

NT> 12. 23 hrs.

**Title: Regarding crisis being faced by rubber, tea, coffee and cardamom growers in various parts of the country, particularly in Kerala and steps taken by Government in regard thereto.**

**SHRI RAMESH CHENNITHALA (MAVELIKARA):** Sir, I call the attention of the Minister of Commerce and Industry to the following matter of urgent public importance and request that he may make a statement thereon:

**"Crisis being faced by rubber, tea, coffee and cardamom growers in various parts of the country, particularly in Kerala, and steps taken by the Government in regard thereto."**

THE MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE): Mr. Speaker Sir, my written statement may be treated as laid on the Table.

\* Hon. Speaker, Sir, in recent years the prices of commodities in the international markets are generally depressed and this has had its effect upon these commodities produced and exported by India. Domestic prices of commodities like coffee, tea and natural rubber have a tendency to move more or less in tandem with the international prices. One of the factors has caused this fall in international prices is that demand has not kept pace with supply of these commodities.

Of the four commodities, coffee prices have been affected the most since 2000. The situation over the last two years remains unfavourable to the coffee growers, in India as well as in major producing countries like Brazil, Columbia, Indonesia and countries in Africa. World prices of the two types of coffee, Arabica and Robusta, averaged 130 cents per kg and 53 cents per kg respectively,

\* Also Laid on the Table of the House. (Placed in Library. See No. LT 6029/2002)

in 2001 – these were about 80% below the recent peak level price of 261 cents per kg in 1995 in respect of Robusta and 64% below the peak level price of 359 cents per kg in 1997 for Arabica.

Similarly, in the case of tea, prices have declined over the past few years. There was 26% decline in world tea prices in 2001 as compared to the peak level price of 189 cents per kg in 1997. The decline in international prices coupled with problems like decreasing exports, stagnant domestic demand and higher cost of production has adversely affected domestic prices.

In the case of natural rubber, although the international situation was extremely unfavourably over the last four years, the situation has started improving considerably from the middle of 2002, with prices recovering in both domestic and international markets. While the present international prices of natural rubber is around Rs. 39 per kg, the domestic price is around Rs. 36 per kg – this compares with Rs. 28 per kg during 2001. Domestic and international prices are moving in tandem and because of this development there is some relief amongst the growers of natural rubber.

In so far as Cardamom is concerned, no serious crisis has been brought to the Government's attention in the current year. Cardamom is cultivated in some 40,000 holdings in the three States of Kerala, Karnataka and Tamil Nadu. More than 90% of these holdings are in the 2-4 hectare category. The prices of Cardamom have been comfortable during the last 3-4 years and no cases of or the need for closure, abandonment etc. of plantation have been reported. The price for small Cardamom has risen from around Rs.487/- per kg. in 1999-2000 to over Rs. 690/- per kg. Today.

Government of India are fully alive to the problems of these commodities and a number of measures have been initiated to deal with the current price situation. Some of the steps taken by the Government are :

#### Coffee:

- restructuring of the term loan as well as crop loans availed of by the growers of coffee
- interest subsidy to the small growers
- programmes for quality upgradation
- enhancement of productivity
- package of incentives for export of coffee and innovative marketing strategies in the international as well as domestic markets to arrest the decline in exports and also to increase domestic consumption.

#### Tea :

- Basic customs duty on import of tea has been increased from 70% to 100% from 2002-03 onwards.

- Excise duty on tea has been brought down from Rs.2 per kg to Re.1 per kg in the Budget 2002-03.
- A factory upgradation scheme has been implemented by the Tea Board to encourage production of good quality orthodox and non-reconditioned CTC teas in the country.
- Government has also provided financial incentives to the exporters of tea for meeting part of cost of handling, packaging, transport/freight charges.
- A Quality Upgradation Programme is being implemented by the Tea Board for improving quality to tea manufactured by small growers in the country.

#### Natural Rubber :

- A package of incentives for export of Natural Rubber has been introduced since 2001-02.

Besides the written statement laid, I would like to explain some of the points. Sir, my distinguished colleague has drawn attention to a very important matter. It is a fact that in three of the four groups, the prices have been declining very substantially in the last few years. I will come to the steps that had been taken. In the case of coffee, they have gone down in respect of Arabica by about 80 per cent below the peak level in 1995, and in the case of Robusta by about 64 per cent below the peak level in 1997.

