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12.10 hrs.

**CALLING ATTENTION TO MATTER OF URGENT
PUBLIC IMPORTANCE**

Reported Closure of a number of Tea Gardens in West Bengal,
Assam, Tamil Nadu and Kerala resulting in unemployment of
thousands of workers and steps taken by the Government
in regard thereto.

Title: Shri Basudeb Acharia called the attention of the Minister of Commerce and Industry regarding closure of Tea Gardens in West Bengal, Assam, Tamil Nadu and Kerala resulting in unemployment of thousands of workers and steps taken by the Government.

SHRI BASU DEB ACHARIA (BANKURA): 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:-

"Situation arising out of the closure of a number of tea gardens in West Bengal, Assam, Tamil Nadu and Kerala resulting in unemployment of thousands of workers and steps taken by the Government in regard thereto. " ...(*Interruptions*)

MR. SPEAKER: Order please. This is a very important matter. I have allowed a Calling Attention on this.

Now, Mr. Minister.

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): Mr. Speaker, Sir, the Indian tea industry has been passing through a long period of depressed prices. Domestic prices of tea move in tandem with international prices. The prices started declining from November 1999 onwards. The all India average auction prices for tea came down from about Rs. 76 per kg in 1998 to about Rs. 56 per kg during 2003. In the first half of 2004 or in fact for the last two months since this Government came in, the tea auction prices have increased marginally, especially in North India.

The continuous fall in prices of tea, coupled with high costs of production, sluggish rate of growth in domestic demand and increased age of tea bushes have adversely affected the viability of tea gardens, particularly the medium sized and financially weak, resulting in closure/abandonment of some tea garden. ...(*Interruptions*)

MR. SPEAKER: Order please. Mr. Chandrakant Khaire, you are such a senior and responsible Member. You have always co-operated with me.

SHRI KAMAL NATH : Presently, 54 gardens are closed, out of which 20 are in West Bengal, 17 in Kerala, 11 in Assam and six in Tripura. About 28,000 workers are affected due to the closures. As per available information, in some of these gardens, workers are plucking green leaf by forming workers' committees.

In order to address the problems of the closed tea gardens in the country, in 2003 the Government of India had appointed three Expert Committees to make in-depth study of the closed tea gardens. These Expert Committees studied 36 gardens which were lying closed in 2002; out of which 19 in West Bengal, 11 in Kerala and three each in Assam and Tripura. The main causes for sickness/closure, as identified by the Committees, include the inherent weakness of the gardens due to poor yields arising out of the poor condition of the garden and factory, poor garden

management and the management's excessive reliance on debt with negligible equity infusion. According to these Committees, all these estates need to invest both in plantations as well as in factory to achieve better results in terms of quantity, quality and price realisation of their teas. The Expert Committees found some gardens as potentially viable.

Based on these findings, the Central Government and Tea Board have facilitated discussions between the managements of the closed tea gardens and their bankers. Subsequent to the discussions, 12 gardens – 11 in West Bengal and one in Assam out of the 36 studied – were reopened.

Towards the Government's effort to revive sick gardens, and as a part of a revival package, which would include promoter's contribution, further loans from the concerned banks and restructuring of the accounts, a scheme is under formulation to provide interest subsidy by the Central Government. Additional capital subsidy for replantation is also proposed to be provided. This package would also cover the tea gardens proposed to be privatised by the State Governments of Assam and West Bengal. The scheme will be financed from the special fund created out of the additional duty of excise collected.

Under the normal Plan schemes of the Tea Board, financial and technical assistance is provided for various plantation development activities like replanting, rejuvenation, creation of irrigation facilities, etc. With a view to improve the quality of teas produced in the country, which would in turn help in boosting exports of tea and fetching higher prices, the Tea Board is implementing a quality upgradation programme. Through its Plan schemes, the Tea Board also supports some welfare programmes and activities for the benefit of tea plantation workers and their dependants in education and health care.

On the initiative of the Central Government, the banks have formulated a Special Tea Term Loan (STTL) for the tea sector. This will improve the financial health of the tea sector. It envisages restructuring and rephasing of the irregular portion of the outstanding term/working capital loans in the tea sector with repayment over five years and a moratorium of one year, which will be on a case to case basis for large growers. This package also provides for working capital up to Rs.2 lakh at a rate not exceeding nine per cent to the small growers.

