

# **COMMITTEE ON PETITIONS**

**(FIFTH LOK SABHA)**

## **THIRTY-FIRST REPORT**

**[Petition No. 7 regarding nationalisation of  
plantation industry and trade]**

*[Presented to Lok Sabha on the 25th May, 1976]*



**LOK SABHA SECRETARIAT  
NEW DELHI**

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COMPOSITION OF THE COMMITTEE ON PETITIONS  
(1975-76)

1. Shri Jagannath Rao—*Chairman*

MEMBERS

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- \*3. Shri Ishwar Chaudhry
4. Shri Biren Engti
5. Shri D. P. Jadeja
6. Shri Mallikarjun
7. Shri Ajit Kumar Saha
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13. Dr. Rudra Pratap Singh
14. Shri S. N. Singh
15. Shri Tula Ram

SECRETARIAT

Shri B. K. Mukherjee—*Chief Legislative Committee Officer*

Shri J. R. Kapur—*Senior Legislative Committee Officer*

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\* Nominated with effect from the 20th August, 1975 *vice* Shri Hemendra Singh Banera resigned from the Committee with effect from the 3rd August, 1975.

# **THIRTY-FIRST REPORT OF THE COMMITTEE ON PETITIONS (FIFTH LOK SABHA)**

## **INTRODUCTION**

I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Thirty-first Report of the Committee to the House on Petition No. 7 regarding nationalisation of plantation industry and trade.

1.2. The Committee considered the matter at their sittings held on the 24th June, 17th July, 9th September, 17th November and 9th December, 1975, 28th January and 6th May, 1976.

1.3. The Committee took oral evidence of the petitioner, Shrimati Vimal Ranadive, Secretary, All India Plantations Workers' Federation, Calcutta, at their sitting held on the 17th November, 1975.

1.4. The Committee undertook on-the-spot study visits to selected plantations in two Study Groups: Study Group I visited certain places in Karnataka, Tamil Nadu and Kerala from the 16th to 20th February, 1976 and Study Group II visited certain places in West Bengal and Assam during the same period with a view to study socio-economic conditions of plantation workers as also to see at first hand the housing, medical, educational and other facilities provided to them.

1.5. The Committee also took oral evidence of the representatives of the Ministries of Commerce, Labour and Works and Housing at their sitting held on the 6th May, 1976.

1.6. The Committee wish to express their thanks to the Secretary, Ministry of Commerce, Chairman of the Tea, Coffee, Rubber and Cardamom Boards and other Officers of the concerned Ministries as well as of the State Governments of Karnataka, Tamil Nadu, Kerala, West Bengal and Assam for furnishing to the Committee the material and information they wanted in connection with the examination of the subject.

The Committee also express their thanks to the Planters' Associations and Workers' Unions with whose representatives and others

the Study Groups of the Committee had had discussions or who had submitted written memoranda to them during their tour.

1.7. The Committee considered their draft Thirty-first Report at their sitting held on the 21st May, 1976 and adopted it.

1.8. The observations and recommendations of the Committee on the matter have been included in the Report.

NEW DELHI;  
*Dated the 21st May, 1976.*

JAGANNATH RAO,  
*Chairman,*  
*Committee on Petitions.*

## REPORT

2.1. Petition No. 7 signed by Shri Ratan Lal Brahman and Shri-mati Vimal Ranadive, Vice-Presidents, All India Plantations Workers' Federation and others, Calcutta, was presented to Lok Sabha on the 26th August, 1974, by Shri Biren Dutta, M.P.

### A. Petitioners' Grievances and Prayer

2.2. In their petition the petitioners stated as follows:—

“Whereas, the closure of a large number of plantations in India particularly in the northern region, has arisen due to deliberate neglect by the plantation owners, leading to unemployment, starvation and deaths of workers;

Whereas, even according to official figures of the plantations closed or on the verge of closure are 37 in Assam, 20 in Tripura, 18 in North Bengal, and some in Kerala, while over 200 starvation deaths of plantation workers have been reported;

Whereas, the industry employs 12 lakh workers and earns over Rs. 200 crores worth foreign exchange, the conditions of workers continue to deteriorate due to low wages, non-implementation of laws and absence of Trade Union and democratic rights;

Whereas, the housing facilities are not provided to the plantation workers in spite of the huge subsidy and loans offered by the Central Government, while medical facilities are highly inadequate; and

Whereas, the Government granted concessions after concessions to plantation industry, it has failed to take any step to improve the conditions of workers or rationalise the industry even after the trade unions have raised demands since long.”

2.3. The petitioners made the following prayers:—

- “(a) Immediate take-over of the closed gardens by the Government;
- (b) Nationalisation of plantation industry and trade; and
- (c) Full implementation of all labour laws in plantation industries.”

24. In a memorandum, dated the 14th July, 1975, submitted to the Committee, the All India Plantation Workers' Federation stated *inter alia* as follows:—

“Already, according to the reports from our unions about 200 deaths occurred due to the serious situation existing in the estates since the management of the number of ‘closed’ or ‘sick’ gardens do not care to pay the wages of the workers for weeks and months, the life of the plantation workers become miserable.

The Commerce Minister, Shri D. P. Chattopadhyaya while, issuing a statement in Parliament regarding the closed and sick gardens on May 13th, 1974 promised to introduce a legislation to take over the ‘closed’ and ‘sick’ gardens and investigate the affairs of these ‘marginally sick’ and stated further that the Bill was “in final stages” of preparation. While submitting the memorandum on the 26th of August, 1974, the delegation on behalf of the All India Plantation Workers' Federation met the Commerce Minister to emphasise the need of taking over these gardens and ultimately nationalise the big plantations in the interest of the workers. Unfortunately, nothing has been done uptill now and the situation remains more or less the same.

According to the latest figures stated by the Central Government, Indian tea secured the highest price and earned the highest profits in 1974-75. This was also admitted in a speech by the Commerce Minister, in the Annual General Meeting of Indian Tea Association held on 5th March, 1975 in Calcutta. The statement said that “for the first time in 20 years, the prices had shown a favourable trend resulting in significantly better financial returns”. The same trend was confirmed by Dr. Hazari, Deputy Governor of Reserve Bank of India. India's tea output of 1974 was estimated at 490 million kgs. as against the target of 478 million kgs. According to the Planters' Chronicle, March 1975, the production of coffee in India in 1974-75 has also registered a rise over the previous year and the foreign exchange earned was Rs. 46.01 crores in 1973-74 compared to Rs. 32.93 crores in 1972-73. Natural Rubber output during 1974 registered a gain of 123,232 tons, and there was no need of imports of rubber according to the Chairman of the Rubber Board, Mr. K. M. Chandy. This proves the plantation industry is flourishing and the Cen-

tral Government is getting more than Rs. 250 crores as foreign exchange by way of export.

The Government of India appointed a team in 1973 to examine the problem of sick and closed gardens. This team also recommended revival of work in these gardens but so far nothing has been done. According to the official statistics, 39 tea estates are closed in West Bengal out of which 33 are in Darjeeling Distt. covering an area of 12,000 hectares, and involving 9500 workers. Six gardens are closed in Jalpaiguri. According to the source of Tea Board, 14 gardens are closed in Assam, two in Tripura, 6 in U.P. As the Tea Estates are not regulated by Industries Act it is learnt there is some procedural wrangles for taking over these gardens. Therefore, it would not be out of place if we feel that the Central Government is not at all serious about reopening of these gardens and save the serious situation faced by the employees.

The All India Plantation Workers' Federation, therefore, always demanded the nationalisation of the big plantations and trade. The plantation industry plays a vital role in the Indian economy. Due to manipulation of foreign capital, which still dominates over Indian Plantation industry, India seldom gets the fair price and enormous profits go out of our country every year by secret means. The Indian companies are carrying on ruthless exploitation, completely neglecting the estates. As a result old bushes are overtaxed and quality of tea deteriorated. This policy of the Indian planters ruins the industry and limits the prospects of future earnings. Profit generated in the industry is drained out by various means. The profits are neither shown in the balance sheet nor re-invested in the industry. Therefore, we in the interest of the employees and the industry itself demand the nationalisation of the big plantations and the trade.

The industry employs more than 10 lakhs workers at present, and it is a well-known fact these workers got the lowest wage compared to the other industries. Moreover, there is a great disparity in the wages of men and women workers in spite of their 50 per cent employment in the industry. The Central Labour Minister, Shri Raghunath Reddy, stated in September last that the unequal wages between men and women in various industries will be



discontinued wherever it existed before May, 1975. We hope that this assurance will come into practice at least in the Year of International Women, 1975.

We are convinced that the question of 'closed' and 'sick' gardens is a creation of the planters themselves who want to keep them closed to deprive the workers of the benefits by evading the statutory obligations. The Central Government machinery should come forward and take up full responsibility of taking over these gardens by arranging financial help through the nationalised banks. The proposal of the Government as published in the press indicated that the Government seeks the help of the big plantation owners to invest money in the closed gardens. It is also proposed to use the managerial personnel on the plea of using their expertise for these gardens. We feel this will only strengthen the grip of the big planters as such and will add further difficulty in the existing problem.

We, on behalf of the All India Plantation Workers' Federation, therefore demand:—

1. Taking over all the so-called 'sick' and 'closed' gardens and run them by the Government.
2. The closed gardens should be re-opened with the same complement of workers as were on the eve of their closure.
3. There should be no reduction of wages, bonus, provident fund and other amenities to workers after re-opening of the gardens.
4. Immediate enquiry into the cases of misappropriation, embezzlement and gross irregularities in sick plantations and stringent measures against those who are found guilty.
5. Nationalisation of big plantations and trade without compensation."

**B. The Plantations Labour (Amendment) Bill, 1973, as reported by the Joint Committee**

2.5. Since the petition relates to the deteriorating conditions of the workers employed in the plantations and to the inadequate implementation of the plantation labour laws, the Committee consider it appropriate to make a reference to the Plantation Labour Amend-

ment Bill, 1973, which was introduced in the Rajya Sabha on the 16th March, 1973.

The Report of the Joint Committee was presented to the Rajya Sabha on the 3rd March, 1975. In their Report, the Joint Committee had made certain suggestions/observations for improving the working conditions of the plantation labour. These are dealt with below:—

(i) The Bill seeks to reduce the acreage from 10.117 hectares to 6.5 hectares and the number of persons employed from 30 to 20 with a view to extend the provisions of the Act to a larger number of workers employed in these plantations. In order to extend the coverage further, the Joint Committee has suggested the acreage limit to be reduced to 5 hectares and number of persons employed to 15.

The term 'worker' as defined in the Act *inter alia* includes the person employed in the plantation whose monthly wages do not exceed Rs. 300. The Bill seeks to raise this limit to Rs. 500. The Joint Committee has suggested that the limit be raised to Rs. 750.

(ii) The Bill also seeks to provide that in every plantation where in 50 or more women workers are employed or were employed during preceding twelve months, the employer shall provide and maintain a creche for the children to such women workers. The Joint Committee has modified this amendment suggesting that a creche should also be provided where the number of children of women workers employed is 20 or more, even though the number of women workers appears to be less than 50.

(iii) As regards housing, the Bill seeks to substitute the existing section 15 regarding housing facility amplifying the earlier provision with a view to provide that every worker residing outside the plantations, who has put in six months of continuous service and has expressed the desire in writing to reside in plantation, shall also be entitled to housing facility by the employer.

(iv) The Joint Committee has modified sub-section 2 of section 19 and the proviso thereto with a view to provide that for the extra work done in excess of the normal working hours, the worker should be paid at double the rate of ordinary wages and that no worker should be employed beyond nine hours on any one day even on payment of extra wages.

(v) The Bill seeks to insert new Section 37A regarding power of Court to make orders. The Committee feels that non-compliance of

the orders of the Court made under sub-section 1 of the new Section 37A, amounting to continuing offence, should be dealt with more stringently and accordingly the Committee has suggested imposition of both imprisonment and fine in those circumstances.

(vi) In their Report, the Joint Committee has also made the following observations relating to the implementation of the provisions contained in Plantations Labour Act, 1951, which provide for the various welfare measures to workers:—

- “(a) During the course of the evidence tendered before the Committee, the representatives of the workers employed in the plantations stated that the implementation of the provisions contained in the Plantations Labour Act, 1951, particularly those which provide for the various welfare measures for the workers, had not been at all satisfactory. They contended that there had been more violations than the observance of those provisions. Officials of the State Governments entrusted with the duties of implementing the provisions of the Act also admitted that due to paucity of inspection staff and transport facilities they had not been able to arrange for the inspection of the gardens under their supervision to the extent required. The Committee during their tours to the plantation areas also observed that in many gardens even the barest minimum facilities such as arrangement for the supply of wholesome drinking water, latrines and urinals, provisions of qualified doctors and medicines, had not been provided though these amenities were required to be supplied by the employers under the Act. The Committee, therefore, would request the Central Government to take up the matter with the State Governments and urge upon them the imperative necessity of taking concerted action in this regard by gearing up the existing implementing machinery and augmenting the inspecting staff, wherever required, so that the employers who violate these provisions of the Act and do not provide the workers the amenities contemplated therein are prosecuted and penalised.
- (b) According to the evidence tendered before the Committee, one of the main impediments which stand in the way of implementation of the various welfare measures provided in the Act is the inadequacy of the punishments which are awarded for the violations of the provisions of the Act.

It has been represented that the seriousness of the offences involving violations of the labour laws is not appreciated and the courts generally take a very lenient view in dealing with such offences and let off the offenders, i.e., employers with the lighter punishment of fine which normally does not exceed rupees one hundred. The witnesses were therefore of the opinion that unless a minimum punishment is prescribed in the Act, the deterrent effect of such punishment would not be felt. The Committee agrees with that view and recommends to the Central Government that the existing provisions of Section 36 of the Plantations Labour Act, 1951, be amended to the effect that for any violation of the provisions of the Plantations Labour Act, 1951, and the rules made thereunder, the management shall be punished with imprisonment which should not be less than three months, by a competent court not below the rank of a first class magistrate. The Committee could not carry out the above amendment in the Act as it was outside the purview of the present Bill.

- (c) According to the provisions contained in Section 15 of the Plantations Labour Act, 1951, an employer is required to provide housing accommodation to every worker and his family residing in the plantations. Government also provide loan and subsidy for the construction of these houses. Even then the progress of construction of houses in the plantations has been very unsatisfactory and in fact the rate of construction of houses has gradually declined. The position has not improved even by the prosecution of the employers as there is a lack of desire on their part to take up the responsibility of constructing houses. Some members of the Committee are of the view that in such a situation the State Government should be authorised to construct the houses required through their Housing Boards or other agencies and then recover the cost involved from the employer either as arrears of land revenue or in suitable instalments. While some others suggested that a separate agency, such as a Housing Board, be set up by law for constructing houses for the plantation workers and the funds required for the purpose realised by the imposition of a suitable cess on the products to the Plantations to be paid by the management."

### C. Subsidised Housing Scheme for Plantations Workers

2.9. The provision of housing facilities is one of the basic amenities provided to the plantation labour under the Plantations Labour Act, 1951. The scheme of subsidised housing was introduced in the year 1956. It was transferred from the State Sector to the Central Sector of the plan from the year 1970-71. Under this Scheme, the Central Government provides financial assistance to the State Governments directly outside the State Plan allocations considering the programmes taken up by the States and the availability of funds. The Central Government provides financial assistance to the extent of 87½ per cent of the cost of construction of houses—(50 per cent as loan and 37½ per cent as subsidy) under the scheme. The remaining 12½ per cent is provided by the employers. The scheme aims at providing rent-free housing accommodation to resident plantation workers who belong to weaker sections of the society.

