

Why Restrict Sugar Consumption ?

HOW far has the Government policy of 10 per cent reduction in sugar production affected the production in the current crushing season? Month by month the figures do show a substantial fall as compared with the same month last year; currently production has been running at a level which is two lakh metric tons lower. This is difficult to explain at first sight for the proposed cut is hedged in by so many restrictions that it was not expected to be anything worse than a cut of 6½ per cent over last year's production. At which stage of the season the cut would be effected is, of course, left to the sugar mills themselves. They might have started crushing a little later this season or may well have reserved the cut to the far end of the season. The latter is more likely to be the case, considering that it is only when the crushing season is more than half way through that the mills would know what their total production was going to be. That production has been running lower this year may as well be due to the poor quality of cane.

That it would be difficult for the mills to carry out the cut in practice should "not be difficult to imagine. Mills usually enter into a contract with the sugar cane growers and, when the cane has been grown and is dumped at their gates, it is difficult for the mills to turn the sugar cane growers away. In areas where sugar cane is the principal cash crop and the growers have some pull as in Eastern U P and North Bihar, it was to be expected that pressures would mount at the right time and the Government would be forced to modify its decision. This has already happened in North Bihar where Pandit Jha, the Chief Minister, informed the legislators this week that the Union Government had agreed to advise North Bihar sugar factories to crush an additional 60 lakh maunds of sugar cane. The legislators had impressed upon him that large stocks of cane were lying idle with the growers due to the 10 per cent cut imposed by the Union Government on sugar production.

But even if the cut is effected not to the full extent of 6½ per cent which is the final figure that emerges when account is taken of the various exceptions allowed, the problem of unsold stocks will remain. Mounting stocks of sugar lying unsold with the mills have been crying to the high heavens for many months and yet whenever the slightest increase is allowed in monthly releases, sugar interests come down on the Government with the complaint that the releases had meant unfair price for sugar and loss to the mills. Somewhere, somehow a solution has to be found for this problem. Whatever success the Indian Sugar Mills Association or the Government may have in finding export outlets, no one in his senses can believe that this problem would be substantially resolved by such means. What earthly reason is there for depriving the people of a little more sugar at a price which they can afford when the mills are groaning under the load of stocks? The way the Government has been going about this business of merely sitting on the fence suggests that it might be more sensible to destroy the stock and relieve the mills of the burden of carrying charges than just doing nothing about it.

Though the Indian Sugar Mills Association has not endeared itself to the public by opposing the slightest increase in monthly releases, it has an unanswerable case when it points out to the folly of still continuing the extra excise duties which were imposed way back in 1957 with the express purpose of *curtailing* the domestic consumption of sugar in order to secure a surplus for export. Surely there is no necessity today, and there has been none for months, of restricting domestic consumption? Why not then take the obviously sensible step of removing the extra excise duties and to that extent, reduce the price of sugar, increase sales and bring down costs? No one can say for sure how consumption will respond to a 10 per cent cut in sugar prices, but in the present market situation with considerable evidence of unsatisfied demand at current prices, and in this generally expansionist

phase of the economy and rising money incomes the risk could certainly be taken of reducing excise duties without seriously risking revenues from this source. The risk is certainly worth taking. There is no necessity even to wait for the budget to make the announcement.

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THE Minister of Food and Agriculture, given another term of office, may well go down in history as a proponent of the unique doctrine that higher yield per acre does not mean lower cost. This astounding statement he actually made in Lok Sabha was about the relation of the yield of sugarcane per acre to the cost of sugar. He did not think that "comparable figures (of cost of sugar in other countries) would show that the cost was higher in India", It only "looked higher", he explained, because per acre yield of sugarcane in the country was miserably low compared to that of Hawaii, Indonesia and Formosa. The doctrine that he thus enunciated is sufficiently original and unorthodox, violently opposed as it is both to practical experience and established informed opinion on the subject, to enable him to leave a name behind him, if he gets the time to propagate it.

If yield has nothing to do with cost in the case of sugar, doesn't the same principle apply to other crops? Why then does his Ministry go on with its misguided efforts, not too conspicuously successful so far, of raising the yield of so many of the agricultural crops, including that of sugarcane?

Considering the large establishment of economic advisory staff maintained by Shri S K Patil's Ministry, it would have been fair for the Minister to make it clear that he does not depend on his economic advisers and that the principle he enunciated in regard to sugar was entirely his own. If he was just being modest in not claiming originality, his modesty is clearly misplaced, for it might embarrass his economic advisers.