The Plantations Labour Act, 1951 provides for the welfare of plantation labour and regulates the conditions of work in plantations, including tea. The State Governments are the appropriate authorities for administering this Act and are empowered to frame rules in this regard. The Government of India had taken up the problems being faced by the workers of the tea gardens with the State Governments for intervention and providing necessary relief. The State Governments have taken various steps to provide relief to the affected plantation workers and their families.

An Inter-Ministerial Committee, set up by the Ministry of Labour, has studied issues relating to the plantation sector, including social costs, provident fund dues of the plantation workers and taxation structures. This report has been circulated to all the concerned for their views.

As I have stated earlier, Sir, it is encouraging to note that there is some improvement in the auction prices of tea during the last few months. If this trend continues, it will bring immense relief to the Indian tea industry. This, in turn, will go a long way in ameliorating the sufferings of the tea garden workers. At the same time, there is a need to make conscious efforts towards improving overall productivity, cost reduction, production of quality teas and adoption of better management practices. The Government of India will continue to extend help to the Indian tea industry in this direction.

SHRI BASU DEB ACHARIA : Sir, there is a great crisis in the tea industry of our country. Sir, 5,50 lakh people are depending on tea industry. Since 1999, there has been a decline in the export of tea as well as decline in the price of tea in the auction, whereas, year after year the import of tea is also being increased. In 2000-01, our export was 203.55 million kilograms, whereas our import was 15.23 million kilograms.

In 2001-02, exports came down to 190 million kilograms but imports went up to 16.02 million kilograms. In 2002-03, exports further came down to 184.40 million kilograms whereas imports went up to 19.67 million kilograms. In 1998-99, our percentage of export in the world market was 45 per cent but today it is only 18 per cent. This is mainly because of the removal of quantitative restrictions which was done in the year 1999 and this has affected our tea industry.

Today, we are the largest producers of tea. We are producing about 1,000 million kilograms of tea. In spite of producing 1,000 million kilograms of tea, we are importing tea from Sri Lanka, Indonesia and other countries.

Inferior quality of tea is being imported and mixed with our indigenous tea and then it is exported, whereby our export market is being encroached by some foreign countries.

In the statement that he has made, the hon. Minister of Commerce and Industry has not pointed out the real problem the tea industry is facing today. In spite of efforts by the Government of India, still 54 gardens are closed, which has affected about 30,000 workers in the tea plantation sector.

Expert committees were constituted for looking into the problems of tea plantations in the three States of West Bengal, Assam and Kerala. That expert committee had submitted its report a long time ago. It had suggested certain measures. So far as I understand from the statement of the hon. Minister, that expert committee was constituted mainly to suggest the revival of the closed tea gardens. That expert committee had not gone into the causes for the crisis in the tea industry, which was very necessary.

The Government of West Bengal had also appointed a committee under the Chairmanship of the Secretary, Industry and Commerce, Government of West Bengal. That committee had also sent its report to the Government of India six months ago stating the measures to be taken by the Government of India. According to the report of that Committee, the main problem is that the auction price of tea is low but the price in the market has not been reduced. The hon. Minister has stated that in 1999 the auction price was Rs. 76 per kilogram. It came to Rs. 56 per kilogram in 2003 but it did not have any impact on the price in the retail market.

The main reason is that traders' profit is increasing. In order to solve the crisis in the tea industry, the Government of West Bengal had prepared a report. They constituted a Committee and that Committee had made certain recommendations. One such recommendation and the measures which are to be taken up by the State Government in order to ensure transparency in the tea market today is that only 45 per cent of our production is auctioned and 55 per cent is sold in the open market.

As per the 17th clause of the Tea Marketing Control Order of 2003, at least, 75 per cent of the production should be sold through auction, but today only 45 per cent of the production is being sold through auction. There was one suggestion made by the Committee constituted by the Government of West Bengal that in order to ensure transparency in the tea market, 100 per cent of the made-tea including made-tea produced by bought leaf factories should be sold through auction. There is a mushrooming of bought-tea leaf factories producing inferior quality of tea other than exports. The pocket-tea should be mandatorily sold through auction system. The hon. Minister has not stated about this thing. So, I would like to know whether 100 per cent of made-tea should be sold through auction. The 17th clause of Tea Marketing Order of 2003 should be implemented in letter and spirit. The auction system has to be further tightened to completely prevent proxy bidding. Registered buyers should be physically present at the auction centre to participate in the bidding. The Tea Board should critically review, qualify the norms for registered buyers in terms of minimum volume of purchases and minimum number of auction percentage. Unless this is done ...*(Interruptions)*

MR. SPEAKER: Now, please put your question.