Construction of 14,473 houses has been sanctioned under the scheme. Out of these, 4,749 houses were reported to have been completed. The amount of Central financial assistance given to the State Governments concerned so far is Rs. 377.83 lakhs.

The approved outlay for 1975-76 in respect of the Central Sector Subsidised Housing Scheme for Plantation Workers is Rs. 80 lakhs.

- (a) The ceiling cost of construction under the scheme has been raised from Rs. 3,200 to Rs. 4,000 for a small two-roomed house and from Rs. 4,000 to Rs. 5,000 for a regular two-roomed house;
- (b) The loan advanced by the Government of India to the State Governments for the implementation of the Scheme is now recoverable in 25 years, instead of 15 years; and
- (c) Additional allocation of cement for every quarter from the Central quota will be made to the planters for construction of houses under the Scheme on receipt of such request from the concerned State Governments.

In order to suggest measures for speedy implementation of the Scheme, a high level Committee of the Ministers was constituted in August, 1974. The Chairman of the Committee is the Union Minister of Works and Housing.

2.10. From the reply given to an Unstarred Question in Lok Sabha on the 10th May, 1976, the Committee note that the following

amounts were released by the State Governments under this Scheme during the last three years—

Year	Amount released (Rs. in lakhs)
1973-74	50.30
1974-75	80.00
1975-76	80.00

#### D. Comments of the Ministry of Commerce

2.11. The Petition was referred to the Ministry of Commerce for furnishing their factual comments thereon for consideration by the Committee.

In their written note, dated the 24th May, 1975, furnished to the Committee, the Ministry of Commerce stated *inter alia* as follows:—

“In the case of tea plantations, according to the information available with Government, 38 tea gardens in India, as per details given below, had closed for varied reasons. for example, due to poor labour management relations, poor management of funds, financial stringency, acquisition/requisition of lands, uneconomic yield and illegal encroachment on lands etc.:—

West Bengal	6
Assam	14
Trpura	2
U.P.	6
Kerala	10
Total:—	<u>38</u>

Government have not received any specific report/complaint about closure of any coffee, rubber and cardamom plantations caused on account of deliberate neglect by plantation owners and resulting in unemployment, starvation. There are no complaints about deaths of workers in any of these plantation industries.

The Trade Union movement is well organised among the workers working in the Tea, Coffee, Rubber and Cardamom plantations. The wages of the workers are fixed as per the settlement reached between the workers' unions and Plantation Associations or as per the wage notifications issued by the concerned State Governments after taking into account the increased cost of living for fixation of wages.

The Plantations are covered by various labour legislations, the most important of which is the Plantations Labour Act. The act at present applies to plantations which cover 10.117 hectares (25 acres) and employ 30 or more workers. There has been improvement in the number of plantation estates coming under the purview of this Act.

The subsidised housing scheme for plantation workers provides that the State Government should advance loans to the employers (planters) and co-operative societies of plantation workers under certain terms and conditions. 50 per cent of the loan is disbursed when construction of houses reaches plinth level and the balance 50 per cent when construction reaches roof level. Besides, under the Central Scheme 50 per cent of the amount sanctioned by Government is granted as loan, 37½ per cent as subsidy, and the owners are required to contribute the remaining 12½ per cent. The subsidised housing scheme is being implemented by the Governments of West Bengal, Assam, Tripura, Kerala, Karnataka and Tamil Nadu. The detailed progress of the scheme is not available with this Ministry, as the scheme is being supervised by the various State Governments referred to above. The Labour Bureau had however estimated that in 1961-62, 89 per cent of the estates were providing housing accommodation to workers in varying degrees. The study conducted by the Rubber Board in 1971-72 also reveal that facility to that extent has been provided.

As regards inadequacy of medical facilities available in tea gardens, this comes under the purview of the rules framed under the Plantations Labour Act which is supervised by the State Governments concerned. The medical aid to workers as provided under the Act is available to the workers in the majority of the estates.

One of the functions of the four Statutory Boards, namely, Tea Board, Coffee Board, Rubber Board and Cardamom Board

is to secure better working conditions and provisions and improvement of amenities and incentives for the plantation workers. In pursuance of this, the Boards have launched schemes and are granting education stipends to the children of the workers employed in the plantations. Besides, grants are given to the hospitals for construction of wards for the benefit of plantation workers.

The provision of amenities to the plantation workers is satisfactory and is being constantly reviewed. Government does not, therefore, consider it necessary to nationalise the plantations."

### **E. Evidence and other material submitted before the Committee**

#### *(i) Evidence of the Petitioners*

2.12. At their sitting held on the 17th November, 1975, the Committee heard oral evidence of the Secretary, All India Plantations Workers' Federation, Calcutta, on the points raised in the petition. In her evidence, Shrimati Vimal Ranadive, Secretary, All India Plantations Workers' Federation stated that they had made two demands (i) taking over by Government of the closed and sick tea gardens and (ii) nationalisation of the big plantations.

2.13. She stated that the question of closed tea gardens was more than three years old and it was reported that there were 39 tea gardens in the North which had been closed, and were uneconomic. Only one garden was closed in the South. The argument advanced by the management that these gardens were uneconomic or sick, was just to escape the provisions of the Plantation labour laws. The Management was not doing replantation as it took seven to eight years for a bush to grow fully before it started yielding tea and they were not interested in this work as they were earning lot of high profits out of the existing bushes.

2.14. Shrimati Vimal Ranadive added that as a result of the closing of tea gardens, there was unemployment of about 12,000 plantation workers and there were many workers who had not received wages and arrears of provident fund etc., with the result their families were facing slow deaths. As many of the gardens did not get subsidised food, about 200 deaths had taken place.

2.15. She suggested that if the management was not able to run the closed gardens, workers could themselves run the gardens efficiently. Some of the workers did this and produced so much that



they were able to pay even the arrears of wages to the workers. In the alternative, the Central Government should come forward and take fully responsibility of running those gardens by arranging financial help through the nationalised banks.

2.16. On the question of nationalisation of big plantation of 50 acres and above, she stated that according to the policy of the Government, nationalisation could be done if it was necessary for the health of economy and in the interest of public good. The witness submitted that health of economy in plantation was very bad as enormous profits were going out of the country every year and there was no re-investment in the industry. The Federation had demanded that nationalisation of big plantations should be considered in the interest of country and the plantation workers. She added that the exploitation was even more by the Indian employers.

2.17. She further stated that in spite of high profits, the wages of plantations workers were very low as compared to agricultural labour. Today, wages of workers were Rs. 4.50 or 5.00 per day. Viewed in the context of the abnormal rise in the cost of living the wages were very low. She pointed out that they had demanded Rs. 350/- p.m. for a plantation worker.

2.18. She added that there was a great disparity in the wages of men and women workers inspite of the fact that the employment of men and women workers in the industry was 50 : 50.

2.19. In regard to the housing facilities for plantation workers, she stated:—

“The Study Groups which have gone there and have seen have come to the conclusion that the housing condition is very bad. Though the Government is giving some subsidy, the housing condition is very bad. According to the latest information provided in the official document of the Government for the year 1973, the number of houses sanctioned was 10,899 whereas the number of houses completed was only 2,853. The funds allocated by the Government for housing were Rs. 2,98,510 lakhs but actual amount utilised was Rs. 1,47,000.”

2.20. Shrimati Vimal Ranadive added that there was a provision in the Plantation Labour Act that even the non-resident labour should get houses. The number of non-resident labour was increasing. But even the resident labour was not being given its due.

2.21. As regards medical facilities, Shrimati Vimal Ranadive stated that a group of M.Ps. visited some of the hospitals in Assam-Fatipara and Bathakalti. The hospital at Bathakalti had seven beds with doctors, nurses, compounder, etc. On enquiry, it was found that not even a single patient had been admitted during the last fifteen years. In certain hospitals, there were no medicines, no nurse, no *aya* and no creche. There were instances when women worker gave birth to the baby in the Plantation itself.

2.22. Shrimati Vimal Ranadive added that there was no facility for drinking water. In Karnataka, there was a ditch and the people used that water for drinking purposes. When she asked the workers to approach the employer or the Government representing that the water was not fit for human drinking, the reply given by them was that their voice was not heard by any body.

2.23. She represented to the Committee that the employers should be forced to observe the provisions of the Plantations Labour Act. She urged that the Act might be amended so as to provide maternity benefits to women workers working in plantation industry and trade.

(ii) *Evidence of the representatives of the Ministries of Commerce, Labour and Works and Housing.*

2.24. During evidence on the 6th May, 1976, the Commerce Secretary stated that the question of labour welfare measures in the plantation industry was a subject which was governed by a set of almost 20 Central Laws. Besides, the Plantations Labour Act, 1951 was the main and important law. According to the provisions of the Plantations Labour Act, 1951, the employers/owners of the plantations were to provide to workers a large number of facilities like canteens, creches, recreational, education, housing, drinking water, conservancy and medical etc. He also stated that under the provisions of Plantations Labour Act, 1951, several States had framed rules which were approved by the Central Government. The implementation of the provisions of that Act was, however, left to the State Governments.

2.25. The representatives of the Ministry of Commerce further stated that there were four Commodity Board, viz., Tea Board, Coffee Board, Rubber Board and Cardamom Board, for the development and export of the respective plantation crops. One of the functions of those Boards undoubtedly was to promote the development of the respective industries by securing, among other things, better working conditions and the provision of improved amenities

and incentives for workers. These Boards had been undertaking supplementary welfare measures not covered by the general Acts or the Plantations Labour Act. They were making in their budgets every year certain provision for that purpose.

2.26. Describing the various schemes undertaken by the Commodity Boards for the welfare of plantation workers, the witness stated that the Tea Board had a scheme for giving capital grants for creating facilities for specialised treatment of diseases like T.B., cancer, etc. hospitals, and for the construction of school buildings for enabling the wards of tea plantation workers to carry on their studies above the primary level. The Tea Board also gave stipends as hostel fees to encourage the dependents of tea garden workers to obtain functional training and thereby help them to get gainful employment later on. The Board had also been giving grants to other institutions for providing training of midwives, nurses, tailoring and certain vocational types of training to the children of plantation workers. So far, a sum of Rs. 1.36 crores had been spent by the Tea Board on labour welfare measures.

The witness also informed the Committee that there was a whole-time officer in the Tea Board to look after labour welfare measures of the plantation workers. He also undertook tours to various gardens and plantations for the proper discharge of his duties.

Like Tea Board, the witness added, the Coffee Board, the Rubber Board and the Cardamom Board had also their own labour welfare schemes. The Coffee Board had spent an amount of about Rs. 14 lakhs on medical aid from 1958-59 to 1975-76 and over Rs. 17 lakhs on providing educational stipends from 1960-61 to 1975-76. The Rubber Board had spent from 1957-58 upto 1973-74 Rs. 21.5 lakhs on educational stipends to the children of workers and had also given capital grants for the construction of hospitals. In 1974-75 and 1975-76, the Cardamom Board had spent Rs. 25,000 and Rs. 40,000 respectively on the disbursement of educational stipend.

2.27. Asked whether the Tea Board gave housing loans to the plantation owners directly or through the State Labour Departments, the Chairman of the Tea Board stated that the loans were given directly to the tea gardens concerned by the State Governments. Asked further whether the procedure for giving loans was complicated and difficult, the witness replied that at every quarterly meeting of the Board, which had the representatives of the tea-garden owners, all the pending cases were reviewed to see that there was no undue delay in any case.

2.28. When asked to state the views of the Government on the sick and closed plantations, the Commerce Secretary stated that the Government had introduced a Bill seeking to amend the Tea Act, 1953, to enable the Government to investigate and take over sick and closed tea gardens.

Elucidating his reply, the Commerce Secretary further stated as follows:—

“The question of sick tea gardens has been under consideration for quite some time and we have been trying to see if it was possible to take over those closed tea gardens first and see if they could be run in some manner.

There was also a proposal which had come from the Indian Tea Association also that they could run it on behalf of Government provided also that Government stood guarantee for funds. We thought that this might be a good idea to get them opened. But, Government, after a closer consideration, thought that it was not a proper manner to open the gardens and for Government to stand guarantee for such tea gardens to be run by another private party. This will not be a very happy way. Finally, Government had to take a decision that they would have to take over those gardens themselves.

Then, we found that the Tea Act was not be itself capable of helping us in this matter and that it required an amendment. So, on that no doubt we have taken time. In fact, we have been very late on this subject and the Commerce Minister himself on the floor of the House many a time observed that he was proceeding on this and finalisation has been done ultimately.

We have already put up a Bill in the House and I hope, that after the Budget work of Lok Sabha is over, we shall be able to get on with this Bill, as soon as possible.

And we will be able to proceed about it. I agree that there has been some delay. There is no doubt that we should have taken over the gardens much earlier.”

2.29. In reply to another question, the witness informed the Committee that the Government had not given thought to the problem of taking over big plantations and that being a very wide issue, it was not possible for him to give an opinion thereon.

2.30. Asked whether the Central Government was satisfied with the implementation of the provisions of the Plantations Labour

Laws by the State Governments, the Commerce Secretary replied as follows:—

“It is very difficult for the Ministry of Commerce to answer it.

We have, of course, been writing to the State Governments to associate our Boards in the work of implementation of the laws that they are implementing, but it seems that at least we have got a reply from two States in the matter of tea where I think that they have expressed their reluctance to add any member on their Advisory Boards or any Board like that for the purposes of plantations labour laws..... Certainly it would be a good idea if we could also be brought in to co-ordinate with them....”

2.31. In reply to another question, the witness admitted that at present there was no coordinating machinery between the Commodity Boards and the Labour Departments of the State Governments.

2.32. In reply to a query whether it was a fact that the Commodity Boards were not co-operating with the State Governments, the Chairman of the Tea Board stated that sometime back the Tea Board had requested to the State Governments to consider associating representatives of Tea Board on their Advisory Committees like plantation advisory boards, housing and medical advisory boards, which would be helpful in carrying out the Board's labour welfare measures but the response from the State Governments had not been very encouraging. He added that the Board would welcome any suggestion for formation of a co-ordinating agency between the Board and State Governments for the proper implementation of labour welfare measures.

2.33. The representative of the Ministry of Labour informed the Committee that in the light of the observations made by the Joint Committee of Parliament on the Plantations Labour (Amendment) Bill, 1973, in their Report presented to Rajya Sabha on the 3rd March, 1975, instructions had been issued in November, 1975 to the State Governments to vigorously enforce the Plantations Labour Act and also to consider augmenting the inspecting staff and providing them with transport facilities to make them more effective in their operations. He further informed the Committee that as per available figures, 771 employers were prosecuted in West Bengal alone between 1972—75 for violation of the provisions of the said Act and rules relating to canteens etc.

2.34. The Committee asked the witnesses to state the steps contemplated to provide employment to workers who had been rendered

unemployed as a result of the closure of tea gardens. The representative of the Ministry of Labour stated that the Central Government had not got any machinery whereby they could create employment opportunities. Unless certain sectors were there where the employment opportunities were automatically generated, the Central Government could not do anything.