Similarly, the prices of tea, as you know, have declined. There was 26 per cent fall in the prices of tea in 2001 in world prices. In all these commodities, including rubber, the domestic prices are greatly affected by international prices. The Exchanges in London and New York affect coffee and the auction prices in tea. I will come to that.

In the case of natural rubber, over the preceding four years, the things had been very difficult. But I am glad to inform the House that since the middle of 2002, because of slight recovery, the things are much better now. The price, which had fallen to Rs. 28 per kg, has risen to Rs. 36 per kg in the last few months.

In cardamom, it is not really in the same category as the other three crops are, we are not informed of any grave crisis as was apprehended. In fact the price of small cardamom has risen from about Rs.487 per kg to about Rs.690 per kg now.

In regard to those three crops which the hon. Member has drawn attention to, there are a large number of steps which the Government has taken. I will come to each of these crops - Coffee, Rubber and Tea in that order. Several things have been done to improve the quality and productivity of coffee. I need not list them because they are well known and they are narrated in the Five Year Plan Document and in the Annual report. But the particular interest of the hon. Member would be the fact that an interest release scheme with an outlay of Rs.7.50 crore was implemented by the Coffee Board in the preceding year, under which five per cent interest relief to targeted small coffee growers on working capital as well as crop loan was given and availed of them in regard to the loans they had taken from the financial institutions.

Another scheme was implemented of providing five per cent interest relief to small coffee growers in their working capital loans, which they have taken. A scheme was implemented with an outlay of Rs.3 crore for financial assistance at the rate of 50 paise per kg to the Indian coffee exporters for reducing the handling costs. This scheme will be continued in the Tenth Plan period. Though import of coffee is minuscule, so as to shield domestic coffee growers, the import duty on coffee was raised from 70 per cent to 100 per cent in the last policy and coffee was declared as one of the sensitive items, whose import the Government would watch very carefully.

Next point is that in coffee, loans have been restructured in a very substantial way in the last year. Repayment periods have been extended from seven years to nine years and now in a recent announcement the consideration is from nine years to eleven years. On all these three crops, coffee, rubber and tea, as the Prime Minister has announced a price stabilisation fund of Rs.500 crore is being set up and the modalities of that are being worked out at the present time.

Similarly for natural rubber, a series of about ten-twelve steps of the same kind have been taken. One of the points there is that unlike coffee, in the case of natural rubber, the bound rate under WTO was only 25 per cent. We have been trying to urge in the on-going negotiations in the WTO on the Agreement on Agriculture that this should be reclassified so that the bound rate itself can be increased and we would have a better flexibility in providing protection to our domestic growers.

In the case of Rubber Board, the allocation, in the Ninth Plan, of Rs.303 crore has been increased to Rs.415 crore during the Tenth Plan period. Shri Sontosh Mohan Dev would be happy to note that this includes Rs.84 crore for the development of natural rubber in the North-Eastern region. That is very important to Tripura also.

I have already mentioned the case of the price stabilisation fund that is being done. In the case of Tea, again a large number of such steps have been taken. Three of these I have narrated in the statement, which I have laid on the Table of the House. If you want, I will just go through them in two minutes.

The first is that the basic customs duty on import of tea has been increased from 70 per cent to 100 per cent from 2002-03 onward. Even though the import of tea is also minuscule and 95 per cent of the imported tea is actually used for re-export, even then this has been increased. Excise duty on tea has been reduced from Rs.2 per kg to Re.1 per kg in the Budget of 2002-03. The allowance under the Income Tax Act has been increased from 20 per cent to 40 per cent and various other things of this kind have been done for tea as well as for other crops including quality upgradation programme, targeting special markets, where we were losing ground and so on.

Sir, if you would like to have a more elaborate statement on this, I can consider.

SHRI RAMESH CHENNITHALA : Mr. Speaker, Sir, the agricultural sector is facing acute crisis due to the unprecedented fall in prices of all these commodities. It is mainly because of the removal of quantitative restrictions.

Sir, Kerala, in the last one year, has lost Rs. 6,645 crore because of the steep fall in the price of all these commodities. This has affected our economy very badly. The EXIM Policy, whatever the Minister says, has adversely affected and created financial stress on the farmers. I request the hon. Minister to have a re-look on the EXIM Policy, which has been announced by the Central Government.

Sir, regarding rubber, the Minister has said that the price has gone up. The import of natural rubber is still continuing. Even though the Minister has put a ban on the import of natural rubber, unfortunately a decision has been given in Mumbai High Court to vacate this ban, and that has created a new problem. I request the hon. Minister to take appropriate legal steps in this regard.