...*(Interruptions)*

SHRI BASU DEB ACHARIA : Unless the defect in the system of auction is rectified, the crisis which this tea industry today is facing would not be over by reopening certain closed tea gardens. Unless some concrete measures are taken by the Central Government in order to overcome the crisis which the tea industry today is facing for the last seven or eight years—...*(Interruptions)*

MR. SPEAKER: Please do not get distracted. Please put your question.

...*(Interruptions)*

SHRI BASU DEB ACHARIA : The existing infrastructure in the auction centers in Kolkata and Siliguri will not be able to cater 100 per cent of tea through auction. Therefore, a new auction center should be opened at Jalpaiguri for 100 per cent auction of the tea. ...*(Interruptions)*

MR. SPEAKER: Please put your question.

...*(Interruptions)*

SHRI BASU DEB ACHARIA : I am putting the questions along with my suggestions. ...*(Interruptions)*

MR. SPEAKER: You put your suggestion in the form of a question. Please be brief.

...*(Interruptions)*

MR. SPEAKER: This is a very serious matter. Six crore of people are involved.

...(Interruptions)

MR. SPEAKER: Please sit down. No, this is not the method.

...(Interruptions)

SHRI BASU DEB ACHARIA : The Tea Board should be further strengthened. What is happening today? There has been reduction in the staff strength of the Tea Board. ...(Interruptions)

SHRI NARAYAN CHANDRA BORKATAKY (MANGALDOI): Sir, I also want to speak. ...(Interruptions)

MR. SPEAKER: There are methods of doing it. You must know about it. Please take your seat. I will try to help you, if you do not disturb him.

...(Interruptions)

SHRI BASU DEB ACHARIA : Tea Board is for Research and Development. ...(Interruptions) But if the organisation is weakened, the main purpose for constituting the Tea Board, whose headquarter is in Kolkata, would not be fulfilled.

The organisation of Tea Board should be strengthened and there should be a branch office of Tea Board at Siliguri. The staff has been reduced. There are a number of vacancies. Those vacancies should be filled up.

MR. SPEAKER : Please put your question.

SHRI BASU DEB ACHARIA : Sir, I am putting the question. What are the promotional activities being taken by the Government through the Tea Board? ...(Interruptions)

MR. SPEAKER : It is a vital question. Six crore people are involved in this.

...(Interruptions)

SHRI BASU DEB ACHARIA : For the promotional activities, the expert committee has suggested for rejuvenation and replantation. â€¦ (Interruptions)

MR. SPEAKER : You know very well these rules.

...(Interruptions)

SHRI BASU DEB ACHARIA : In the Ninth Five-Year Plan and in the Tenth Five-Year Plan, the main object was to have tea plantation in non-scheduled areas. ...(Interruptions)

SHRI VIJAYENDRA PAL SINGH (BHILWARA): Sir, you are too mild to your Party Member. ...(Interruptions)

MR. SPEAKER : Who said that? Have you the courage to say that again?

...(Interruptions)

MR. SPEAKER : If you are demeaning the Chair, you are demeaning the whole House.

SHRI VIJAYENDRA PAL SINGH : No, Sir. I am not demeaning the Chair. ...(Interruptions)

MR. SPEAKER : There should be a limit to everything.

Shri Basu Deb Acharia, please finish. Please put your question.

SHRI BASU DEB ACHARIA : Sir, I would like to know from the hon. Minister of Commerce and Industry as to what concrete steps he would take for the replantation and rejuvenation of the existing gardens. I would like to know from the hon. Minister one thing. The removal of the quantitative restrictions in 1999 has greatly and adversely affected our tea industry.

MR. SPEAKER : You have made your point. You ask the question.

SHRI BASU DEB ACHARIA : In case of the tea industry the WTO-bound excise duty should be increased to 150 per cent from 100 per cent because you can increase it upto 150 per cent in order to save our indigenous tea industry.

MR. SPEAKER : I have allowed you for more than fifteen minutes because of the importance of the matter.