2.35. In regard to housing facilities to plantation workers, the representative of the Ministry of Works and Housing informed the Committee that in August, 1974, a high level Committee was constituted which consisted of the Ministers of Labour and Works and Housing of the Union and of the six States *viz.* West Bengal, Tripura, Assam in the Eastern Region and Tamil Nadu, Kerala and Karnataka in the Southern Region. That Committee made several recommendations. Some of the recommendations were forwarded to the State Governments for further action and some recommendations were meant for the Central Labour Ministry for necessary action. One of the most important recommendations was that the plantation owners could be permitted to obtain resources from the Government for providing housing facilities to the plantation workers by relaxation of security provisions. The West Bengal Government took a very forward step and they did not even insist on second mortgage and they were giving loan to the plantation owners for housing scheme on personal security alone. It gave a very good impetus to the entire programme in West Bengal. In reply to a question, the witness stated that he did not have figures of houses constructed as a result of the recommendations of that Committee.

2.36. The Committee pointed out to the witnesses that at present for housing purposes, the Central Government gave 50 per cent loan and 37½ per cent subsidy on the basis of cost estimate of Rs. 5000. It had been represented to the Committee that Rs. 5000 was a small amount to be the basis for giving loan and subsidy. The representative of the Ministry of Works and Housing stated in reply that the question of enhancing it would have to be examined.

2.37. In regard to housing conditions of the workers employed in a Coffee Research Station at Chaithalli, the Acting Chairman, Coffee Board, admitted that housing condition in that research station was not upto the required standard as funds for providing housing in their research stations did not come from any grants or loans which were available under the labour housing schemes of State Governments. The funds came from normal budget grants and constraints of finances had so far been hampering them from fulfilling the required standards. Now they had drawn up a time-bound programme for construction of houses at research station.

2.38. On the question of living wage of plantation workers, the representative of the Ministry of Labour stated that no estimate as such had been made so far. But in all plantation estates, there had been frequent wage revisions. Firstly, there was a Wage Board. That was supplemented by agreements. Then there had been revision of wages under the Minimum Wages Act. As a result, there had been a steady and gradual revision of wages all along; but it was difficult to say whether it was a living wage because of many connotations attributed to the term 'living wage'.

2.39. In regard to still-existing disparity between the wages of male and female workers in plantations, the representative of the Ministry of Labour stated that on the 15th October, 1975, they had requested the State Governments to ensure the implementation of the Equal Remuneration Ordinance in plantations. But during November, 1975, the "employers' association (known as the Consultative Committee of Planters Associations) came up with some problems and said that although there was little discrimination in wage rates in plantations on the basis of sex, they needed some time to study the implications of the provisions of the Ordinance. They said that wherever there were differences in wages of men and women, that would largely reflect the differences in the amount, or the nature, of work done; and that such differences were not based on sex. They also said that the wage structures of different States were based on settlements reached between labour and management and that any change in the wage structure would require discussions with the unions and the State Governments. So, the States wanted that the problem might be allowed to be settled between labour and management.

2.40. The witness further stated that the Equal Remuneration Act provided that there should be equal wage for the same or similar nature of work. 'Same or similar nature of work' had been defined in the Act, as the work involving the same amount of skill, efforts and responsibility. The point of view of the Planters' Association appeared to be: "if the women is plucking 10 kgs. of leaves, while a man is plucking 12 kgs., how can we pay the same wages to men and women?" So, they had issued instructions that where the work performed was equal, the same wage rates should apply. Where there was a differential rate, it was up to the women to do more and equal amount of work and claim the higher wage rate.

2.41. When asked to state the position of primary schools for the children of workers in Rubber plantations in Puttur and Sullia Talu-

kas of South Karnataka District, the Chairman, Rubber Board, stated that the plantations in that area were owned by the Government of Karnataka and that they happened to be the implementing authority for labour welfare measures. In other areas, viz., the States of Tamil Nadu and Kerala, there were schools within a distance of 2 miles and were, therefore, well covered in that regard.

2.42. The Committee desired to know from the witnesses whether all plantations had been registered as per the provisions of the Plantations Labour Act, 1951. The Chairman, Tea Board stated that nobody could grow tea unless he was registered and had permission to grow tea. For the purpose of registration of plantations, they insisted upon production of a copy of land revenue record. Some small planters could not produce a copy of land revenue record because of some division of land. However, they were trying to expedite the registration in cooperation with the District and State authorities.

In this connection, the Acting Chairman, Coffee Board, stated that there were quite a few small coffee gardens which were unregistered. The reasons were the same as mentioned by the Chairman, Tea Board. The witness informed the Committee that the Coffee Board had launched a special drive for registration of small coffee gardens as many as possible.

2.43. The Committee asked the witnesses to state the reasons for decline in growth rate in the country's tea export, whereas tea export of Sri Lanka and East Africa had gone up. The representative of the Commerce Ministry stated that the total quantity of export of tea had not come down. The Commerce Secretary also stated that the question of tea supply in the whole world was a matter of discussion engaging the attention of all the tea-producing countries in the world. General feeling was that the foreign market was a very limited market and there had been too much of tea poured into the external market as a result of which the prices of tea had declined over the years. It was only in 1974 that in one of the meetings of tea exporters held in Rome, it was decided that each country should have an export quota and should not export more than the prescribed quota. India was one of the quota holders.

2.44. The Chairman, Tea Board, stated that the production of tea in the last five years had been rising at the rate of about 18 million kgs. per year. But the internal consumption had also been rising.



The Committee were informed that out of total tea production of about 490 million kgs. per year, roughly 220 m.kgs was exported and about 270 m. kgs. was consumed within the country.

The witness submitted that they should be concerned with the level of their foreign exchange earnings. If they were getting more foreign exchange earnings then perhaps the export performances could be judged to be satisfactory. In 1974, they had earned Rs. 220 crores from the export of tea. In 1975, it went up to Rs. 240 crores. Their aim was that the unit value of tea must improve. With these objectives in view their idea was that in the next five years the production must go up at the rate of 20 million kgs. per year of which 12 to 13 million kgs. should go for additional consumption in the internal market and 6 to 7 million kgs. for the purpose of export.

(iii) *On-the-spot visits of the Study Groups of the Committee:*

2.45. The Committee decided to undertake on-the-spot visits to selected Plantations in Karnataka, Tamil Nadu, Kerala, West Bengal and Assam to study socio-economic conditions of plantation workers as also to see at first hand the medical, housing and educational facilities provided to them. The Committee, accordingly, divided themselves into two Study Groups: Study Group I visited certain places in Karnataka, Tamil Nadu and Kerala Mangalore, Mercara, Mysore, Ootacamund, Coonoor, Ernakulam, Mundakkayam and Kottayam from the 16th to 20th February, 1976, Study Group II visited certain places in West Bengal and Assam, namely, Calcutta, Jalpaiguri, Darjeeling and Jorhat during the same period. During their tour, the Study Groups visited a number of plantations and had had an opportunity to discuss with the representatives of the Plantation owners, workers' unions and the officials of the Commodity Boards and the State Governments. They also saw the nature, extent and standards of various facilities available to the workers there. The facts and information that came to the notice of the Study Groups in respect of several important points raised in the petition are included in Appendices I and II.

(iv) *The Tea (Amendment) Bill, 1976*

2.46. On 31st March, 1976, Government introduced in Lok Sabha the Tea (Amendment) Bill, 1976, with a view to enable the Central Government to order an investigation into the working of a sick and uneconomic tea undertaking or a tea unit and to take over the

management of such tea undertaking or tea unit initially for a period of five years with the possible extension of one year at a time but not beyond seven years in the whole. The Bill has since been passed by Lok Sabha on 18th May, 1976. The Statement of Objects and Reasons appended to the Bill is given in Appendix III.

#### F. Observations|Recommendations of the Committee

2.47. The tea industry occupies a pivotal position in the economy of the country as it earns annually over Rs. 240 crores worth of foreign exchange and provides employment to over six lakh workers. Its importance cannot be minimised also from the point of view of internal consumption which, being to the tune of 250 million kilograms per year, is the largest in the world. In this context, the Committee note with concern that a number of tea gardens in general, and in North-East India in particular, have closed down and many more sick and uneconomic gardens may be on the verge of closure owing to poor labour-management relations, lack of managerial skill, poor management of funds, etc., thereby resulting in problems of unemployment to workers and adversely affecting the productivity of tea and country's earnings of foreign exchange by the export of tea. In fact, this phenomenon of closed gardens is manifest only in the case of tea plantations and the problem of closure of gardens has assumed alarming dimensions in the tea industry. Immediate take over of closed gardens, with a view to rehabilitate them and also to save thousands of workers from unemployment and economic hardship is therefore called for.

2.48. The Tea (Amendment) Bill, 1976, which has since been passed by Lok Sabha, empowering the Central Government to take over the management of sick and uneconomic tea undertakings or tea units initially for a period of five years has to be welcomed as a most timely measure. The Committee hope that this measure will go a long way in improving the position of sick and uneconomic units. The Committee would, however, like to suggest that the Government may examine the desirability and feasibility of encouraging the formation of Cooperatives of contiguously situated closed, sick and uneconomic units with common factory processing and other facilities to make these units viable.

2.49. The Committee have also considered the problem of unemployment amongst plantation labour which has arisen as a result of closed and sick gardens. This is a matter which has to be given

the closes attention that it deserves. The Committee are unhappy to be told by the representatives of the Ministry of Labour who appeared before them that the Central Government had not got any machinery whereby they could create employment opportunities. It was stated that unless certain sectors were there where employment opportunities could be automatically generated, the Central Government could not do anything. The Committee are unable to accept this position. The Central Government, who are a beneficiary of foreign exchange earnings from the tea export, should not sit on the fence and allow things to drift. The Ministry of Labour should, in consultation with the concerned State Governments, immediately explore all avenues for providing gainful employment to jobless workers in the existing plantations or elsewhere.

2.50. From the material placed before them, the Committee are inclined to agree with the complaint of workers that while plantations are earning huge profits, by having both internal as well as external market, particularly in respect of tea and coffee, the employers are not considerate enough in providing benefits to workers in the same measure to ameliorate their living conditions. In fact, the Study Groups of the Committee which undertook on-the-spot study visits of plantations received numerous representations from workers about low wages, delay in payment of wages and violation of the provisions of the Plantations Labour Act, 1951, requiring the employers to provide amenities to workers. From what the Study Groups have seen, it cannot be gain said that there has been an inexcusable laxity, neglect and lack of urgency on the part of the authorities in enforcing the provisions of the Plantations Labour Act, 1951. The Committee feel that the Central Government cannot disown its responsibility for giving proper and timely guidance to the State Governments in so far as the implementation of the various provisions of the Plantations Labour Act, 1951, is concerned. The Committee would, therefore, like to stress that the Central Government should keep a constant watch to ensure that the interests of the workers are fully safeguarded and they get the benefits to which they are entitled. The State Governments should also be advised to enlarge and tighten their inspectorate machinery so that the employers are compelled to discharge their statutory and other obligations to the workers.

2.51. The Committee note that the wages of the plantation workers are fixed as per the settlements reached between the Workers' Unions and Planters' Associations or as per wage notifications issued

by the concerned State Governments, after taking into account the increased cost of living for fixation of wages. During evidence, the representatives of the Ministry of Labour informed the Committee that in all the plantation States, namely, Assam, West Bengal, Kerala, Karnataka and Tamil Nadu, there has been steady and gradual revision of wages all along the line, but no estimate as such has been made as to what should be the living wage in plantations.

2.52. The Committee feel that although the plantation workers are receiving the wages and bonus which are settled from time to time between the planters and the workers, the total amount of money received by a worker during a year cannot be called a living wage. The daily wage being paid to a plantation worker in Karnataka and Tamil Nadu is between Rs. 4.20 and Rs. 6.48 only on the basis of which the total annual wages earned by a family consisting of the husband and wife amount to between Rs. 2000 and Rs. 2500 only. The plantation workers do not also have any other work to fall back upon during the lean months in the plantations. The Committee feel that a revision of the wage structure in the plantation industries is urgently called for.

2.52. The Committee note that the Equal Remuneration Act, 1975, enjoins that there shall be equal pay for equal work for both men and women workers. During their on-the-spot study visits to plantations, the Study Groups of the Committee found that the provisions of this Act were being circumvented by the dubious method of categorising male and female workers into grade I and grade II, with a view to give them different wages. The Committee would like this matter to be investigated by the Central Government with a view to take suitable corrective measures.

2.54. The Committee note that at present the wages of plantation workers in various States are generally settled State-wise on the basis of collective bargaining between the workers and the planters. It has been represented to the Committee that this system of collective bargaining separately in each State causes difficulties to workers inasmuch as it leads to fixation of different scales of wages in different States, thereby weakening the position of workers in respect of their power of collective bargaining. The Committee recommend that Government may, after going into all aspects of this matter, consider the question of fixation of a national wage for plantation workers throughout the country.

2.55. The Committee find that the percentage of permanent workers on the plantations is on the decline and the planters seem to have adopted a device to employ more and more temporary and casual workers with a view to escape their statutory obligation to

provide housing and other facilities to permanent plantation workers. The Committee feel that this matter also needs investigation, so that suitable steps could be taken including, if necessary, by an amendment in the Plantations Labour Act, 1951.

The Committee note that under the various provisions contained in the Plantations Labour Act, 1951, the employers are under a statutory obligation to provide housing, medical, educational, recreational facilities to the plantation workers and also to make provision for other amenities such as sufficient supply of wholesome drinking water at convenient places, a sufficient number of latrines and urinals so situated as to be convenient and accessible to workers, canteens, creches, etc. The standards and specifications of these facilities, wherever necessary, are prescribed by the State Governments under the rules framed by them under the said Act. The Committee are unhappy to note that the extent and the quality of the provision of these facilities by the employers to plantation workers leave much to be desired.

2.56. In regard to housing, the Committee find that even the prescribed minimum percentage for the construction of houses every year i.e., 8 per cent has not been adhered to. In spite of the subsidised housing scheme, only about 60 per cent to 80 per cent of permanent workers have been provided houses in the States in the Southern region and this percentage is even lower in the States in the North-Eastern region. It is also found that there is no proper maintenance of the houses inasmuch as they do not have proper sanitation facilities and electricity.

The Committee find that the scheme of subsidised housing for plantation workers did not make any headway till 1970-71 when it was included in the Central sector. Even thereafter, the progress has not been very much encouraging. The representatives of the Ministry of Works and Housing informed the Committee during evidence that a high powered Committee consisting of Union Minister of Works and Housing as Chairman, Union Labour Minister and Works and Housing and Labour Ministers of the concerned six States, namely, West Bengal, Tripura, Assam, Karnataka, Tamil Nadu and Kerala, set up in August 1974, has made certain recommendations to speed up the pace of progress under this scheme including a recommendation regarding simplification of procedure for giving loans to the employers. The Committee hope that the recommendations of this Committee would be expeditiously implemented. The question of enhancing the quantum of loans from the existing limit of Rs. 5,000 per unit may also be considered.