Sir, regarding coconut, the price of coconut is coming down. Indiscriminate import of Palmolein from Malaysia and other countries has created this problem. Even WTO is giving us a tool to raise the import duty up to 300 per cent. Why is the Government hesitating to enhance the duty more than 100 per cent in this regard?

Regarding arecanut, coffee and ginger, the support price should be declared and the procurement should be started. The Minister has rightly pointed out in regard to coffee. The hon. Minister of Commerce has initiated certain important measures regarding waiver of interest on coffee loan, extension of the repayment of loan in respect of special coffee term loan from nine to 11 years, and restoration of moratorium on repayment from two to three years. Sir, virtually it is not happening. All the banks are hesitating and putting all kinds of hurdles in this special coffee term loan which has been announced by the Government. The announcement is only on paper but in reality it is not happening. So, the Minister of Commerce should take up this issue with the hon. Finance Minister, and the entire loan outstanding, both long-term and working capital should be re-scheduled. Unless and until you do this, the coffee growers will not get any benefit out of the schemes have been announced.

Regarding tea industry, the major problem is in the tea sector. In Kerala, almost all the tea estates have been closed down. More than 25,000 workers are out of their jobs. Actually speaking, we are afraid of poverty, deaths in those areas. The Kerala Government has taken certain initiatives. They have given rice and other things to the poor workers but that is not enough. The Central assistance is very much needed in the areas of Perunad and Wayanad, where thousands of tea growers are left out of their jobs. Sir, the EXIM Policy, as I said earlier, may be revised regarding these kinds of agricultural commodities.

The hon. Minister was mentioning about the import for re-export. There lies the real issue. Tea is coming from Sri Lanka and we are re-exporting it. The quality is very low and they are putting the Indian label. Why are we allowing this? We are not gaining any foreign exchange because we have enough tea, we have enough coffee, enough rubber and other commodities. Why are we allowing them to import and then we re-export?

As the Government has not benefited by this and our country is not benefited by this, I think a time has come to have a re-look on this import for re-export policy which is adopted by this Government. Also, if we are allowing this, then you should ensure that 90 per cent of the tea should be Indian tea. Actually, our markets are flooded by Sri Lankan tea. That is the main reason for closure of all the tea estates in Kerala and other parts of our country. Quality control may also be ensured.

Regarding excise duty, the Minister was saying that the excise duty of one per cent might be withdrawn. As a special case, at least, for this season to tide over this crisis, the Government should come forward to withdraw the excise duty of one per cent immediately. Steps may be taken for the long-term revival of the tea plantation. Almost all the tea plantations are aged. We have to have a comprehensive plan for re-plantation of the existing tea estates. The Ferguson Committee Report is under the active consideration of the Government. It should be implemented properly in consultation with the labour unions, tea growers and other parties which are very much involved in this activity.

Actually speaking, I am very sorry to say that the Tea Board is not taking any interest in the promotion of tea. The Tea Board has been constituted only for the promotion of tea. But, unfortunately, the Tea Board has taken a very,

very callous attitude towards the issues of tea growers and the workers in these tea estates.

I request the hon. Minister that to tide over this crisis, the Central Government should come forward to help the State Government of Kerala so that we can give some immediate relief to the poor people who are starving in Wayanad and Idukki districts of Kerala.

MR. SPEAKER: There are two Members who have given me the notice. One is Shri Suresh Kurup and the other is Shri Francis George. They can raise some queries. The Minister will reply. I am requesting them to make the queries.

...(Interruptions)

SHRI SONTOSH MOHAN DEV (SILCHAR): Sir, we are coming from the tea growing area. I would like to speak for a minute....(Interruptions)

MR. SPEAKER: You should have given the notice earlier.

SHRI SONTOSH MOHAN DEV : Please allow me for one minute after their speech.

MR. SPEAKER: I am sorry I cannot open the debate because there are people who want to start the 'Zero Hour'. If you want some time to be given to the 'Zero Hour', we will have to finish this.

SHRI SONTOSH MOHAN DEV: Please allow me one minute.

MR. SPEAKER: I am sorry.

SHRI SURESH KURUP (KOTTAYAM): The practice is that all the Members are allowed to speak. You should allow me five minutes.

MR. SPEAKER: You are allowed to ask for clarification. I can give you five minutes. You can speak.