...(Interruptions)

MR. SPEAKER : Shri Francis George, please sit down.

SHRI BASU DEB ACHARIA : I want to know whether the Government would consider to increase the import duty to 150 per cent. Moreover, â€

MR. SPEAKER : Please put your last question.

SHRI BASU DEB ACHARIA : Sir, today there is one per cent excise duty. I would like to know whether this one per cent duty would be withdrawn as suggested by the Government of West Bengal or not.

MR. SPEAKER : Thank you.

...(Interruptions)

MR. SPEAKER : Shri George, please take your seat.

SHRI BASU DEB ACHARIA : Sir, the most important point is, there is a need for a special package for tea industry. I would like to know from the hon. Minister whether the Government will consider a special package for the tea industry – financial package - as well as for the welfare of lakhs and lakhs of tea plantation workers. Thank you.

...(Interruptions)

SHRI K. FRANCIS GEORGE (IDUKKI): Sir,

(Interruptions)*

MR. SPEAKER : Shri George, nothing will go on record.

...(Interruptions)

MR. SPEAKER : This is a calling attention motion. You know the rules very well. Please allow me to regulate.

...(Interruptions)

SHRI NARAYAN CHANDRA BORKATAKY : Sir, please give me a minute. ...(Interruptions)

MR. SPEAKER : I will not hear you. Nothing will be recorded. You are wasting the time of the House.

...(Interruptions)

SHRI K. FRANCIS GEORGE : Sir, I represent the most affected area. ...(Interruptions)

*Not Recorded.

MR. SPEAKER : You should have taken steps. Please sit down. This is a calling attention motion. There are specific rules about it. We must be guided by the rules. There are no other names given in time. In view of the extreme urgency of this matter, I will allow upto three more hon. Members. According to the rules, four are allowed. Shri Joachim Baxla to speak now.

...(Interruptions)

MR. SPEAKER : If you interrupt, nobody will get it. You will get the chance by merely repeating it.

श्री जोवाकिम बखला (अलीपुरद्वार) : अध्यक्ष महोदय, माननीय सदस्य बसुदेव आचार्य जी, जो ध्यानार्कण प्रस्ताव लेकर आये हैं, उसके लिए मैं उनको धन्यवाद देता हूँ क्योंकि एक महत्वपूर्ण मुद्दे की ओर उन्होंने मंत्री और सरकार का ध्यान आकर्षित करने की कोशिश की है। चाय उद्योग के 168 साल के इतिहास में पहली बार

MR. SPEAKER : Shri Baxla, you know the rules. You put the pointed question so that the hon. Minister can reply. The gravity of the situation is known.

...(व्यवधान)

श्री जोवाकिम बखला : मैं प्रश्न ही करूंगा लेकिन उनको अपना लॉजिक देना चाहता हूँ। (व्यवधान) चाय बागानों के 168 साल के इतिहास में आज एक गंभीर स्थिति पैदा हो गई है। चाय बागानों के मजदूरों की स्थिति विशेषकर तमिलनाडु, त्रिपुरा, पश्चिम बंगाल एवं असम में चाय बागान बंद होने से बहुत ही दयनीय है। (व्यवधान)

MR. SPEAKER: I cannot allow this. Please ask clarificatory questions.

श्री जोवाकिम बखला : प्रांतीय सरकार, राज्य सरकार उन्हें रिलीफ मेज़र्स देने की कोशिश कर रही है। मंत्री महोदय ने यहां जो स्टेटमेंट दिया है, मैं जानना चाहता हूँ कि क्या आप इस गंभीर परिस्थिति में टी बोर्ड को और मजबूती देना चाहते हैं? क्या चाय बागानों के मजदूरों की वेल्फेयर के लिए स्पेशल पैकेज देने की आपकी कोई सोच है? चाय बागानों में जो चाय ऑक्शन होती है, उसमें पारदर्शिता नहीं है इसलिए हमें असलियत मालूम नहीं होती, हमें मिसगाइड किया जाता है कि चाय का दाम नहीं मिल रहा है। चाय उत्पादन और उसके क्षेत्र में भी वृद्धि हुई है। (व्यवधान)

MR. SPEAKER: You utilise the opportunity I have given.