2.57. In regard to medical facilities, it is found that several plantations are without garden hospitals or dispensaries. Even where hospitals or dispensaries exist, there is dearth of qualified medical staff and only ordinary and cheap medicines are provided to the workers. Although the Plantations Labour Act, 1951, provides for the reimbursement of expenses on treatment and medicines, if the prescribed medical facilities are not provided and maintained by the employer, the workers in practice do not get the benefit of this statutory provision. The drinking water facility is also unsatisfactory in most of the plantations and generally the streams are the main source of drinking water which are more often than not polluted. The same unsatisfactory position obtains in respect of other facilities and generally the planters are either not at all discharging their obligation or they are discharging only in part. The Committee note that in order to enforce the provisions of the Plantations Labour Act, 1951, the concerned State Governments have inspectors who move about in their respective areas for a check. The Committee find that this enforcement machinery in the States is thoroughly inadequate to discharge the responsibility cast upon them. In some of the States, the number of inspectors is too small, for instance in West Bengal it is only four. The Committee cannot too strongly emphasise the need for strengthening the enforcement machinery. Suitable transport facility may also be provided to the inspection staff to facilitate their work.

2.58. The Committee note that the Commodity Boards, namely, the Tea Board, the Coffee Board, the Rubber Board and the Cardamom Board, have also been undertaking several supplementary welfare measures not covered by the general labour laws or the Plantations Labour Act, 1951. These Boards are making in their respective budgets every year certain provision for welfare measures like educational stipends and scholarships, capital grants for construction of school buildings and hospitals and for creating facilities for specialised treatment of diseases like T.B., Cancer, etc. The Boards have also a whole-time officer for labour liaison. That being the position, it need hardly be emphasised that there should be close and constant coordination between these Boards and the concerned State Governments. The Committee are, however, surprised to learn that there is no such coordination and in spite of the advice given by the Central Ministry of Commerce, the State Governments have not evinced the required interest in this regard. The representative of the Ministry of Commerce has informed the Committee during evidence that the Ministry have been writing to the State Governments to associate the Commodity Boards in the work of implementation of the plantation labour laws, but they have ex-

pressed their reluctance to add any member on their Advisory Boards or Committees. On the other hand, it has been represented by officials of a certain State Government who have had a discussion with the members of the Study Group of the Committee during its on-the-spot visit to that State, that the State Government remains totally in the dark about the schemes launched by the Coffee Board/Tea Board for giving incentives to plantation workers, providing stipends and various medical facilities etc., to them, and that there is no machinery for coordinating the labour welfare activities for plantation workers between the State Labour Department and these Boards. The Committee are unable to appreciate this kind of situation and would like the Central Government to take a positive initiative in evolving a suitable coordination machinery to secure a close and constant liaison between the agencies of the State Governments and the Commodity Boards in respect of welfare amenities to plantation workers.

2.59. The Committee have been informed that one of the main impediments standing in the way of implementation of the various welfare measures provided in the Plantations Labour Act is the inadequacy of the punishment provided for the violation of the provisions of the Act. It has also been represented that the Courts generally take a very lenient view of the violations of the provisions of the Act and the punishment awarded by them does not deter the employers from violating the statutory provisions. In regard to this, the Committee note the amendment to the Act for insertion of new section 37A suggested by the Joint Committee on the Plantations Labour (Amendment) Bill, 1973, which is now pending before Parliament. The Committee hope that after this Amending Bill is enacted, the position would improve and the enforcement of the provisions of the Act would be speedier and easier.

2.60. The Committee learn that while six weeks' maternity leave after delivery is provided to the female workers, they are generally deprived of the six weeks' pre-natal maternity leave admissible to them. The Committee urge that this matter may be examined by the appropriate authorities concerned and suitable remedial steps taken.

2.61. The Committee note that the petitioners' plea for nationalisation is mainly on account of non-implementation of the provisions of plantation labour laws and unemployment of workers of the sick and closed tea gardens. The Committee hope that with the provision of more stringent punishment to the defaulting employers, removal of the lacunae in the existing Plantations Labour Act, 1951, setting up

of an enforcement machinery for ensuring proper implementation of the provisions of the Act, creation of a coordinating agency comprising the Commodity Boards and the State Governments, and the enactment of the Tea (Amendment) Bill, 1976, empowering the Central Government to take over the management of the sick and uneconomic units, there would be a perceptible improvement in the conditions of the plantation labour. If these measures do not improve the conditions of plantations, the Government should not hesitate to take them over.

NEW DELHI;

*Dated the 21st May, 1976*

JAGANNATH RAO,

*Chairman,*

*Committee on Petitions.*



## APPENDIX I

(See para 2: 45 of the Report)

### \*STUDY GROUP I

#### I. Mangalore

16th February, 1976

#### (i) Visit to the Consolidated Coffee Curing Works, Mangalore.

The Study Group visited the Consolidated, Coffee Curing Works, Mangalore, and saw the working conditions of the workers there. The Study Group was informed that there were 26 male and 256 female workers on roll in that factory as on the 31st December, 1975. There was no retrenchment of any worker during 1975 and 8 new persons had been recruited. The total wages of the workers during the year 1975 amounted to Rs. 2,02,942.43. The total amount spent on medical facilities during that year was Rs. 8,382.37. The maternity benefits provided to the workers amounted to Rs. 930.40. No houses were provided to the workers and no houses were constructed for the workers during the last ten years. There was no loss of man days due to strike|lock out or any other reason. One male and one lady doctors were retained by the company for providing medical treatment to the workers. The cost of medical consultation and medicines were borne by the company. No scholarships, stipends etc. were provided to the workers for education of their children. The average amount of bonus received by the workers was Rs. 147.82, and the average gratuity was Rs. 660/-.

The average earning per day of a worker was Rs. 4.75 on a daily wages task basis system with benefits of provident fund etc. Weekly holidays and maternity benefits were provided to the workers. Twelve weeks maternity leave was provided and Rs. 25|- as medical benefit was given to female workers. There was also a cafeteria for the workers on a no-profit no-loss basis. On an average, a worker was employed for 200 days in a year.

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\*The Study Group consisted of the following Members of the Committee :—  
Sarvashri S. N. Singh (Convener), Biren Engti, Ajit Kumar Saha, Digvijaya Narain Singh and Dr. Rudra Pratap Singh, MPs.

(ii) *Visit to Peirce Leslie Coffee Curing Works, Mangalore*

The Study Group then visited the Peirce Leslie Coffee Curing Works, Mangalore, which was a bigger factory having a total of 1100 workers on roll as on the 31st December, 1975. Besides Coffee Curing, Cashew Curing was also done at the factory. The Study Group was informed that there was neither any retrenchment nor any new recruitment during the year 1975. There were, however, 85 resignations|retirements|deaths of workers. The total wage bill for 1975 was Rs. 10,74,464.00. The amount spent on medical facilities during the year was Rs. 711.60. As the factory was covered by the Employees' State Insurance Scheme, a total contribution of Rs. 6517.42 was made to the Scheme. The total amount given as maternity benefits amounted to Rs. 160|- in the case of one worker while the other claimants were paid by the Employees' State Insurance Corporation. Maternity leave of twelve weeks was given to the female worker. The factory did not provide any houses to its workers and no money was spent by the company on house construction for the workers during the last ten years as all the workers were local and, therefore, no housing benefits were required to be provided to them. There was only one day's token strike during the year 1975. As the factory was covered by the Employees' State Insurance Corporation, no medical officer was employed by the Management of the factory. There was, however, a doctor visiting the factory during the working hours. There was also a creche in the factory for the children of the workers. No scholarships, stipends etc. were provided for the education of the children of the workers. The average wages of a worker were Rs. 4.80 per head daily for coffee curing, and Rs. 4.50 for cashew curing. Bonus was paid to the workers by the factory @ 8 per cent. of their wages for the last year. The average amount of bonus paid per head was Rs. 98|- and the average amount of gratuity was Rs. 1116.00.

(iii) *Visit to Rubber Plantations in Puttur and Sullia Taluks of South Kanara District, Karnataka.*

The Study Group then visited the Rubber Plantation in Puttur and Sullia Taluks of South Kanara District, where the repatriated Ceylonese were working. The Study Group observed the process of tapping of latex from the rubber trees and talked to the workers regarding their problems. All the workers on those Plantations were Ceylonese repatriates and were employees of the State Forest Department of Karnataka. The workers complained to the Study Group about lack of medical benefits and facilities and inadequate drinking water supply and housing facilities.

The Study Group was informed by the workers that about 995 families were settled in the Rubber Plantations in Puttur and Sullia Taluks. Each family consisted of five to ten members, but only two members in each family were given work. The wages given to the male and female workers were Rs. 4.70 and Rs. 4.00 respectively. The workers complained that these wages were insufficient to make even both ends meet of their families. The workers urged that all the adult members in a family might be given work and the wages be enhanced to Rs. 8|- and Rs. 6|- for male and female workers respectively. The workers also complained that they had to walk three to four miles in order to get their rations and demanded that the rations might be made available to them at the centres where their wages were distributed on the Plantations. The houses provided to the workers were very small and could not accommodate all the five to ten family members. The workers also requested that the provisions of the Plantations Labour Act, 1951, and the rules made thereunder might be strictly enforced.

The Study Group then had an informal discussion with the Divisional Forests Officer and other officials of the Rubber Plantations. The Study Group was informed that those Rubber Plantations were started by the Forest Department of the Government of Karnataka in 1961 on an experimental basis to rehabilitate the Ceylonese repatriates. The total area which was surveyed for Rubber Plantations was 35,000 acres. The yield from the Rubber trees started in the seventh year of their plantation. The Study Group was informed that the workers were governed by the provisions of the Plantations Labour Act. The Workers had security of service, earned leave with wages and weekly holidays without wages. The medical facilities were provided to the workers by six-dispensaries in that area. All the workers' families were provided with Government houses for which money was provided by Central Government. There was only mid-wife in an area of ten square miles.

The Study Group felt that there was laxity in observing the provisions of the Plantations Labour Act by the Forest Department officials. The Study Group also noted that adequate drinking water was not available to the workers, specially during summer months. The Study Group was learnt that the teachers in the schools for the workers' children were employed on a daily wages basis. The Study Group was informed that most of the Ceylonese repatriates, who were rehabilitated on the Rubber Plantations there, had no experience in Rubber Plantations. It was suggested to the Study Group by the officials of the Forest Department that only persons having

previous experience in Rubber Plantations should be rehabilitated on the Rubber Plantations after appropriate screening.

## II. MERCARA

17th February, 1976

### (i) Visit to the Coffee Research Sub-Station, Chethalli (North Coorg).

The Study Group visited the Coffee Research Sub-Station, Chethalli, whose labour strength is 88. The Study Group was informed that the male workers were paid wages @ Rs. 4.80 per day, while the female workers were paid @Rs. 4.20 per day. There were four adolescents also working there, who were paid @ Rs. 2.90 per head per day.

There are 41 housing units for the workers. The Study Group was informed that no housing loans or subsidy are given by the Central Government to the workers of the Research Sub-Station. The Study Group visited the labour lines and talked to the workers there about their wages, bonus, medical and other facilities provided to them.

There is a dispensary at the Coffee Research Sub-Station with a qualified compounder heading it. A doctor comes only once a week to the dispensary. Serious cases are sent to the Civil hospital at Chethalli about a mile away. Cases are also referred to Mercara hospital by the Medical Officer. The Compounder also visits the labour lines as and when required for check up, follow up etc., as the case may be. The study Group visited the medical dispensary and the creche attached to it for the children of the workers.

Sickness allowance and maternity benefits as applicable are also paid to the workers. The Study Group was informed that elementary, middle and high schools are situated at a distance of one to two kilometers from the Coffee Research Sub-Station where the children of the staff as well as the workers study. The Coffee Board's educational stipends have also been available to the children of the workers.

The Study Group was informed that for the benefit of the workers, daily newspapers, sports material etc. are provided to them. Paddy is supplied to the workers at the levy rate and food-grains are supplied whenever required depending on the food situation in the district.

Annual holidays are given during April. Earned leave with wages, way expenses and bonus are paid as per the industry-wise settlement announced from time to time. National holidays with wages are also given as applicable.

(ii) *Visit to the Chethalli Coffee Estate.*

The Study Group visited the Chethalli Coffee Estate which has twenty-nine male workers and thirty female workers. The Estate has 32 houses for the workers. The Study Group visited the labour lines and talked to the workers there. The Study Group was informed that usually the couples were working in the Estate. The average weekly earning of a couple was Rs. 60/-. Bonus was paid to the workers @12.25 per cent of their wages during the last year.

The Study group noted that although housing is required to be provided to every couple working on the plantation only about 50 per cent of them were provided with houses. The proprietor of the Plantation informed the Study Group that the housing subsidy loans given by the Central Government could not be availed of by them because of complicated procedures.

The Group Hospital is situated at a distance of about 3½ miles from the Plantation. Most of the cases are taken to Mercara to Arya Clinic, a private dispensary and charges are met by the planter. No medical officer is employed by the Plantation but a doctor from Mercara visits the Estate as and when required.

The Study Group was informed that there was a school for the children of the workers adjacent to the Estate and that a high school was situated within 1½ miles' distance. A middle school was also situated within 3½ miles' distance. Coffee Board's stipends facility was also availed of by the children of the workers. The planter did not spend anything directly for the education of the children of the workers as educational cess was paid by him to the State Government.

The Study Group was informed by the planter that paddy was made available to the workers at concessional rates. Creche facilities were also available to the children of the workers. The total amount spent on medical facilities during the last year was Rs. 5691.30. The total amount given as maternity benefits was Rs. 596.40. Twelve weeks' maternity leave was also given to the female workers.

The total wage bill for 1975 amounted to Rs. 68,463.25. The average amount of bonus paid to the workers last year was Rs. 97.42 and the average gratuity paid was Rs. 72.10.

(iii) *Visit to the Rural India Health Project, Ammathi (Coorg District).*

The Study Group then visited the Rural India Health Project, Ammathi, which is run by contributions made by the planters. Coffee Board has also aided the hospital under the Plantation Labour Welfare Scheme. The Study Group noted that this was a complete hospital with 30 beds, an out-patient section, a surgical section, laboratory, x-ray unit and E.C.G. and also facilities for future dental and eye clinic. The hospital has two doctors and the necessary medical staff. The Study Group was informed that on an average 600 to 700 patients avail medical facilities each month at the hospital.

(iv) *Discussion at Polibetta with office bearers and members of United Planters Association of South India.*

At Pollibetta, the Study Group had an informal discussion with the office bearers and members of the United Planters Association of South India in the Coorg Planting district. The Study Group was informed that in Coorg District, coffee cultivation was popular and the area under coffee cultivation in that District was 43,614 hectares, which was next to that of paddy cultivation. Besides coffee, subsidiary crops of cardamom, pepper, arecanut and orange were interplanted. Tea and Rubber were also grown in some parts of the district. The Study Group was also informed that majority of the Coffee Plantations in Coorg District were proprietary. The Study Group was also informed that there are twenty-three Government hospitals in the Coorg District and there was one hospital within five miles of any Estate in the District. There are four private hospitals also of which two are Estate hospitals. There is one bed for every 300 persons of the population. Apart from this, there are many private dispensaries on the plantations which cater to the needs of the plantation labour.

The Study Group was informed that there were hardly any schools on the plantations, but the District had good schooling facilities.

