

Swatantra Party

(Bombay Office)

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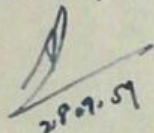
1701

Dear Sir H. P.

Herewith a draft on Sugar. Bill
You please go through and sign it.
We shall then come to

I am afraid I could
afford this draft.

Raja


28.9.59

D R A F T

The Bombay Congress Government seems to believe that the sugar shortage in the City could be met by rationing and introducing further controls. But hardly had they introduced the measure they were compelled to allow the sale of sugar in the free market! For three days unnecessary hardships were imposed on the public and many families had to rush to obtain their rice cards in order to get sugar. The introduction of rationing through fair price shops will not and cannot help to meet the sugar needs of the people or bring down the prices of sugar.

There is no real shortage of sugar. During the 58-59 season a little more than 19 lakh tons of sugar was manufactured in the country. At the same time, we had a carry-over stock of ~~HINDIA~~ 3,20,000 tons from the previous year. India's consumption is estimated around 21 lakh tons. Obviously, therefore, there is enough sugar in the country. The shortage has been created in the City for the last few months by the inefficient manner in which the Government issues release orders on the sugar manufacturers and the inadequate transport facilities provided to bring the sugar to the market.

The Government of Bombay, however, seems to revel in creating a feeling of crisis. Rumours of shortages lead to hoarding and high prices, which in its train create further shortages and public scare.

The price of sugar is naturally related to the price of other food-grains in the country. The inflationary policy which continues to put more money in the pockets of the people unrelated to the production of goods in the country cannot but lead to ~~xxx~~ spiralling prices. If the Government desires to control food-grain prices, then they must maintain large buffer stocks. The Minister for Food seems to have belatedly realised this. But once again, no steps are being taken in time to carry out this policy, and the people continue to suffer the burden of high prices. If the Government of India had considered the need to import say about 100,000 tons of

sugar some months ago when the difficulties in the sugar market were apparent, there would have been no confusion and crisis in the sugar market. The Congress Governments, however, believe that by creating a scare among the people they are able to bring in their wrong policies of bureaucratic controls and gather more power into their hands. Under such policies only corruption will flourish.