श्री जोवाकिम बखला : मैं मंत्री महोदय से मांग करता हूँ कि जलपाईगुड़ी में एक ऑक्शन सेंटर खोला जाए एवं टी बोर्ड का एक और ब्रांच ऑफिस सिलीगुड़ी में खोला जाए। मैं चाय बागानों को पुनर्जीवित करने के लिए स्पेशल पैकेज की मांग करता हूँ। समय कम है, इसलिए मैं आपको धन्यवाद देते हुए अपनी बात समाप्त करता हूँ।

MR. SPEAKER: I am only allowing those hon. Members who have taken the trouble of giving notices and not those who have not given notices. Hon. Members, you are aware that there cannot be allowed more than four Members. So, please co-operate.

Shri Varkala Radhakrishnan, please ask only questions. Otherwise, everything will be omitted.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, there are about 17 tea plantations in Kerala
...(Interruptions)

MR. SPEAKER: Please sit down. You have not taken the trouble of giving even a notice and you are interrupting the proceedings of the House.

...(Interruptions)

MR. SPEAKER: Please go through the rules.

...(Interruptions)

श्री बिक्रम केशरी देव (कालाहांडी) : यह बहुत गंभीर मामला है। (व्यवधान)

अध्यक्ष महोदय : बहुत गंभीर मामला है, but you have never bothered to take any action.

...(Interruptions)

SHRI BIKRAM KESHARI DEO : Please allow four Members.

...(Interruptions)

MR. SPEAKER: I will not allow.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN : In my constituency also, there is a very ancient tea plantation, Bonakkad Estates, founded by the British.

MR. SPEAKER: Do not mention specific cases; put questions.

SHRI VARKALA RADHAKRISHNAN : My question is this. Now, this crisis has been lasting for a long time. The policy of the Central Government will have to be changed. The excise duty as well as import restrictions and import concessions will have to be changed for the betterment of tea plantations in the State. So, I request the hon.

Minister to bring in a very definite policy of helping the tea plantations in the State as a whole. Otherwise, the position will be very precarious. Moreover, the time is quite favourable because the tea is not so cheap now. The prices of tea have gone up. So, if the Government rises equally to the occasion and make a transparent dealing in this matter, I think that the situation can be improved. I request the Minister to rise equally to the occasion.

MR. SPEAKER: Thank you for your co-operation.

Shri Gurudas Dasgupta, please ask only clarifications. We have given sufficient time to it.

SHRI GURUDAS DASGUPTA (PANSKURA): Sir, I must be permitted to make one sentence about the statement the hon. Minister has made. Coming from the international conference, he seems to be guided only by the price of the auction market. He has not looked into the problem. He has only repeated the appraisal that was made by the earlier Government. He has not been able to touch even the fringe of the problem that the tea industry is facing.

Now, I put my pointed questions. Is the Minister aware that there is a lack of market of tea in the international arena due to disappearance of the Soviet Union? Secondly, is the Minister aware that there is enough scope to expand the tea market in India by launching a programme for 'Drink Tea' in India?

Then, he says that there is a Tea Board. I am surprised that he is aware of Tea Board, but economically, we have been able to forget the name of Tea Board because it is not functioning at all.

Thirdly, will the Minister promise that the Tea Board will be revamped in order to expand the demand of tea in the Indian market and in the international market? This is what I would like to know from the hon. Minister with regard to demand of tea.

Fourthly, is the hon. Minister aware that there is a need for finance, and a need for cheap supply of credit so as to overcome the crisis that the tea industry is facing? The hon. Minister has made himself a laughing stock by making a suggestion that Rs. 2 lakh is the limit for the soft loans to be given to a tea garden. It is only a repetition of the earlier Government's policy.

MR. SPEAKER: Shri Dasgupta, these descriptions are not necessary here.

SHRI GURUDAS DASGUPTA : Will the hon. Minister reconsider increasing the volume of cheap credit to the tea industry? Sir, I have got to ask two more very small questions from the hon. Minister.

MR. SPEAKER: Shri Dasgupta, please cooperate with the Chair.

SHRI GURUDAS DASGUPTA : Will the hon. Minister consider stopping delinquency in tea auctions? A few big tea traders have taken over the tea trade. Will you take action to stop the delinquency in tea auctioning in the tea trade of the country? You speak of delinquency everywhere, but please look at the delinquency in your own sector.