The Study Group was informed that at present only about 70 per cent of the housing requirements for the plantation workers could be met. The subsidy-cum-loan-housing scheme of the Central Government could not so far be taken advantage of due to the cumbersome procedures being followed by the Housing Boards, who administered the schemes so far. But now that the scheme was being transferred to the Labour Department of the State Government, it would be taken advantage of by the planters.

The Study Group was informed that there was equal pay for men and women doing the same work at a piece rate basis, but there were

three grades of workers with different scales of wages. The Study Group, however, felt that this grading scheme might be used by unscrupulous planters to frustrate the scheme of equal wages for men and women workers.

### III. MYSORE

17th February, 1976

#### **Discussion with Additional Labour Commissioner and other officials of Karnataka State Government**

The Study Group was informed that the Plantations Labour Act had fixed the responsibility in regard to education, health and housing of the plantation labour on the employers.

**Education:** In regard to education, rule 38 of the Plantations Labour Rules framed by the Government of Karnataka provides that every employer shall, if the number of workers' children between the ages of six and twelve in his Plantation exceeded twenty-five, provide and maintain a primary school or schools for imparting primary education to the children, unless there was a primary school under the management of the State Government or of any local body for imparting free education to the children within a distance of one mile from the place where workers resided, or unless the planter was required to pay a cess or tax for primary education under any other law. A group of employers might jointly provide and maintain a primary school and share its expenses. In Karnataka, State Government had set up primary schools almost every three miles apart. There was, therefore, no difficulty for the plantation workers to educate their children.

**Medical facilities:** The Study Group was informed that there were fifteen hospitals in all in the plantation areas in Karnataka State. In addition, there were twenty-one dispensaries. These were manned by qualified doctors, nurses, midwives and other para medical staff. Where there were no hospitals, the plantation workers were treated either by private practitioners or by referring them to nearest Government hospitals. The Study Group was also informed that taking note of the difficulties in the way of securing implementation of the provisions relating to construction of garden and group hospitals by the planters, a scheme had been submitted to the Government wherein it had been proposed to levy a cess of Rs. 5/- on every tonne of coffee grown and pool it in a fund for construction of hospitals by the Government agencies exclusively for plantation workers.

The State Government was not in favour of a scheme analogous to the Employees' State Insurance Corporation as such a scheme, according to them, would deprive the workers of their free medical facilities they were entitled to and would instead call upon them to give their portion of contribution.

The Study Group was also informed that maternity benefits were being granted to female workers on the plantations.

**Housing:** The Study Group was informed that a survey had been conducted to determine the requirements of houses (type design houses specially prepared for the plantation labour) and a Committee had been constituted for securing effective implementation of the Plantation Labour Housing Scheme. This Committee met almost every month to take note of the progress of work achieved in this regard. The Committee was headed by the Secretary of the Labour Department of the State Government. The following are the statistics in respect of housing facilities for plantation workers in Karnataka State:—

(i) Total number of Estates	—	1180
(ii) Number of houses required	—	25648
(iii) Number of standard houses available	—	9647
(iv) Number of houses to be adopted from sub-standard houses	—	13135
(v) Number of houses to be constructed	—	2866

The Study Group was also informed that the number of houses sanctioned under the subsidised Housing Scheme for plantation workers was 1,052 out of which 309 houses had so far been constructed. The number of houses sanctioned under the scheme was adequate, but it was not possible to spell out the time by which all the sanctioned houses would be completed.

**Drinking water:** The Study Group was informed that drinking water facilities provided to the plantation workers were adequate and wherever they were found lacking, efforts were being made to improve them.

**Wages:** The Study Group was informed that wages of the plantation workers in Karnataka State were better than the wages of other agricultural workers. In addition to the wages, the plantation workers were entitled to payment of bonus under the Payment of Bonus Act. The wage determination in the plantation industry is either by



bilateral settlement or by taking recourse to the conciliation machinery under the Industrial Disputes Act. The Additional Commissioner of Labour considered that the plantation industry could not afford to pay Rs. 350/- per month to a plantation worker at the present level of price of coffee. But as the wages of the members of the staff working in the plantations was comparatively high, a move had been contemplated to amend and enlarge the definition of worker under Plantation Labour Act.

The existing daily rates of consolidated wages of the workers on coffee, tea, cardamom and mixed plantations are Rs. 4.80 for Grade I and Rs. 4.20 for Grade II. But with effect from the 1st April, 1976, these would be raised to Rs. 5/ for a Grade I worker and Rs. 4.40 for a Grade II worker. On Rubber Plantations, however, the wages with effect from 1st April, 1976, would be Rs. 5.56 for a Grade I worker and Rs. 4.86 for a Grade II workers.

### **Grievances of plantation workers**

The Study Group was informed that representations were received by the Labour Department relating to non-implementation of the provisions of the Plantation Labour Act in regard to maintenance of registers, non-payment of over-time allowances, not providing drinking water facilities, grant of leave with wages, holidays and such other amenities. In order to strengthen the enforcement of the Plantation Labour Act and thereby to exercise a check over its possible violation, the State Government had chosen to post Senior Labour Inspectors to Plantation Division. The Plantation Division was headed by a Deputy Labour Commissioner. Besides, there were three Assistant Labour Commissioners, three Labour Officers, and thirteen Senior Labour Inspectors functioning in the plantation areas. The differences between the Management and the plantation workers were settled either by bipartite discussions or through the conciliation machinery provided for under the Industrial Disputes Act, 1947. There was no separate machinery for the plantation industry as such.

The Study Group was informed that no closure of tea plantations in Karnataka State had taken place.

In regard to the problem of unregistered plantations, the State Government officials suggested that a compulsory provision might be made in the Plantations Labour Act for registration of all plantations. It was also suggested that there was need for further strengthening of the enforcement machinery of the State Government for enforcement of the provisions of the Plantations Labour Act.

The Study Group learned from the State Government officials

that there was no machinery for coordinating the labour welfare activities for the plantation workers between the State Labour Department and the Coffee Board/Tea Board. The State Government officials remained totally in the dark about the schemes launched by the Coffee Board/Tea Board for giving incentives to plantation workers, providing stipends and various medical facilities etc. to them.

#### IV. OOTACAMUND

*18th and 19th February, 1976*

##### *(i) Visit to O. Valley Estate (Manjushree Plantations)*

The Study Group visited the O. Valley Estate (Manjushree Plantations) on the 18th February, 1976, on the way from Mysore to Ootacamund. The Study Group was informed that the Manjushree Plantations Limited comprised Glenvans, New Hope, Kelly and Lauriston Estates. The total acreage under cultivation of the above Estates is 1422 acres under tea and 1257 acres under coffee. There are 1999 workers in the plantations, and there are 785 standard houses conforming to the specifications as prescribed under Tamil Nadu Plantations Labour Rules. About 171 houses are yet to be remodelled. The total number of houses required to be provided under the relevant rules was 956.

The plantation runs a garden hospital with 59 beds and four dispensaries with eight beds and with provisions for in-patient treatment. Serious cases are referred to the Government Hospital. In the Central Garden Hospital, there is one doctor, five compounders, two maternity assistants, one nurse and eight orderlies etc. In each of the four dispensaries, there are one compounder, one nurse orderly and one sweeper. First Aid box is also provided in the factory. Other facilities like school, creche etc. are also provided.

The Study Group was informed that during 1974-75, an amount of Rs. 3,82,380/- was paid to the workers as bonus, and Rs. 46,742/- was given to them as sickness benefit.

##### *(ii) Discussion with officials of the Government of Tamil Nadu and Tea Board.*

On the 19th February, 1976, the Study Group had an informal discussion with the officials of the Government of Tamil Nadu and Tea Board regarding the implementation of the provisions of the Plantations Labour Act in Tamil Nadu State and other related matters. The Chief Inspector of Plantations, Tamil Nadu furnished

a statement containing the following statistics regarding the Plantation Labour in that State:—

1. Total number of Plantations covered by the Plantations Labour Act, 1951 (as on 31-12-1975) . . . . . 370

2. Area under plantation cropwise

	Hectares
Tea . . . . .	27005—09
Coffee . . . . .	11321—44
Rubber . . . . .	4128—60
Cinchona . . . . .	3236—23
Cardamom . . . . .	782—20

3. Total number of workers employed in the plantations . . . . . 87,877

4. Particulars of wages paid as per settlement arrived on 12-2-1975 at Coimbatore.

	Tea Estates above 100 acres and Coffee Estates above 50 acres		Tea Estates below 100 acres and Coffee Estates below 50 acres	
	Daily rate of		Daily rate of	
	Pay	D.A.*	Pay	D.A.
	Rs. P.	Rs. P.	Rs. P.	Rs. P.
Grade I . . . . .	4.22	1.58	4.08	1.58
Grade II . . . . .	3.72	1.58	3.57	1.58
Adolescents . . . . .	2.83	0.65	2.77	0.63
Children . . . . .	2.50	0.40	2.50	0.38

5. Quantum of bonus declared for 1974 as per settlement: For workmen supervisors and non-staff categories on Tea and Coffee in the areas 12.5% for 1974, and 10.5% for 1975

6. Total No. of resident Labourers (Both family and single) requiring housing accommodation. . . . .	35,715
7. Total No. of Standard houses provided . . . . .	33,200
8. Total No. of non-standard houses . . . . .	3,496
9. Shortfall in housing accommodation . . . . .	2,515
10. Total No. of Garden Hospitals . . . . .	39
11. Total No. of dispensaries . . . . .	86

\*Apart from the Wages and D.A. above as per item No. 4 of the said settlement there are three revisions on D.A. (i) on May, 1975 (ii) on September 1975 and (iii) on 1st January 1976 at the rate of

Grade I and II . . . . .	1.8 P every unit of 5 points.
Adolescents . . . . .	1.1 P for every unit of 5 points.
Children . . . . .	0.9 P for every unit of 5 points.

†adjustment on the variation of consumers price index for Coimbatore cent 121 (1936-base—100)

As regards educational facilities, the Study Group was informed that there should be a primary school within a distance of 1.6 kilometers where the number of workers' children was 25 or more. There were 29 nursery schools run by the planters and 40 nursery schools run by other bodies.

The Study Group was informed that according to the rules, there should be a creche wherever the number of female workers was 50 or more.

There were at present 48 dispensaries in the plantations and 14 garden hospitals. Maternity benefits were available to all female workers.

As regards the land-labour ratio on the tea plantations, the Study Group was informed that this ratio should be one worker for every two acres. On an average, a couple earned about Rs. 286 per month and got bonus at the rate of 12.5 per cent of their wages. It was suggested to the Study Group that the living wage for a plantation worker should be Rs. 8.50 per head.

The officials of the State Government conceded that the system of gradation of workers into grade I and II could be misused by unscrupulous planters to thwart the objective of equal pay for men and women.

The Study Group was informed that the existing machinery in Tamil Nadu State for enforcement of the provisions of the Plantations Labour Act and Rules made thereunder was quite adequate. During 1974-75, 53 prosecutions were launched against the planters for failure to fulfil their obligations regarding housing of workers and 17 prosecutions were launched for failure to provide the required medical facilities to the plantation workers.

The Study Group learnt from the State Government officials that there was no machinery for coordinating the welfare schemes for the plantation workers undertaken by the Coffee Board/Tea Board and the State Labour Department.

#### *Tamil Nadu Government Tea Project, Coonoor*

The Conservator of Forests, Government Tea Project, Coonoor, informed the Study Group that the Government Tea Project was started in the Nilgiris for rehabilitating the Ceylonese repatriates. There were about 1875 acres under tea plantations on which 1800 families of the repatriates had been settled. He also informed the Study Group that from the 1st March, 1976, the Tamil Nadu Tea

<b>12. Inspection Particulars for 1975</b>		
Regular	. . . . .	617
Surprise	. . . . .	83
Special	. . . . .	213
Sunday	. . . . .	106
<b>13. No. of prosecutions launched for 1975</b>		(Counts)
a. Housing	. . . . .	53
b. Medical	. . . . .	17
c. Non-maintenance of registers	. . . . .	38
d. Others	. . . . .	92

Regarding the machinery for the implementation of the provisions of the Plantations Labour Act in Tamil Nadu, the Study Group was informed that the Commissioner of Labour was in overall charge of the administration of the Plantations Labour Act. There were seven Inspectors of Plantations at the District level for the enforcement of the Plantations Labour Act and Rules made thereunder.

The Study Group was also informed that all the provisions of the Tamil Nadu Plantations Labour Rules, 1955 were enforced by the Inspectors of Plantations. The provision relating to setting up of canteens in plantations was not enforced in view of the supply of free liquid tea or coffee to workers by the Estates concerned in pursuance of the recommendations of the Plantations Labour Advisory Committee. It was also stated that Plantations in which fifty or more women workers were employed on any one day of the preceding 12 months were required to provide and maintain creches under Rule 31 of Tamil Nadu Plantations Labour Rules, 1955, in accordance with the prescribed standard. The construction of creches was according to the standards prescribed except in a few cases for which suitable action was being taken by the Inspectors of Plantations.

The Study Group was informed by the officials of Labour Department of the Government of Tamil Nadu that it was compulsory for the planters to provide electricity in the labour houses also under the relevant Rules. However, most of the planters had not fulfilled this requirement although the houses of planters were mostly provided with electricity.

The Study Group was also informed that under the relevant rules, one compounder was required to be employed in each dispensary but this requirement had also not been fulfilled by most of the planters.

Plantations Corporation would be started to manage the Government plantations. The daily wages fixed by the Tamil Nadu Government for the Ceylonese repatriates working on the tea plantations was Rs. 3.50 per head for males and Rs. 2.95 for female workers, whereas the private planters paid Rs. 5.80 to a male worker and Rs. 5.20 to a female worker per day. From the 1st April, 1976, however, the Ceylonese repatriates working on the Government Tea Project would also be paid the same wages as were being paid by the private planters to their workers.

As regards housing, the Conservator of forests informed the Study Group that so far 602 houses had been constructed for the workers and 400 more houses would be constructed next year. It was proposed to provide one house for each family irrespective of the number of members in a family. At present 510 families had been provided with houses. The Central Government provided 15 per cent subsidy for housing.

The Study Group was informed by the Conservator of Forests that there were five divisions in the Project consisting of 375 families each. In each division there was one primary school and one dispensary. Each dispensary was provided with one Compounder, one Pharmacist and one Nursing Orderly. Each division had one ambulance. There was one hospital for the five divisions. If any particular medicine was not available in a dispensary or hospital, reimbursement for the same was allowed.

A conveyance allowance of Rs. 15|- was given to every child of a plantation worker, who had to go to attend a school at a distance of more than five kilometers.

It was also proposed to start a Women's Cooperative Society for stitching clothes|uniforms|readymade garments in order to provide them an opportunity to earn extra money for the workers' families.

Another facility given to the plantation workers of the Government Tea Project was that a plot of land of half an acre was leased out to every family for paddy cultivation. The Study Group was also informed by the Forests Officer of Government Tea Project that a Tea Leaves Processing Factory was also being set up by the State Government.