SHRI SURESH KURUP : Please allow me to formulate my points.

MR. SPEAKER: I am giving you five minutes. You can go ahead.

**श्री विष्णु पद राय (अंडमान और निकोबार द्वीप समूह) :** अध्यक्ष महोदय, आप ज़ीरो अवर शुरू कीजिए। (व्यवधान)

**अध्यक्ष महोदय :** यहां नियमों के अनुसार ही काम होगा।

**श्रीमती जयश्री बैनर्जी (जबलपुर) :** महिलाओं के मुद्दे पर सदन में चर्चा होनी चाहिए।

**SHRI SURESH KURUP :** Sir, the magnitude of the crisis has already been mentioned by my colleague, Shri Ramesh Chennithala. The most important area where this crisis has affected is Peermade Taluka in my State. It is represented by my colleague, Shri Francis George. All the tea estates in the area are closed, except one or two. The workers are committing suicide. Reports are daily appearing in the papers about the suicide of workers and their children. The story of a ninth standard student, a girl child, I am sure, will bring tears into the eyes of the hon. Members. This school-going child studying in the ninth standard has been attending to the school by borrowing a uniform from her classmate. She has been using it for months and months and at last a stage had come that she could not use the uniform. She knew very well that her parents are workers in the tea garden. They are unemployed for the last one year. They are not getting any wages. So, one fine morning she decided to commit suicide. The story of this child, Velankanni, has been reported elaborately in the Kerala media. This is not an isolated incident. Everyday, from Peermade Taluka, incidents of suicide are being reported in the Press.

**What is the basis of this crisis? As has already been pointed out, under the SAARC agreement, tea is being imported regularly into India. Our cost of production, per kilogram of tea comes to around Rs.50 or Rs.60 and the price at which it is sold in the market is around Rs.44 or Rs.45 per kilogram. In the case of Sri Lanka, the cost of production of tea is only Rs.33. Under the garb of the SAARC agreement, this tea is being imported into our country and also there is a provision**

for duty free import for export. This tea comes from Sri Lanka to our country and in the name of value-added export, it is being again exported from our country. Our country is not benefiting from this export. They are mixing Indian tea with cheap tea from outside and exporting it. So, our market outside has dwindled. Libya has rejected our shipment of tea. This is a very serious matter. My question is whether the import of tea would be regulated and whether the Government would take steps to check the quality properly.

I would like to know what steps the Government would take to help the labourers. The tea industry is a labour intensive industry. Some 25,000 families in Peermade Taluk alone are in trouble. They are in utter poverty. Nobody is there to help them. The Kerala Government has not done anything. I am sorry to say, the problem would not be solved by giving ration. The Government of Kerala should take some immediate steps. At the same time, the Government of India should come forward to help the Government of Kerala and to help the workers.

Rubber growers, for the last many years, are at the mercy of the international market. The price in the international market has gone up now and the rubber prices have slightly gone up in Kerala. Once it comes down in the international market, it would come down in Kerala also. My colleague has mentioned about the judgement of the Mumbai High Court. I would like to know whether immediate steps would be taken for filing an appeal before the hon. Supreme Court against this judgement.

The demand from rubber farmers of Kerala is that under the WTO agreement, rubber should be categorised as an agriculture product. It is now categorised as an industrial product. So, this should be changed and included in the category of agricultural products. I would like to know whether the hon. Minister would take steps in this regard.

**SHRI K. FRANCIS GEORGE (IDUKKI):** Sir, the crisis in the plantation sector in South India has been mentioned by my very respected colleagues here.

Kerala is the only State with a substantial stake in all the plantation crops in this country, the major plantation crops being tea, coffee and rubber. Kerala is the worst hit and most affected State due to this crisis. The hon. Minister has said that several measures have been taken to help the plantation sector and to help the workers and small growers. It is very unfortunate that the worst hit area, as has been pointed by Shri Suresh Kurup, belongs to my constituency in Idukki district, Peermade Taluk. Seventeen plantations have been closed down or abandoned by management. The point of interest and the matter to be noted is that the management of these plantations has just abandoned the estates. Fifteen thousand workers have lost their jobs and five have already committed suicide. It is a very grim situation there and the difficulty is that there are several reasons as have been pointed out here.