Lastly, will the Minister ensure that the workers of tea garden are not victimised for the crisis -- for which the tea workers are not to be blamed at all -- that is developing in the country? He has to take a comprehensive view without just echoing all that the earlier Government has said in this matter.

MR. SPEAKER: Yes, Mr. Minister

...(Interruptions)

SHRI K. FRANCIS GEORGE : Sir, there is a factual error in the statement made by the hon. Minister. The hon. Minister has stated that there are 11 tea estates in Kerala that are closed, but actually there are 17 tea estates in Kerala that are closed.

MR. SPEAKER: Kindly listen to me and sit down.

...(Interruptions)

MR. SPEAKER: You should learn to respect the Chair. Shri Pawan Kumar Bansal, kindly take your seat.

डॉ. रामकृष्ण कुसुमरिया (खजुराहो) : अध्यक्ष महोदय, ये बड़े प्रेम से आपसे निवेदन कर रहे हैं, कि (व्यवधान) इन्हें बोलने दीजिए।

अध्यक्ष महोदय : आपके प्रेम और हमारे प्रेम में थोड़ा फर्क है न।

â€¦ (ब्यवधान)

MR. SPEAKER: This is a Calling Attention motion. There are specific rules with regard to this. Within the stipulated time only one hon. Member's name came, and on the basis of that it was agreed in the BAC that it would be taken up because of the importance of the matter. Three more hon. Members took the trouble of sending their notices. No other hon. Member took this simple trouble. Otherwise also, I would not have been in a position to allow more than four hon. Members to speak, according to the rules. In all these States, the problem is acute with regard to this issue. I called Shri Joachim Baxla as he had given a notice. The Jalpaiguri district is seriously affected. Everybody, including the Leader of the House, knows about it.

As regards Kerala, everybody has admitted that Kerala is also having problems with regard to this issue.

...(Interruptions)

SHRI SARBANANDA SONOWAL (DIBRUGARH): Sir, what about Assam?

MR. SPEAKER: As regards Assam, you have not taken the trouble of giving any notice.

...(Interruptions)

MR. SPEAKER: Yes, Mr. Minister. Nothing will be recorded.

(Interruptions)*

MR. SPEAKER: I am telling you that nothing is being recorded.

(Interruptions)*

MR. SPEAKER: Yes, Mr. Minister.

...(Interruptions)

MR. SPEAKER: All the hon. Members have to be a little more aware and a little more agile. You have to be alert and agile, and be conscious of your obligations.

...(Interruptions)

MR. SPEAKER: I will not allow the rules to be violated.

...(Interruptions)

MR. SPEAKER: Shri Bikram Keshari Deo, I would not allow this. You have not given any notice.

...(Interruptions)

MR. SPEAKER: I will not allow anyone to violate the rules.

SHRI KAMAL NATH: Sir, I understand the anxiety of the hon. Members to speak because tea covers not merely one State but several States in a small way or in a big way. It was rightly stated by an hon. Member that it is one of the largest employers in the country, perhaps after the textile sector. It involves six crore people of the country.

...(Interruptions)

SHRI NARAYAN CHANDRA BORKATAKY : Hon. Speaker, Sir, I was not even allowed to raise my point in the House. Hence, I am walking out of the House.

*Not Recorded.

12.43 hrs

At this stage, Shri Rajen Gohain and Shri Narayan

Chandra Borkataky left the House.

SHRI KAMAL NATH: This question related to closure of tea gardens. I agree with the hon. Members that the answer does not lie merely in the reopening of tea gardens, but it lies in looking at the problem in a holistic way. It is because while some gardens have closed, but there are many others which are on the verge of closure. If most effective steps are not taken for the other tea gardens, then they will also be on the verge of closure in the next couple of years. ...(*Interruptions*) It is correct that some gardens have also been abandoned. It means that it has not been closed by design, but they are just closed by default, and it is also a fact.

There are several tea gardens belonging to the Central Government and several to the State Government. The Tea Trading Corporation is under liquidation at the moment.

My friend, Shri Dasgupta, had stated that it is a routine answer and that I have only looked at the marketing side. I would wish that he had read the whole statement and not just the first paragraph of the statement because I have very categorically stated it. I would like him to read this statement again, instead of making these sweeping remarks that this answer only covers the marketing side.