The Assistant Director of Tea Development, Tea Board, Coonoor, informed the Study Group about the medical and educational facilities being provided by the Tea Board for the workers of tea gardens. He informed the Study Group that the Tea Board sanctioned capital grants to the hospitals/clinics for extension of specialised treatment

facilities for tea garden workers and their dependents. The specialised treatment facilities included the facilities other than those available in the garden hospitals, as for example, treatment of T.B., Leprosy and Cancer etc. Grants were given for construction of buildings, for creating additional beds in wards attached to the hospital and for purpose of equipment with x-ray plant and surgical instruments etc. required for specialised treatment. The Board also sanctioned in special cases necessary recurring grants towards maintenance of beds in hospitals for tea garden patients. The hospital/clinic applying for the Board's grants should be recognised and preferably located in the plantation areas so that the patients belonging to the tea gardens might fully avail of the treatment facilities in the hospitals/clinics. In lieu of a grant, the grantee institutions were required to reserve beds in the hospitals for tea garden patients with free or concessional charges of treatment and such other concessional facilities as might be prescribed by the Board.

As regards education, the Tea Board sanctioned capital grants to the educational institutions for construction of school buildings and for extension of existing school buildings. An institution applying for the grant should have been recognised by University/Board of Secondary Education|Director of Public Instruction or by some approved authority as the case may be. The institution concerned should preferably be located in a tea area and cater specially to the needs of tea garden workers. The institution should impart education beyond the primary stage. In lieu of the grant, the grantee institutions should offer concessional facilities to the tea garden students studying in the institutions in the form of free|half free studentships, reservation of rent free seats in the hostels, reservation of seats in the institutions and other concessional facilities as prescribed by the Board.

The Tea Board also gave educational stipends to the children/wards of tea garden employees under the Board's Educational Stipend Scheme. Under this scheme, a total amount of Rs. 61374|- was spent during 1973-74 in the three States of Kerala, Tamil Nadu and Karnataka. During 1974-75 a total amount of Rs. 67646|- was spent under this scheme.

V. COONOR

19th February, 1976

(i) *Discussion with Labour Leaders*

The Study Group visited Coonoor and had an informal discussion there with the President, Neelamalai Plantation Workers' Union

(HMS), Coonoor, and General Secretary of the Nilgiris' District Estate Workers Union, Coonoor about the working conditions of Plantation workers.

*Wages:* The Study Group was informed that the wages paid to the plantation workers (Rs. 5.80 per head for male workers) were very low, although the Plantation Industry had been enjoying stupendous prosperity consequent on the record crops and prices. The Unions of workers in different States had to bargain with the employers and reach a settlement and often these trade unions were handicapped with lack of sufficient data and their bargaining position was further weakened by the results of the negotiations in other States, where the plantation workers agreed to a lesser wage. It was, therefore, urged that a national minimum wage should be fixed for the plantation of workers throughout the country and this should be linked to the All India Consumer Price Index. The prosperity of the Industry should be taken into consideration and the workers should be ensured an equitable share in the prosperity. They suggested that the minimum wage should be Rs. 12|- per head per day.

*Fair Price Shops:* The Study Group was informed that it was necessary that arrangements to supply essential commodities to the Plantation workers at fair prices should be made.

*Employment potential:* It was stated that the employment potential in the plantations was coming down in the past ten years. The policy was adopted by the plantation employers to do away with permanent workers and to employ temporary and casual workers in their place in order to deprive them of many benefits guaranteed under the Plantations Labour Act. Many employers were paying lesser wages than the agreed rates to the temporary casual workers. The labour leaders urged that the land-labour ratio should be fixed at 1.5 workers per acre in tea and 1.0 worker per acre in coffee. They also demanded that the wages being paid in the Government Tea Project and the Government Cinchona Plantations should be enhanced to the level of the private plantations. According to them, there should be 2.25 wage earners in every family.

The labour leaders also urged that the workers should be provided work round the year, i.e. 300 days in a year.

*Equal wages for men and women:* Although an Ordinance providing equal wages for male and female workers was issued by the President in September 1975, which was later passed into a law, not a single plantation employer had implemented this statute. According to the labour leaders, the employers were evolving measures to



circumvent that Ordinance by outdated and archaic arguments. They urged that this provision should be enforced immediately.

*Housing:* The Study Group was informed by the labour leaders that although the planters were required to provide one unit of housing per family, there were many houses in which three families were living, one in the varandah, one in the living room and another in the kitchen. According to them, only about 65 to 80 per cent of permanent workers in Tamil Nadu plantations had been given houses. The Study Group was also informed that thousands of aboriginals working on the plantations and living in their own houses were not being paid any house rent allowance.

*Drinking water:* The labour leaders stated that many plantations did not provide adequate and protected potable drinking water to the workers. Most of the workers were forced to drink water from the streams, which was polluted.

*Latrines:* The labour leaders stated that most of the plantations provided only pit hole latrines. These pits got filled up soon and were not replaced for decades, as a result of which the workers had to defecate in the fields and were consequently afflicted with diseases.

*Medical facilities:* The Study Group was informed that although the employers were required to provide free medical facilities to the workers and their families, in most cases this was not being done. Sickness benefit was not given properly. According to them only 10 to 20 per cent medical facilities were available.

*Maternity benefits:* In many estates the medical officers refused to certify advanced cases of pregnancy and as a result 60 per cent of the women workers were deprived of the pre-natal benefits for six weeks. They were forced to work even in advanced stages of pregnancy.

*Sick Plantations:* The labour leaders stated that there were no closed tea gardens in Tamil Nadu. They, however, suggested that the workers of sick plantations should form a cooperative society and should be entrusted with the management of the sick plantations.

#### (ii) *Discussion with United Planters' Association of South India*

The Study Group was informed that Coffee Plantations were confined mostly to the three States of Karnataka, Kerala and Tamil Nadu with a total areas of 154038 hectares (1973-74). Of this, 58.81 per cent of the area was in Karnataka, 24.70 per cent in Kerala, 15.69 per

cent in Tamil Nadu and the rest in other States. Corporate ownership represented only 15 per cent of the area. More than 96 per cent of the holdings were below 10 hectares in extent. The Industry employed about 2.3 lakh workers.

*Wages:* The Study Group was informed that in Kerala, plantation workers were paid wages at the rate of Rs. 6.62 per head for male workers and Rs. 5.79 for female workers. In Tamil Nadu all the male and female workers were classified into Grade I and Grade II workers. This classification was done according to physical capacity, skill, efficiency and out turn of workers. The existing wages for a Grade I worker were Rs. 6.48 per head and Rs. 5.98 for a Grade II worker. In Karnataka also, there were two grades of workers. A Grade I worker was paid at the rate of Rs. 4.80 per head and a Grade II worker was paid Rs. 4.20 per head. These rates would, however, be raised with effect from 1st April, 1976 to Rs. 5|- and Rs. 4.40 respectively.

The Study Group was informed that in Tamil Nadu and Karnataka, the wages were settled from time to time by collective bargaining. In Kerala, however, the system of collective bargaining was abolished by the State Government in 1974 by issuing a notification of minimum wages under the Minimum Wages Act at levels for above the agreed negotiated fair wages.

*Incentive wages:* The Study Group was informed that over and above the time rates of wages, the workers employed on crop harvesting i.e. coffee plucking, were paid incentive wages or broken bonus for higher output above minimum output norms. These rates were also fixed by negotiation with the Unions.

*Bonus:* The Study Group was informed that the rates of bonus paid for the calendar year 1974 were as follows:—

Kerala—12½ per cent.

Tamil Nadu—12½ per cent.

Karnataka—12 per cent.

*Housing facilities:* The Study Group was informed that the percentage of standard houses provided to the workers was 97 per cent in Tamil Nadu, 95.51 per cent in Kerala and 95.76 per cent in Karnataka. It was, however, stated that the progress achieved by medium and small growers might not come to the above standard because of their weak financial position. The accommodation provided, subject to minor variations between States, included: a living-cum-bed room, a kitchen, a varandah, a latrine, on a total plinth area of 260 to 280 square feet.

As regards the loan-cum-subsidy housing scheme for plantation workers, the Study Group was informed that although the Government of India had decided in 1967 to provide 50 per cent loan and 37.5 per cent subsidy for construction of plantation houses, the scheme had not so far greatly benefited the Industry. The State Governments had taken an unduly long time to implement the scheme by framing the necessary rules and thereafter there was inordinate delay and cumbersome and stringent procedures in processing applications for assistance. A high powered Ministerial Committee was constituted in 1974 to review the progress of housing in plantations. That Committee had made a number of recommendations to simplify the procedure and liberalise some of the conditions. With those changes, it was hoped that those employers who had not already completed their programme would be able to take full advantage of the scheme and speed up their construction programme.

*Medical facilities:* The Study Group was informed that there were only a very small number of coffee plantations large enough to provide their own garden hospitals. The group hospitals scheme had not been implemented in any coffee growing region. Besides this, the small size of coffee plantations, the wide dispersal of medium size and large coffee plantations made it very difficult for the group hospital scheme to work in coffee regions except at prohibitive costs. For the same reason, it was stated, endeavours to start joint garden hospitals has not been a success.

The Study Group was informed that the coffee plantations made arrangements to provide medical treatment to their workers and dependents by sending them to nearest Government or private hospitals at the cost of the employers. The Study Group was informed that a survey made by UPASI showed that there were in 1972 one bed for every 37 workers, one doctor for every 830 workers, one nurse for every 760 workers, one maternity assistant for every 730 workers, one pharmacist for every 600 workers and one nursing orderly for every 420 workers employed.

*Educational facilities:*—It was stated that coffee plantations were generally situated in areas where there were schools run by Government and local bodies. As such, it was stated that secondary education did not present any great difficulty.

According to the annual report published by the State Government under the Plantations Labour Act, it was stated that about 44 per cent of the Coffee Plantations had provided recreational facilities to their workers.

The Study Group was informed that apart from an elaborate inspectorate set up by State Governments for the enforcement of the legal provisions, there were tripartite implementation. Committees in each State to review and speed up the implementation of the welfare measures.

Apart from the welfare facilities provided by the employers, the Coffee Board granted educational stipends to deserving school going children of coffee plantation employees, whose total income did not exceed Rs. 300- per month. The Board had also a scheme for making grants towards capital expenditure in furtherance of medical aid beyond what the employers were statutorily required to provide. The UPASI stated that the provision of a comprehensive range of welfare amenities in terms of Plantation Labour Act and the ever increasing range and content of the social security and employment benefits under the various labour legislations had taxed the resources of the Industry to its limit in terms of both capital and recurring costs.

The UPASI were of the view that there could not be any fixed land-labour ratio for the Plantations. They were also of the view that forming Cooperative Societies of workers to manage sick plantations was not a proper solution of the problems.

## VI. ERNAKULAM

(20th February, 1976)

### (i) *Discussion with labour leaders, State Government officials, Chairman, Rubber Board and Mundakkayam Planters' Association*

The Study Group visited Mundakkayam on the 20th February, 1976, and had a discussion with the representatives of the rubber plantations' workers, officials of the Labour Department of the Government of Kerala, Chairman, Rubber Board and office bearers and members of the Mundakkayam Planters' Association.

#### *Discussion with labour leaders*

**Housing:** The Study Group was informed by the labour leaders that all the plantation workers were not being provided housing facilities. The percentage of workers on the Rubber Plantations, who had been provided houses was only 60 to 65. Only workers residing on the plantations were given houses. Those who were residing outside the Plantations were not paid any house rent allowance or given housing facilities. While most of the houses were according to the prescribed specifications there are some old buildings also which were not fit for housing.

*Drinking water:* The Study Group was informed that arrangements for drinking water supply were quite adequate.

*Medical facilities:* The Study Group was informed that the medical facilities being provided to the plantation workers were by and large in accordance with the provisions of the Plantations Labour Act and the rules made thereunder.

*Maternity benefits:* The Study Group was informed that maternity leave of twelve weeks and other benefits were available to the female workers on the rubber plantations.

*Educational facilities:* The Study Group was informed that there were no primary schools run by the planters for the children of the workers of the rubber plantations. Their children had to go four to six kilometers from their houses to attend a primary school. While the Rubber Board was giving stipends to the children of the workers, no such stipends were being given by the planters.

*Wages:* The Study Group was informed that the workers on the rubber plantations in Kerala were getting daily wages at the rate of Rs. 8.72 per head for male workers and Rs. 7.36 per head for female workers. The workers are given work for about 26 days in a month. Seven paid holidays are also given to them. Weekly holidays were given to them without wages. The labour leaders suggested that the wages should be increased to Rs. 12 to 14.

On an average, there was one worker for 1.5 acre. It was brought to the notice of the Study Group that both husband and wife did not always get work and that employment opportunities on the plantations were not enough and were in fact decreasing.

*Bonus:* The Study Group was informed that bonus at the rate of 14.5 per cent was paid for the last year to the plantation workers in Kerala.

*Fair price shops:* The Study Group was informed that there were fair price shops for distribution of rice, wheat, kerosene and sugar to the Plantation workers.

#### *Discussion with the Chairman, Rubber Board State Government Officials and planters*

In a written note circulated to the members of the Study Group by the Rubber Board, it was stated that rubber was obtained from the milky juice called latex of various tropical plants of which the most important was 'para rubber' which accounted for over 95 per

cent of the world production of natural rubber. In India rubber was first planted in Travancore and Malabar in around 1880. Rubber plantation on a commercial scale started in 1902. India is ranked as the fifth largest natural rubber producing country in the world. There are about 1.5 lakh persons employed in rubber plantation industry in India. Kerala State accounts for about 92 per cent of the total area under rubber cultivation. Production of natural rubber which was only 45,616 tonnes in 1964-65 increased to 1,25,153 tonnes in 1973-74 and to 1,30,143 tonnes in 1974-75. The target of production during the fourth plan end was 1,25,000 tonnes. Consumption of natural rubber during the last ten years period went up from 61,017 tonnes to 1,32,604 tonnes by the end of the plan.

*Housing:* The Study conducted by the Rubber Board had revealed that 94 per cent of the estates covered by the study had provided housing accommodation to the employees. The study also revealed that the large estates had done better in providing this facility than small estates. While all large estates covered by the study had provided housing facilities in varying degrees to the employees, housing accommodation was available only in 91.2 per cent of the small estates.

*Wages:* Collective bargaining had been the main form of wage fixing machinery in the Rubber Plantation Industry. However, Government of India had also appointed a Wage Board for Rubber Plantation Industry along with similar Board for Coffee and Tea Plantation Industry. Though Collective bargaining had been the main form of wage fixation in Kerala, where around 90 per cent of rubber is produced, the Government of Kerala had revised the wages under the Minimum Wages Act in 1974. As per the revised wages under the Minimum Wages Act, a male field worker got Rs. 8.31 per day, consisting of Rs. 3.37 as basic wages and Rs. 4.94 as dearness allowance in July, 1975. In the case of women field workers, the wages were Rs. 7.93 during the same period. This consisted of Rs. 2.99 of basic wages and Rs. 4.94 of dearness allowance. According to the minimum wages notification of the Government of Kerala, the dearness allowance element of minimum wages was to be revised every three months on the basis of the cost of living index for Ernakulam.