What is the exact cause of this crisis? The hon. Minister said that it all depends on the international market movements. The EXIM Policy has been mentioned here. Due to the liberalised import regime that has been set in here, products from other countries are very liberally being brought into this country. It has been pointed out that from Sri Lanka, we import millions of tonnes of tea at the rate of 7.5 per cent.

Also, we have imports from China and Indonesia. Last year nearly about Rs. 50 crore worth of tea has been imported. At this rate, if it goes this way, how can we open these estates? The point that is to be noted is that some of the managements have just abandoned the estates. The provident fund amount that has been collected from the salaries of the workers, amounting to Rs. 16.5 crore has not been paid. The insurance premium that has been deducted from the salaries of the workers has not been paid by the management and the management has just abandoned these estates. We have now reached a situation where 20,000 policies will be cancelled by LIC due to non-payment of premium. So, in Peermade taluk alone the situation is so grave.

The State Government has announced and taken certain measures. I do not deny that. Free ration has been announced and also medicines and medical support have been announced. But the point is that to re-open these estates, a Committee has to be set up. An expert Committee has to be set up to go into the particular problems. Each estate has its own problem, various problems. The hon. Standing Committee of Parliament relating to the Commerce Ministry had visited that area and they held wide-ranging discussions with the management, trade unions and all the stakeholders.

I request the hon. Minister that the Central Government should assist the State Government. Of course, the State Government is faced with financial crisis. The Central Government should assist the State Government to set up a Committee to go into the difficulties of these various managements of various estates for immediate re-opening of these 17 estates which are closed so that all the workers can get back their jobs. The difficulties which the workers are facing have been detailed here. I do not want to go into all those details again.

The other crops are also there. The hon. Minister has mentioned about rubber. He has also said that cardamom is not facing a crisis. It is in my constituency in which most of the cardamom is being grown. The price at the start of the season was RS. 800 and now it has crashed to Rs. 400, almost 50 per cent.

**MR. SPEAKER:** Will you please conclude now?

**SHRI K. FRANCIS GEORGE :** Sir, I am concluding. As far as coffee is concerned, it is the same or worse. So, we need liberal central assistance and also certain urgent relief measures have to be taken by the Central Government to tide over this crisis.

Sir, a mention has been made about excise duty. The hon. Minister has said that the excise duty has been reduced from

two per cent to one per cent. That will not do. Even this one per cent has to be suspended at least for the present till the crisis is over. If this one per cent excise duty is done away with, there will be a relief of Rs. 13.8 crore to the estates, to the management. What the exchequer is going to lose is only Rs. 2.54 crore. I do not want to go into the details of the mechanics of all that. But the hon. Minister must be well aware of that. Even this one per cent excise duty has to be cut, at least for the time being.

Also, tea is imported for re-export. What is happening is that even though considerable amount of tea is being produced here, we have an excess of 180 million kilograms of tea here, which is a surplus, we are allowing import of tea in the name of re-export. Maybe that all this amount of tea that is being imported is not re-exported. Even if it is re-exported it is affecting our export market. There is no doubt about it. The funny point is that very cheap quality of tea is being imported under the garb of re-export and this is being mixed with our good quality tea and that means that our good quality tea is earning a bad name in the export market.

**MR. SPEAKER:** Shri Francis George, as a matter of fact, you have been given five minutes. I have given you seven or eight minutes. Please conclude now.

**SHRI K. FRANCIS GEORGE :** Yes, Sir. In this re-exporting of imported tea, there is no value addition. It is merely imported, mixed with and again re-exported. No extra foreign exchange is earned by our country. So, that practice is to stop immediately.

**MR. SPEAKER:** Shri Francis George, as a matter of fact you are supposed to ask only a question. Please conclude now.

**SHRI K. FRANCIS GEORGE :** The duty-free import of tea, coffee, cardamom, pepper and all the spices has to be stopped because we are having all these products, we are producing all these products and there is a surplus of these. So, I would request the hon. Minister to kindly look into these matters and take a favourable decision at the earliest. Thank you.

**MR. SPEAKER:** Only two hon. Members have desired to ask some questions to the hon. Minister. I am going to permit them. They should ask specific questions. This is being done as a special case. Shri Sontosh Mohan Dev will ask the first question and thereafter Shri P.C. Thomas will ask the question.

**SHRI SONTOSH MOHAN DEV :** Hon. Speaker, Sir, almost all the points have been covered, but I would like to say one thing that Assam's mother industry is tea. We produce two-third of the country's tea. The condition of tea industry in Assam is as bad as has been explained by hon. Members here. I do not want to repeat, but I want to say that action has to be taken on war-footing. Our total population engaged in tea industry is 4.5 lakh which is starving. Our State Government is trying to help them, but their financial position is not good.