This does not merely cover the marketing side. The statement is there before all of us to read. I have tried, as briefly as I could, to cover all facets. One facet is the marketing side, but the main facet, which I see in the tea industry as such, is a fact of life today that 50 per cent of the bushes in the tea gardens require rejuvenation and replanting. This is one of our traditional industries. Of course, the Government of India is very deeply concerned, this present Government is very deeply concerned, especially with our focus on employment and the sustenance of employment. This is not merely a question of creation of employment; this is a question of sustenance of employment, which is such a major sector. Therefore, just looking at the demand side will not solve the problem.

Fifty per cent of the bushes have degraded. They need rejuvenation, they need replantation. If we see, over the last few years, 20 per cent of tea that is produced is now being grown by small growers. Previously, there was a history of large tea gardens and large growers. Today, over the last couple of years, 20 per cent of tea is grown by the small growers.

One very important factor to see is that after all if tea is produced, it must be sold at a comparative cost. This comparative cost is dictated by the yield. The yield in 1997 was 1,865 Kgs per hectare whereas today our yield is roughly 1,614 Kgs per hectare. Our yield has gone down. Today, our cost of tea production is the highest in the world. If we look at the labour cost -- I am not trying to focus merely on labour cost at all, but we have to look at the entire spectrum of costs -- our labour cost comes to 36.45 per cent compared to Sri Lanka where it is much lower, which is between 20 and 30 per cent. So, the labour costs are high. About 50 per cent of our tea bushes need replantation. The auction prices have fallen. All these have simultaneously happened. We are confronted not with just one market side of it, we are confronted by the very basic issue, that is, 50 per cent of our bushes need replantation. A bank may provide loans, the auction prices may go up, but our bushes would not get rejuvenated just by providing a package from the banks.

One of the Members said that the Tea Board should be strengthened. On the other hand, my friend, Shri Gurudas Dasgupta says that the Tea Board is doing nothing. It is for both of them to decide as to what they should be doing. I think, what we need to do is ...(*Interruptions*)

SHRI GURUDAS DASGUPTA : 'Strengthening' means, the weaknesses have to be plugged. There is no contradiction between us.

SHRI KAMAL NATH: When he said, "It should be strengthened", I thought, you only strengthen something which is doing good work, but he says, "Weaknesses must be strengthened".

I think, we should not lose the seriousness by going off the track. The point is this. By having auction in Jalpaiguri -- we have sanctioned it, and the licence has been given. It is for the information of the Members -- it does not solve the problem. The problem lies in covering all facets of it by seeing that there is a package which not only covers the question of loans -- the question of loans which are defaulted upon -- but also enlarge our market, as my friend said. He is very right.

SHRI VARKALA RADHAKRISHNAN : What about Kerala?

SHRI KAMAL NATH: The domestic demand has to be enlarged. ...(*Interruptions*)

MR. SPEAKER: Please do not interrupt the Minister.

SHRI KAMAL NATH: If they want to seriously hear me, I will speak. Otherwise, they are welcome and I am also welcome to sit down.

MR. SPEAKER: I am trying to control them.

SHRI KAMAL NATH: One view is that 100 per cent auction should be there. There is also another view that 100 per cent auction should not take place. Now, the question is, what is the best for the industry. I am not in a position at the moment to say what should be the harmonious view on this. However, at the moment, about 56 per cent is sold through auctions. We will see what is best for them. The Member has given a suggestion. As I said, there is a contradictory view. We have to see how much force that contradictory view has to move towards a greater amount of quantity being auctioned.

There was this question about Soviet Union. Disappearance of the Soviet Union has not led to people drinking less tea there. If they were drinking tea in the erstwhile Soviet Union, I am afraid they are drinking it still whether in Russia or in Tajikistan. The real point is that Russia has changed from consuming CTC tea to orthodox tea. As the hon. Members know, 90 per cent of our orthodox tea is for export. Ninety per cent of the tea that we export is orthodox tea. They have shifted to orthodox tea and unfortunately we have lost our space in this. We have lost this market space which we had in the countries of the erstwhile Soviet Union. They are now importing it largely from Sri Lanka and Vietnam. As I said, Sri Lanka and Vietnam have come in a big way into the market. They have come in a big way into the market because of costs and even because of taste. So, this has been the problem.

As far as other issues raised by the hon. Members are concerned, we must be conscious of one fact that small growers who have come up in the last couple of years are (a) not following the auction route, and (b) not following the Plantation Labour Act. Enforcement of Plantation Labour Act is left to the State Government. Whatever assistance the Central Government can give in tightening up the State Government in following these laws ...*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : What about the excise duty?

