply has been given to it. I only wanted that the next year's stock should not have a further burden and the consumers should not be burdened with a further excise duty. They could easily sell this without loss as they have realised increased production and there will be such huge excise duty. As such I feel that Government can easily see to it that the burden is not put on the consumer.

Shri Tyagi: I have nothing more to add, Sir.

Mr. Deputy-Speaker: Though I did not want to disallow any further speeches on this matter than what has been said during the consideration motion, as a matter of fact, this is the main clause of the Bill; the others are all auxiliary clauses. Therefore, when the consideration stage was passed, it was understood that the principle of the Bill has been accepted.

The question is:

"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.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri Tyagi: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.