Sir, I do not want to repeat any question. I support the questions raised and I would urge upon the hon. Minister to take some immediate steps.

**SHRI P.C. THOMAS (MUVATTUPUZHA):** Sir, I would just supplement what has been said. I would ask only one question.

Sir, as has been already said, the import duty and the import policy is one which affects the prices of all these plantation crops and the farmer is being very seriously affected by some of the duties which have been fixed. I am happy that the import duty on tea and coffee has been raised from 70 per cent to 100 per cent, but it can be raised, at this stage, up to 300 per cent. I would like to point out that there is Kelkar Committee Report which has come. That Report has suggested that the hike which can be made up to 300 per cent must be reduced to 150 per cent. This is going to very seriously affect the whole plantation sector. Tea, coffee, cardamom, all the spices, coconut and everything is going to be affected. So, I would submit that the Commerce Ministry should take it up very seriously because the Finance Ministry may not feel the touch of it. The Commerce Ministry must take it up with the Finance Ministry and see that Kelkar Committee Report on this aspect is not accepted at all. I would like to urge upon the Government and seek the indulgence of the Minister in this regard.

**श्री जोवाकिम बखला (अलीपुरद्वारस) :** अध्यक्ष महोदय, मुझे भी बोलने का मौका दिया जाए।

**अध्यक्ष महोदय :** आपका कोई प्रश्न है, तो पूछिए।

**श्री जोवाकिम बखला :** जैसे केरल और आसाम चाय बागानों की समस्याओं के संबंध में यहां उल्लेख किया गया, वैसी समस्या आज पश्चिम बंगाल में भी है। मैं कहना चाहता हूँ कि पश्चिम बंगाल विशेषकर उत्तर बंगाल के जलपाईगुड़ी एवं दार्जिलिंग जिले के अब तक तकरीबन पन्द्रह चाय बागान बंद हो चुके हैं जिनकी वजह से तकरीबन 35,000 मजदूरों के लिए समस्या हो गई है। वहां राशन नहीं मिल रहा है। उन लोगों से जो प्रोवीडेंट फंड काटा गया था, वह जमा नहीं किया गया, एल.आई.सी. का प्रीमियम भी जमा नहीं किया गया। मैं मंत्री महोदय से जानना चाहता हूँ कि क्या आप इस विषय पर कोई कदम उठाने जा रहे हैं? हमारी पार्लियामेंट्री कमेटी ऑन कामर्स की टीम वहां गई हुई थी। उसने इनडैथ स्टडी की है। मैं जानना चाहता हूँ कि आप इस बारे में क्या कदम उठाने जा रहे हैं।

**MR. SPEAKER:** Shri Master Mathan.

**SHRI M. MASTER MATHAN (NILGIRIS):** Hon. Speaker, Sir, I totally agree with other Kerala MPs.

**MR. SPEAKER:** You just ask the question.

**SHRI M. MASTER MATHAN :** Yes. I will ask a question regarding Nilgiris. There are about 70,000 small growers

and marginal farmers who are totally depending upon tea plantation for their livelihood. For the last three years, the tea prices have gone down very badly because of the policy of the Government. Now, the small growers have not even been able to educate their children. I think, even they have not been able to earn their livelihood. Now, I request the Government at least to see that minimum price is provided to the small growers. Today, as a matter of fact, in Nilgiris, there is a bandh going on to project to the Government the present situation of crisis faced by small growers. So, I request the hon. Minister of Commerce to see that something is done for these small growers.

SHRI ARUN SHOURIE: Sir, I think, we have all agreed that these problems are matters of concern to all sections of the House. Similarly, there is no conflict between the State Governments doing something or the Centre doing something. We are all there to assist each other in this regard, and the same point goes for West Bengal, Assam and other places that what is required for one set of tea estates will be required actually for all sets of tea estates. So, I will enumerate some of the things that are already being done and I am completely open to all suggestions on looking at EXIM policy and all. The open sessions for revising the EXIM policy will be starting in December.

I would like to request everyone to please assist us in coming up with policies that are even better suited to the interest of our own country. In that spirit I would just like to enumerate a few of the things that the hon. Members may like to keep in mind in the future.