SHRI KAMAL NATH: I am coming to that. There is one apprehension that tea is being imported ...*(Interruptions)*

MR. SPEAKER: Nobody can dare refuse to answer your question.

SHRI KAMAL NATH: The tea which is being imported has been imported by export-oriented units and by special units in the special economic zones. However, 95 per cent to 99 per cent of that is exported. It is, therefore, processing and so it creates employment. In fact, if you want to create employment, we must follow many of these because employment generation, as you know, is the priority of our Government. So, as long as this tea does not creep into the domestic market, it does not impact the tea industry in India. In fact, it helps in creating employment. As I have said, 95 per cent to 99 per cent is for export.

SHRI P.K. VASUDEVAN NAIR (THIRUVANANTHAPURAM): This argument, I am afraid, is very suicidal to our interests.

SHRI KAMAL NATH: At the end of the day, we must recognise the fact that (a) our old bushes need replantation, and (b) it is a question of the cost. The days when people used to say that we would buy Indian tea at any price are, I am afraid, no more there. It is a fact of life. So, unless we are able to be competitive with the auction prices ...*(Interruptions)*

SHRI M.P. VEERENDRA KUMAR (CALICUT): Because we are importing tea into the country while our tea is surplus here. Would it not affect the domestic tea industry?

SHRI KAMAL NATH: I am not saying that. Ninety-five per cent to 99 per cent of whatever is coming in is exported even under FTA. That is the point I am trying to make. The real question is that of costs. Today there are wages, then there are costs which are imposed by the Plantation Labour Act, which too are costs. The Plantation Labour Act, 1951 directed that there should be so many facilities when plantations were in the remote areas. I do not know whether Members would subscribe to this.

SHRI GURUDAS DASGUPTA : Is it the labour cost which is responsible?

SHRI KAMAL NATH: I am not saying that. I am saying that the old bushes need replantation. But, it is one of the reasons. All the Committees have brought this out. I have figures which say as to what is the labour cost, which includes the labour welfare cost in India in this sector. ...*(Interruptions)* It has to be the same.

MR. SPEAKER: Please, Mr. Dasgupta, if you go on making running commentary, nobody can help. Let him finish. We have got many others who want to speak.

SHRI KAMAL NATH: The hon. Member needs to look at the facts. It has to be same when the facts are the same. If

the Government changes, facts do not change. If there is an amount which costs in the labour cost, it does cost that. Whether you are on this side or on the other side, the facts will remain the same. If Parliament House happens to be here, it will be here. ...(*Interruptions*) I would like to assure the Member that the Government is looking at a tea package, a special tea package. We are concerned and we are conscious. We are giving the highest priority to see that we take steps for the revival and rejuvenation of the tea industry. We are looking at preparing a special tea package. Once we have prepared it, I will have more information to give to the Members of the House.

...(*Interruptions*)

MR. SPEAKER: Mr. Minister, may I make a request. All sides of the House, especially those coming from the tea-growing States, are very much concerned over this issue. Why do you not call a meeting of them and try to sort out the problem?

...(*Interruptions*)

MR. SPEAKER: I am making a better arrangement for you and you are interrupting. Please sit down, Mr. Sarma.

SHRI KAMAL NATH: Sir, two weeks ago, without knowing that there would be a Calling Attention on this subject, I asked for a meeting. It was fixed two weeks ago and was held day before yesterday. Representatives of all facets of the tea industry, the importing side, the producing side, etc. ...(*Interruptions*)

MR. SPEAKER: You can take the hon. Members of Parliament also on board. They are all your friends.

SHRI KAMAL NATH: Right, Sir.

MR. SPEAKER: Thank you.

SHRI BASU DEB ACHARIA : One rupee excise duty.

MR. SPEAKER: The Calling Attention is over. Now I come to the Special Mentions.

DR. ARUN KUMAR SARMA (LAKHIMPUR): The Minister must hold a meeting during this Session itself, with Members representing the tea-growing areas. That will be easier.

SHRI SARBANANDA SONOWAL (DIBRUGARH): The meeting should be held in this Session.

MR. SPEAKER: Go and talk to him. I am making special arrangements for you and you are only taking the time of the House.