#### *Further benefits to be granted to workers*

The Plantations Labour Act is applicable only to those plantations which admeasure 10.117 hectares (25 acres) and employ 30 or more workers. In the study of the Rubber Board referred to above,

it has been revealed that only 31 per cent of the estates which measure 20.23 hectares (50 acres) have been covered by the Plantations Labour Act. In addition to this, a large number of small holdings are also not covered by the above legislation. Out of an estimated about 1.5 lakh workers employed in the Rubber Plantations Industry at the end of March 1973, as estimated 75000 Rubber Plantation workers were not covered by the Plantations Labour Act. The fact that a large number of workers were not covered under the Plantations Labour Act had been noted by the Study Group for Plantations (Coffee/Rubber) constituted by the National Commission on Labour. This observation of the Study Group was noted by the National Commission and the Commission recommended that the Plantations Labour Act should be amended so as to extend it to smaller plantations. This has been accepted by the Government of India and an amendment to the Plantations Labour Act has been suggested with a view to extending its coverage from 10.117 hectares to 6.5 hectares and the number of workers from 30 to 20. As regards the enforcement of the legal provisions for the welfare of the plantation workers, the enforcement machinery of the State Government should be strengthened. There is also need to increase the finances granted to the Commodity Boards for implementing various labour welfare measures for the plantation workers. At present, the Rubber Board is implementing the following three schemes for the

- (a) Grant of stipends to the children of workers;
- (b) Extending financial grants for constructing separate wards in hospitals located in plantation centres for the benefits of workers;
- (c) Training in scientific methods of rubber tapping.

The Government have also recently sanctioned a scheme for giving relief to workers in cases of distress and prolonged illness. It was pointed out in the written note furnished by the Rubber Board that compared to the income of the Rubber Board, the budget sanctioned for these schemes was meagre. The sanctioned amount under labour welfare, currently worked out to 1 per cent of the annual income of the Rubber Board. The note pointed out that if any worthwhile assistance was to be given to the workers, the enhancement of this amount was most essential. If the amount was increased, it would be possible for the Rubber Board to evolve schemes with a view to increasing the benefits to rubber plantation workers. The magnitude and scope of the current schemes could also be extended.

During the formal discussion, the Study Group was informed that at present about 95 per cent requirements of standard houses for plantation workers had been fulfilled. There were garden hospitals and group hospitals in which the bed ratio was 15 per thousand, which was more than that available to the common citizens. It was pointed that many of the beds in the hospitals remained unutilised. There was no rubber estate which was more than two miles away from a dispensary or a hospital. Maternity benefits were allowed to the female workers but they are limited to three births as a measure of family planning.

The Study Group was informed that in Kerala, wages for plantation workers were higher than those in any other estate. Both male and female workers were getting the same wages for tapping rubber.

The land-labour ratio for rubber plantations was one worker for every two acres in rubber tapping. The Study Group was informed that the scientific way of tapping rubber was to undertake tapping once in three days. This would however, reduce the number of workers employed.

The Study Group was also informed that according to the provisions of the Plantations Labour Act only resident workers on plantations were entitled to housing facility. Non-resident workers were not entitled to any housing facility or house rent allowance.

The Study Group learnt that there was no machinery for coordinating the welfare measures undertaken by the Rubber Board and the State Government. It was felt that provision of a coordinating machinery would lead to better results.

The Chairman of the Rubber Board stated that the minimum economic size of a rubber plantation was 150 acres. He also informed the Study Group that there were 1,27,850 small holdings in rubber plantations covering 1,55,450 hectares. Only 630 units came under the purview of the Plantations Labour Act in the whole of Kerala, Tamil Nadu and Keranataka.

As regards the enforcement of the provisions of the Plantations Labour Act and the rules made thereunder, the Study Group was informed that the State Labour Department was carrying out regular inspections of the plantations for implementation of the welfare measures for the workers.

It was suggested to the Study Group that there should be a national wage policy for the plantation workers.



(ii) *Visits to the Mundakkayam Estate Rubber and Manikal Estate Rubber.*

The Study Group visited the Mundakkayam Estate Rubber, Kottayam, which had an area of 530 hectares under rubber plantation and employed 340 workers. The Study Group also visited the Manikal Estate Rubber, Kottayam, which had an area of 700 hectares under rubber plantations and had 400 workers. The Study Group also visited the Medical Trust Hospital at Mundakkayam and saw the various facilities provided there to the plantation workers and their families. The Study Group was informed that it was a hundred bed hospital with full occupancy and had facilities for X-ray, E.C.G. etc.

The Study Group also visited the creches and houses of the workers in the two rubber plantations.

## APPENDIX II

[See para 2.45 of the Report]

### \*STUDY GROUP II

#### I. CALCUTTA

16th February, 1976

#### *Meeting with representatives of the National Union of Plantation Workers*

Three representatives of the National Union of Plantation Workers met the Study Group at Calcutta. They represented that the Tea Act, 1953, should be amended to empower the State Governments concerned to take over the sick or closed tea gardens in the respective States. It was pointed out that Darjeeling tea was fetching the highest price in the national and international markets but the workers in that area were getting wages less than those in other areas. It was also stated that exporters were getting a rebate of 50 paise per kg. of tea on excise duty as export rebate. They suggested that the benefit of this rebate should go to the plantations and their workers who had helped in production of the exportable tea rather than to the exporters. There was social exploitation of tribal workers in the plantations and their living conditions, particularly in respect of housing, medical facilities and education of their children were very bad. They also suggested nationalisation of the export trade in tea.

#### *Discussion with Officials of the Labour Department of the Government of West Bengal*

The Study Group had discussion with the Officials of the Labour Department of the Government of West Bengal regarding the implementation of the Plantations Labour Act, 1951, in the tea gardens in West Bengal. The Study Group was informed that two years ago the State Government wanted to take over the sick and closed tea gardens in West Bengal but as the Industries (Development and Regulation) Act, 1951, did not include "tea" in its Schedule, the State Government could not take over those tea gardens. It was pointed out that this could be done only by a special legislation. It was stated, even after the legislation, all sick and closed tea

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\*The Study Group consisted of the following members of the Committee :—  
Sarva Shri Shanker Rao Savant (Convener), Ishwar Chaudhry, Mallikarjun and Shankar Dev, M.Ps.

gardens could not be taken over. However, some of them could be taken over and should be taken over. Sick gardens were basically a result of mismanagement. When the owners were prosecuted for violating the provisions of the Plantations Labour Act, 1951, they preferred to pay fines under the Act instead of complying with the provisions of those Acts as the amounts of fines imposed by the Courts were very small.

When asked whether there was adequate number of Inspectors of Plantations in the State, the Study Group was informed that there were four Inspectors and they were moving about in their respective areas. When it was pointed out that this number was too small for a big State like West Bengal having a large number of tea gardens, the Officials stated that the number of Inspectors could be increased but that would not improve the matters very much as the prosecutions owing to the leniency generally shown by the courts did not deter the employers from violating the provisions of the Plantations Labour Act, 1951. A Bill to amend that Act was pending in Parliament and after the passing of that Act, the position might improve a little. It was stated that the State Government would be willing to undertake construction of houses for plantation workers if necessary legislation to that effect was passed empowering the State Government to collect a cess for the purpose from the planters. It was stated that as a result of closed tea gardens, there would be about 12,000 unemployed persons in West Bengal alone.

### *Housing*

The Study Group was informed that the Rules provided for construction of houses at the rate of 8 per cent of the requirement per year. It was, thereby anticipated that construction of required number of houses in Plantations in West Bengal would be completed by 1971 but that had not been done.

In West Bengal, there were 273 Tea Estates in which 2,25,589 workmen were working and for them approximately 1,14,135 houses were required for accommodation according to the returns received from various tea gardens upto December, 1974. From the same returns it was found that the Tea Estates had constructed 61,829 houses and adapted 4,323 old houses upto the end of 1974. During 1974, Tea Gardens constructed only 1243 new houses and adapted 107 houses against 9054 houses on the basis of 8 per cent per annum. A statement showing the annual requirement of houses to be constructed by the Tea Gardens and the number of houses actually constructed from the year 1972 to 1974, along with other relevant information was as follows:

Statement Showing the progress of construction of labour houses in Plantations and particulars of prosecution cases since 1972

Year	No. of gar- den; re- ceiv- ed	Total re- quire- ment	No. of houses to be built yearly on 8% basis	No. of houses provided according to approved sche- me by way of Cons- truction	Progressive Total of		% of con- struction of houses	To- tal no. of pro- vision cases	Types of violations		Total fine Realised					
					Con- struction	Ada- ptation			Hou- sing pro- vision	Me- di- cal pro- vision		Oth- ers				
					(a)	(b)	(a)+(b)									
1972	273	263	114721	9137	1071	500	60423	5192	65615	57.2	44	35	15	55	105	2,420.00
1973	273	255	113362	9018	938	137	60686	4950	65636	57.9	75	52	33	105	190	26,590.00
1974	273	257	114135	9054	1234	107	61829	4323	66152	58	120	63	49	192	304	23,180.00
1975	. . .	273			Not available						251	116	118	419	653	64,101.00

From 1959 to 1971 the employers were persuaded to construct houses by Inspectors under the Plantations Labour Act but without much success. From 1972 penal action was taken against the employers for violation of the provisions of the Act and Rules framed thereunder. From 1972 to 1975, 510 prosecutions were launched against the defaulting employers out of which 251 cases were only in the year 1975.

Due to a lacuna in the definition of 'Employer' under the Plantations Labour Act, it was not possible to prosecute the Directors of the Tea Estates after a High Court decision in 1974. As a result, realisation of fines in 1974 was less than the fines realised in 1973. Prosecutions ceased to be effective in the matter of compelling employers to take up construction of houses. A suggestion had been made by the State Government for amending the definition of 'Employer' under the Plantations Labour Act. Setting up of a Statutory Housing Construction Board for speedy construction of the houses for plantation workers had also been suggested. Loans and subsidy from the Central Government cess at a rate fixed on each kg. of made tea might be collected for building a fund for construction and maintenance of houses. There were instances where the Planters had received money from the Housing Department for construction of labour houses but misused the money by not fully utilising it for the purposes for which the loans were sanctioned. In some cases the Planters did not collect the sanctioned loan for construction of labour houses.

### *Medical facilities*

If any employer did not provide and maintain medical facilities as required under the rules to the satisfaction of the Chief Inspector of Plantations he was required to pay full costs of such medical facilities as per arrangement made by the Chief Inspector of Plantations in any neighbouring hospital.

Since 1961, medical benefit had been extended to the family members of the plantation workers also. In many cases, the Planters had not increased the number of medical personnel to deal with the additional load. From the reports of the Inspectors under the Plantations Labour Act 1951, it was found that in many gardens there was no qualified medical staff. Between 1972 and 1975, altogether 215 cases of violation of the provisions regarding medical facilities were detected. No group hospital, as contemplated in the statute, had yet been set up. Three Central Hospitals, which had been set up by the Planters jointly, were rendering services to plantation

workers and their families. It was suggested that the Central Hospitals which catered to the needs of the people of a wide area might be recognised as Group Hospitals. The State Plantation Medical Advisory Board was persuading the Planters to combine themselves and to set up Group Hospitals. The assistance of the Associations of the employers was being solicited for taking up construction of Group Hospitals at suitable places through their members.

It was stated that the Government of India were also examining the feasibility of extending the Employees' State Insurance Scheme to plantations.

### *Educational facilities*

Under Section 14 of the Plantations Labour Act and Rules 41 to 46 of the West Bengal Plantation Labour Rules, every employer, if the number of workers' children between the ages of 6 and 12 years in his plantation exceeded 25, had to provide and maintain primary school or schools for imparting primary education to the children. The Tea Gardens in West Bengal used to provide and maintain primary schools for workers' children. However, in pursuance of the policy of the Government of West Bengal to assume responsibility of providing primary education in rural areas, the Tea Garden schools were taken over in the early 1950s by the District School Boards under the Bengal (Rural) Primary Education Act, 1930.

Since the take over of primary schools by the District School Boards, the Tea Gardens were paying an Education Cess levied under Section 29 of the Bengal (Rural) Primary Education Act, 1930.

The present rate of Education Cess was 25 p. on each rupee of annual value of land held by a Tea Estate.

Besides paying the Education Cess Tea Gardens in West Bengal had to incur expenses on the following heads for the teachers engaged in schools:

- (a) Garden Honorarium
- (b) Free Housing Accommodation
- (c) Rations at concessional rate
- (d) Free Medical Facilities
- (e) Free supply of fuel and firewood.

In addition to the above, Planters had to maintain the school buildings and provide furniture etc.

### *Creches and Canteens*

Only in a few gardens there were permanent Creches with qualified attendants. In a majority of the gardens, the planters were maintaining mobile creches at work-sites as the workmen did not like to leave their children in central creche which was far away from their work-sites. In a number of cases milk was not supplied to babies for shortage of milk and in most cases there were no trained Ayas to look after the children.

In a large number of the gardens there were no Canteen facilities as required by the provisions of the Plantations Labour Act, 1951 and the Rules framed thereunder. During lunch time the workers in general proceeded to their respective quarters for lunch or took lunch which they carried at the work site. The planters were not taking much interest to establish organised canteens on the plea that permanent canteens would be far away from the work sites and as such the employees would not be able to take any advantage of them. Tea was being supplied to the workers at work-sites by tea boys engaged by the employers.

771 gardens were prosecuted between 1972 and 1975 for violation of law relating to Creches, Canteens and other matters in West Bengal.

### *Meeting with Members of the Tea Association of India*

The Study Group held a meeting with members of the Tea Association of India at which the Vice-Chairman of the Association and other members were present.

### *Production and Exports*

The Study Group was informed that India produced 490m. kgs. of tea during 1974-75 against the target of 478m. kgs. India exported 225 m. kgs. of tea during 1974-75 as against 190 m. kgs. in 1973-74. Foreign exchange earnings were Rs. 224 crores in 1974-75 as compared to Rs. 144.8 crores in 1973-74. North India and South India average price realisation at London Auctions were 63.46 pence and 57.98 pence per kg. in 1975 as compared to 60.34 pence and 54.01 pence per kg. in 1974.

It was stated that the excise duty rates in Zone III had been reduced from 150 p. per kg. to 140 p. per kg. in the Central Budget for 1975-76. Rates in Zones II & IV in North East India had been increased from 25 p. to 40 p. and from 115 p. to 130 p. per kg., respectively.

### *Current Problems*

It was represented to the Study Group that the cost of production in tea industry had continued to go up for the last many years and it had been very sharp during the last two years. Costs increased on account of increase in labour wages and increase in the cost of welfare items. Nothing had been done by either the Government or the Workers' Union to induce the workers to increase their productivity to match the increase in labour cost. In a labour intensive industry such as tea, even slightest increase resulted in a heavy burden. With steep rise in procurement prices of foodgrains (rice and wheat) which had to be supplied to workers at a price which was considerably lower than the market price, the losses on account of food subsidies had become the biggest drain on the employers' finances. The tea industry was purchasing wheat and rice at about Rs. 200/- and Rs. 300/- per quintal respectively and supplying them to employees at about Rs. 42/- to Rs. 50/- per quintal. The industry had been pleading in vain with the State Governments to take over the food supplies to workers in tea plantations in North East India.