Sir, Shri Ramesh Chennithala mentioned that problems started since the Quantitative Restrictions were removed. I would appeal to all sections of the House that instead of just heckling at things like the WTO, we should see as to what are the measures under the WTO that we can use to our advantage as other countries are doing. I will give you one instance.

Under the WTO we cannot impose anti-dumping duties as India has been a leader in this. We have got duties imposed in 141 anti-dumping cases in the last few years. Almost 50 such duties have been imposed in the last two years. But there is another provision and that is for safeguards. Anti-dumping is that while somebody is selling here, an example was given of Chinese textiles, at a lower price than he is selling elsewhere at his cost of production. But in the safeguards provision of WTO, even if he is selling at a fair price, fair according to what he is selling elsewhere or according to his cost of production, we can take counter measures including Quantitative Restrictions to safeguard our own industry.

I will tell you what the problem there is. It is a matter of serious concern to the House itself. You will be surprised to know that actually in September, 1998, the Cabinet decided that the Foreign Trade Development and Regulation Act, 1992 should be amended so as to enable us to impose Quantitative Restrictions. I do not want to go through as to what happened since 1998 but the Bill is still pending. The Bill was referred to the Departmentally-related Parliamentary Standing Committee, it came back from there, but it is still pending. I am sorry to learn that such an important matter has got only a 'B' category priority in this Session. If for four years we did not act and now we are urging each other as to why we are not imposing Quantitative Restrictions, then I think, it is something on which we should all get together and with the permission of the hon. Speaker, I would like to come to the BAC so that this kind of a Bill, that would enable us to take protective action, could be enacted.

DR. NITISH SENGUPTA (CONTAI): Can we not pass this Bill at one go?

SHRI ARUN SHOURIE: I think so. Whenever the hon. Speaker schedules it, we are more than anxious to get on with it.

Sir, another point was mentioned about coconut and coconut oil.

SHRI SATYAVRAT CHATURVEDI (KHAJURAHO): I am sorry to interrupt you. Your Government has been initiating and promulgating a lot of Ordinances which were not of any urgent nature. For such an issue, that you are mentioning just now, your Government could have come out with an Ordinance and later on this Ordinance could have been taken care of by way of a Bill.

SHRI ARUN SHOURIE: Sir, it is a common concern for all of us and it is in that spirit that I am agreeing with the hon. Member.

Sir, in case of coconut oil, it is a special concern to the State of Kerala, the good thing there is that the Solvent Extraction Association of India, Mumbai has filed a petition with the safeguard mechanism and hearings of that are now to begin on imposing safeguard duties to protect edible oil in India. It is because like coconut oil other edible oil factories are also being closed down. This is because ten years ago almost 95 per cent of Indian vegetable oils were being supplied by domestic mills and now that figure has come down to 55 per cent because of a great surge in imports. Imports have increased by almost 135 per cent in the last three years.

**13.00 hrs.**

So, I am completely with you on this. You will be happy to know that these are starting on the 25<sup>th</sup> of November. We hope to assist everybody so that our industry including the coconut oil industry and thereby the interests of the coconut growers also can be safeguarded.

The point was made about raising the actual duty to bound duty. In edible oils there are two types of figures that have been agreed to. In soybean oil it is 45 per cent, and in other oils it is 300 per cent. Now, a balance had to be struck between these. Otherwise people will then start switching from one to the other, and again some set of factories will be hurt. You have to strike a balance not only between these different types of edible oils for which different types of bound rates are there, but also between the interests of consumers and of producers. If you raise the actual duties to the bound rate of 300 per cent, immediately all of us will be saying that the consumers have now to pay more for their cooking medium. For that reason, actual rate has been pegged at 60 per cent. But these are matters to be gone into. If that is not enough to safeguard our industry, naturally other measures should be taken. I am completely open to that.

On the point regarding rubber, on the question of Bombay High Court judgement I have to mention two points. First, we did stop the advance licensing imports of rubber. That is what was appealed to in Bombay and Bombay High Court struck down the order. We will be filing an appeal against that order. We will take it to the Supreme Court or to the Division Bench and so on.

It was also mentioned just now that we should go back to WTO in the negotiations to get natural rubber reclassified. As I mentioned in my statement, that is precisely what we have done already, anticipating your suggestions in that regard.

You mentioned quite correctly that in my friend Kelkar's working paper - the Finance Minister has said many times that it is not a drat report, it is a working paper - he said that many export promotion schemes should be jettisoned. Certainly in our Ministry we do not agree with this. We have had meetings with him and his team. I think that that would be an unrealistic way. After all exporters have got conditioned to one set of incentives. You cannot suddenly abolish those incentives and expect them to suddenly start achieving other things. You will have to then give them incentives of another kind, and then all questions of WTO compatibility and others will start arising again. I will take the first opportunity of meeting Mr. Vijay Kelkar myself, he is my friend, and put to him the strong sentiments of the Members of Parliament in this regard also.

On the question of tea, three points have been made. If you permit me I will just answer them at once.

SHRI SURESH KURUP : That is the most important thing.

SHRI ARUN SHOURIE: Each of these is important. If I am growing cardamom then that is important for me, and if somebody grows tea that is important for him.

As I mentioned, we are the largest producer and consumer of tea in the world with 27 per cent of the world's production and 13 per cent of the world's exports. Therefore, we are buffeted by the international price moves. We cannot insulate ourselves as an island. There are two points. I hope that they will not offend anybody, but I will state the facts as I know them. The first point is about the things we have started saying and hearing for the last one and a half years about import of tea from Sri Lanka. The facts are like this. Our total production is about 850 million kilograms, and the imports from Sri Lanka in the year 2000 were 0.46 million kilograms. In 2001 they were 0.31 kilograms. Now, these are figures which are not 10 per cent of our production, not one per cent of our production, but one-fifth or one-tenth of one per cent of our production.

DR. NITISH SENGUPTA : But they are eating into our markets.

SHRI ARUN SHOURIE: I am coming to that. ...*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Now, please answer me. What about the excise duty that is being collected in tea industry? Will you withdraw that? ...*(Interruptions)*

MR. SPEAKER: Mr. Minister, you may not yield to him. I want you to complete your reply as quickly as you can. I want to take up the next item also.

...*(Interruptions)*

SHRI ARUN SHOURIE: It is not even one-tenth of one per cent of the total supplies of the Indian market.  
...(Interruptions)

SHRI VARKALA RADHAKRISHNAN : Will you withdraw the excise duty imposed on tea? ...(Interruptions) Please answer that question. ...(Interruptions)

MR. SPEAKER: Please sit down. This is not the way in which questions can be asked in the House.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: Excise duty is the most important thing. ...(Interruptions)

SHRI ARUN SHOURIE: Precisely because of the decline in prices, a 'price subsidy' scheme was implemented by the Tea Board from May to October of 2000, under which an amount of Rs.26 crore was disbursed as cash subsidy to over 65,000 growers in South India. After that, there has been a massive drive of quality upgradation also.

Nothing will ever be sufficient to meet the crisis. But the real point is on competitiveness. Many of our bushes are old. I do not want to say anything about the workers and so on. But if you compare wages of our workers and the increase in wages over the last few years with the wages being paid in China, Kenya or elsewhere, you will see that we have to be much more competitive either by rejuvenating and replacement of our bushes or by other means.

On the question of workers, a remark was made that the Kerala Government and others have not done much. Actually that is not true. I think, the State Governments are themselves very alert to this problem. The Plantation Labour Act of 1961 imposes this responsibility primarily on the State Government. I am happy to say that even in Kerala – or especially in Kerala – the State Government of both the Fronts have done good work in trying to reach immediate relief to the workers. The Centre is with them in this.

We have provided relief to affected plantation workers, including distribution of free rice to the workers, provision of medical care, education and other basic facilities and I would be the first person to cooperate with everyone for this purpose.

SHRI SURESH KURUP : What help you are going to give to them?

SHRI ARUN SHOURIE: Sir, I think, I have answered all the points. We are open to suggestions.

MR. SPEAKER: The discussion on Calling Attention is over.

â€¦

(Interruptions)

श्री रामजीलाल सुमन (फिरोजाबाद) : अध्यक्ष महोदय, गन्ना किसानों का सवाल है। यह बहुत महत्वपूर्ण सवाल है।<sup>१६</sup> (व्यवधान) अध्यक्ष महोदय, मुझे दो मिनट बोलने का समय दिया जाए।<sup>१६</sup> (व्यवधान)

संसदीय कार्य मंत्री तथा संचार और सूचना प्रौद्योगिकी मंत्री (श्री प्रमोद महाजन) : अध्यक्ष महोदय, मेरा आगे सैकेंड का काम है।<sup>१६</sup> (व्यवधान)

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...(Interruptions)