## II. JALPAIGURI

*17th February, 1976.*

At Jalpaiguri, the Study Group visited the Danguajhar Tea Garden. The Danguajhar Tea Garden, situated in the district of Jalpaiguri, is under the management of the Danguajhar Tea Co. Ltd., C/o Messrs Duncan Bros., and Co. Ltd., Calcutta. It is affiliated to the Indian Tea Association. Its area under cultivation is 528.66 hectares and it employs 2014 labourers out of which 1314 workers are permanent and 700 temporary. Out of a total requirement of 671 labour-houses, 510 houses had been completed till the end of 1975. This garden provides one hospital with dispensary. The hospital is equipped with 24 beds and is supervised by one Doctor with the help of one compounder and one nurse. There is no Health Assistant in the hospital. Five mobile creches with 5 attendants are maintained by the garden authorities. In the creches, milk is supplied to babies. One canteen is also provided wherefrom the workers can get tea and refreshments. All the primary schools in the district are now under the control of District School Board. There is one such school in the garden for which three posts of teachers are sanctioned. At present, there are two teachers and one post is vacant. There is, however, another school which is not recognised by the District School Board. This is one of the better managed gardens. Even then the garden was prosecuted in 1975

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for violation of the provisions relating to canteens (Rule 33) supply of milk (Rule 37), Housing (Rule 47), maintenance of houses (Rule 52) and medical aid [Sec. 27(2)]. A sum of Rs. 1200 was realised as fine in the trial held on 25-7-1975.

### III. DARJEELING

*17th and 18th February, 1976*

#### **Meeting with Consultative Committee of Plantation Associations**

The Study Group held a meeting with members of the Consultative Committee of Plantation Associations at which a number of Planters and their representatives were present.

The Study Group was informed that the Tea Industry in North East India provided, either because of statutory obligations or because of long-prevailing conventions, a host of benefits to workers which considerably augmented labour welfare in real terms. These benefits included free housing accommodation, medical facilities, supply of subsidised rations, free education of children and many others.

#### **Housing Accommodation**

It was stated that as required under the Plantations Labour Act, Tea Estates provided to all resident workers and their families free houses built according to the standards and specifications laid down by the State Governments concerned. The Tea Industry in North-East India, as a whole, had till now been able to construct/adapt 60 per cent of the required number of houses. Estates run by larger companies had done better, the percentage of construction/adaptation of houses required in some cases being as high as 99 per cent.

The Industry was, of course, grateful to the Government for making available financial assistance in the form of loan (50 per cent) and subsidy (37½ per cent) under the Subsidised Housing Scheme for Plantation Workers on the basis of the ceiling cost of Rs. 5000 per single unit labour house. However, if the present ceiling cost which was found to be inadequate in the present-day market conditions was raised to a more realistic level, the construction programmes of the gardens might be considerably augmented.

It was stated that in its desire to promote labour welfare, the Industry had not, however, limited its efforts to the requirements of labour legislation. The workers received rice and *atta* at the scale of 3.26 kgs. per worker per week and at lesser scales for dependants at the unusually low concessional price varying from

Rs. 40.19 to Rs. 53.58 per quintal. The concessional prices were fixed in the early 1950s and had remained unchanged since then despite the steep rise in prices. The workers were often given land for personal cultivation. They were also provided with a specified quantum of free firewood and dry tea.

The Study Group was informed that Darjeeling tea had the highest reputation in the international market. For a variety of reasons, the region's progress as a producer of tea had been stagnant, if not declining over the past 25 years. At present, eight or nine Tea Gardens in this district had been closed down and 10 or 12 Tea Estates were on the sick list. The region had over 18,000 hectares of tea and the current production was around 11 m.kg. Over 90 per cent of this region's tea was exported—Russia being the main purchaser.

During the past 25 years several memoranda had been submitted to draw the Government's attention to the steady deterioration taking place in the region's reputation as a growing place for the best tea. The planters complained that their financial condition was deteriorating day by day and prayed for immediate help from the Government both Central and State.

Because of its unique quality, Darjeeling tea fetched a relatively high price per kilogram. This had tended to obscure the fact that the average yield in the district was the lowest in the country. This was further compounded by the fact that Darjeeling gardens employed highest number of workers per hectare and the *per capita* output of workers was the lowest owing to the difficulties of the terrain, particularly its slope.

Darjeeling, as a tea growing region, had to face agro-climatic conditions peculiar to itself. The plantation being old—very often more than 50 years—required to be rejuvenated. The industry required a high level of investment to rehabilitate and modernise its production base but it was not generating resources sufficient to cover current costs and taxation. The impression that Darjeeling tea was highly profitable arose from its occasional unit prices which did not cover the entire crop of any producer or that of the region. On the other hand, the earnings of the best units in the region showed that they had been running at a loss at any rate before 1974.

It was stated that to change the situation, a planned and systematic rehabilitation programme would be needed for—

- (i) Replanting,
- (ii) Essential expansion and replacement planting where possible,

- (iii) Rejuvenation pruning,
- (iv) Utilising the vacant spots,
- (v) Effective pest and disease control measures.

It is to be noted that because of the peculiar conditions of growth in this region, a longer gestation period is required and its effect on cost should be taken into account.

The following proposals were submitted for consideration:

- (i) Reduction of excise duty on tea in this region until the average yield rises to 1000 kg. per hectare,
- (ii) Increasing the replanting and replacement subsidy to reflect the loss of crop during a longer gestation period. It is said that the cost per hectare in this region is Rs. 4,000. There should be commensurate increase in the subsidy,
- (iii) Providing a cash subsidy for rejuvenation pruning at 50 per cent of the cost,
- (iv) Providing a cash subsidy for infilling at 50 per cent of the cost,
- (v) Carrying out a survey of available land suitable for tea cultivation in the region and assisting extension by providing loans of Rs. 20,000 per hectare at low rates of interest,
- (vi) Suspending the West Bengal Calcutta Entry Tax on Darjeeling tea until the yield levels reached 1000 kg. per hectare.

The following classification of Tea Industry and its problems and solutions was indicated to the Study Group by Shri Mahabir Prasad, Secretary-General, Small Scale Tea Estates Association:

#### (1) *Affluent Section of Tea Industry*

700 units all above 200 hectares each, occupying 85 per cent of total area under tea, 450 of these were controlled and/or owned by big houses having multiple interests as producer, broker, wholesale, exporter and retailer:

They did not really require much assistance as they made profits in one or the other of their multiple activities.

#### (2) *Small Tea Leaf Growers*

Tea gardens are generally big estates exceeding 200 hectares, but there are some small holders mostly in the South. It is esti-

mated that 10,000 units occupying less than 5 hectares each are in existence and have a total area of less than 10,000 hectares which is only a fraction of the total area under tea plantation.

Such farmers are generally living in contiguous areas and their leaf is being processed in cooperative or "bought leaf" factories. These farmers are not subject to any welfare legislation covering bonus, Gratuity, Plantation and Factory Rules, Provident Fund etc. These farmers are also taken care of by the various departments of the Agriculture Ministry. In addition, Tea Board had created a Cell for small tea growers, solely for their help and assistance.

### (3) *Big and Sick Tea Gardens*

Big units generally have more than 200 hectares: owned and controlled by an affluent person or company having a well equipped factory. Their number is small but the area controlled by them is vast. They have the ability to meet their obligations but are experts in dodging the bank or the Government or the workers.

Their problems are not really related to difficulties created by the circumstances in the plantation industry. The Government could easily take over the management of such units and run them by a separate body constituted for the purpose under some such title as "Tea Reconstruction Corporation".

### (4) *Closed Units*

There were a few closed gardens in each district. They were both big and small. Many had been closed for more than a decade. Their owners had gone out of business.

### (5) *Small and Marginal Gardens*

There are 1,100 such units having a Tea area from 10 hectares to 200 hectares in India. Many of these units are small proprietary units at considerable distance from each other and cannot be organised on cooperative basis. Their production is small. They cannot afford a well equipped factory and consequently their tea gets lower price. They are also subject to all welfare and other industrial legislation on the same scale as the big gardens.

These small and marginal gardens are gradually bound to close for no fault of theirs. They suffer for valid economic reasons and also from faulty marketing system of tea. The situation is aggravated by the unsound fiscal policy followed by the Government.

- (i) Marketing could be greatly improved, if the system of Dutch Auction was introduced;
- (ii) Technical advice from Research Institutes should be made readily available free of cost;
- (iii) Tea saplings should be supplied free, for replanting, infilling and extension;
- (iv) Government should charge a cess based on per kg. production and take over the responsibility for education, medical aid, subsidised supply of food and housing for labour;
- (v) Levy of excise on *ad-valorem* basis with a maximum ceiling should be introduced and it should be charged at the point of sale and on the basis of bills made;
- (vi) Excise rebate granted to the Exporter is unjustified when such duty is paid by the producer. Excise should not be linked to export promotion. Every paisa of excise rebate should come back to the producer who had made the exportable tea.

#### *Visit to the Happy Valley Tea Garden*

The Study Group visited the Happy Valley Tea Garden in Darjeeling District. The area under cultivation of this Tea Garden was 105 hectares. Total number of permanent workers of this garden were stated to be 227. Total number of houses required to be provided to the workers of this garden was 144. Only 63 houses had been provided.

There was one dispensary with two qualified visiting Medical Officers, one trained mid-wife, one *davaiwala* with four detention beds. There was no creche in the garden and consequently no milk was supplied to the babies. There was no canteen either. This garden was prosecuted in 1975 for violation of the provisions of the Plantation Labour Act, 1951. It was said that this was one of the below average gardens.

#### *Visit to the Badamtam Tea Garden in Darjeeling District*

The Study Group visited the Badamtam Garden in Darjeeling District. The Study Group was informed that the area under cultivation of the Badamtam Tea Garden, situated in the district of Darjeeling, was 299.79 hectares. Out of the total of 1332 workers, 1042 are permanent and 290 temporary. Total number of houses required to be provided to the workers of this garden was 701 out

of which 608 houses had so far been provided by constructing 326 houses and adapting 282 houses. There are two hospitals with 30 beds and three dispensaries in the garden. The medical staff comprises of one doctor, four midwives, one nurse and two compounders. There is one permanent creche in the garden where milk is supplied to babies. But no canteen is provided to the workers. Besides one Free Primary School under the District School Board, there is one Junior Basic School also in the garden. This is one of the better managed gardens.

#### IV. JORHAT 19th February, 1976

##### *Visit to the Tocklai Experimental Station*

The Study Group visited the Tocklai Experimental Station at Jorhat and went round the various Departments of the Experimental Station. The Study Group was informed that about 850 employees were working in the Experimental Station. There are about 1100 tea gardens in North-East India. This Experimental Station is providing useful research benefits to a good many of these gardens. The Tocklai Experimental Station was started in 1911. At present, it is managed by the Tea Research Association.

##### *Visit to the Cinnamara Tea Garden*

The Study Group visited the Cinnamara Tea Garden at Jorhat. The Study Group was informed that this tea garden was run by the Assam Tea Corporation Limited which was a State Government undertaking established in February, 1972. This garden was formerly owned by the Jorhat Tea Company which was running in a loss for about seven years. The Assam Tea Corporation Limited has taken over some 16 tea gardens in Assam since November, 1974. This garden was purchased in November 1974 at a cost of about Rs. 1.35 crores. The Assam Tea Corporation Limited was running nine tea gardens in Sibsagar District, six of them are sick gardens handed over to the Corporation in 1975. The Assam Tea Corporation Limited has been appointed a Receiver by the Court in respect of certain tea gardens. This garden has two working factories.

In the Cinnamara Tea Garden, about 1850 acres of land is under tea and 2317 permanent workers are working on the plantation. The population of the tea garden is 6232 consisting of about 1500 families. There are 295 *pukka* houses, 656 *semi-pukka* houses and 438 *kucha* houses making a total of 1389 houses for the plantation workers. There is a Central hospital for all tea gardens of the Corporation in the Sibsagar District at Jorhat. The average price fetched by Cinnamara tea last year was Rs. 11.50 per kg. Each worker was given the

the daily wages of Rs. 4 per day plus the usual facilities prescribed under the Plantations Labour Act, 1951.

It was stated that in this garden all the labour colonies were provided with pipe water from Central Water Supply Units. There were four labour clubs in the garden which were provided with indoor and outdoor games. It has also a canteen in the factory where free tea and cheap refreshments are provided. In Creches attendants were provided to look after babies who were given free milk.

## V. CALCUTTA

20th February, 1976

*Meeting with representatives of the All India Federation of Tea Plantation Workers.*

Three representatives of the All India Federation of Tea Plantation Workers met the Study Group at Calcutta. The Study Group was informed that there were 96 tea gardens in Darjeeling hills and 48 in Tarai area. It was stated that many tea gardens were on the verge of closure and a large number of tea gardens were reducing their labour potential. The following were stated to be the causes of sickness of tea industry:

- (i) Tea gardens were maintaining sub-standard machinery as a result of which they failed to produce both quality and quantity.
- (ii) Tea gardens failed to employ proper manuring or pesticides and weedcides.
- (iii) Ordinarily, the average yielding capacity of a tea bush is 50 years but most of the tea gardens are running with bushes more than 50 years old and in some cases even 100 years old.

*Discussion with Officials of the Tea Board.*

The Study Group held a discussion with the Officials of the Tea Board at the Tea Board Building. The Deputy Chairman, Secretary of the Tea Board and other Officials were present. The Study Group was informed that the functions of the Tea Board, as laid down in Section 10 of the Tea Act 1953 *inter alia* included:

- (a) regulating the production and extent of cultivation of tea;
- (b) improving the quality of tea; and

- (c) securing better working conditions and the provisions and improvement of amenities and incentives for workers.

It was stated that the Tea Board provided loans to tea gardens at an effective rate of 9 per cent. Previously, loans were given at an effective rate of 6 per cent. The revised estimated budget of the Tea Board for 1975-76 was about 1.96 crores. The Tea Board also to an income of about Rs. 5 lakhs from cess and licence fees. For loaning to tea gardens, the Tea Board got loans from the Government and it had a revolving fund for loans of Rs. 4.60 crores. An estimated amount of Rs. 1.30 crores was given as loan during the last year by the Tea Board.

When asked whether the Tea Board could take over the sick and closed tea gardens, the Study Group was informed that the Tea Board did not have the infrastructure to run the sick and closed tea gardens. It was also stated that the Tea Act, 1953 did not empower the Tea Board either to take over the tea gardens or even to investigate into their working or interfere in their managements. The Tea Board, could only ask for information in connection with the moneys to be loaned by it. If the Government took over sick and closed tea gardens and handed them over to the Tea Board, the Tea Board would have to be statutorily empowered to run them and also the necessary infrastructure for the purpose would have to be provided.

It was suggested that the activities of the Tea Trading Corporation of India Limited could be expanded to entrust the management of sick and closed tea gardens to it or a new agency could be created for the purpose. Formation of cooperatives could also be encouraged with common factory processing and other facilities.

When asked why the Tea Board could not play an effective role in ameliorating the conditions of the plantation workers, the Study Group was informed that implementation of the provisions of the Plantations Labour Act, 1951 was vested in the State Governments. It was stated that the State Governments did not like the interference of the Tea Board in their domain. So much so that when the Tea Board had approached the State Governments to give representations to the Tea Board on some of their Committees/Organisations dealing with the problems of plantation workers, the State Governments had not acceded to the request of the Tea Board. It was suggested to the Tea Board that they might approach the State Governments for this purpose through the Ministry of Commerce of the Government of India, in case it was considered necessary to enable the Tea Board to perform its functions properly.



### APPENDIX III

(See para 2.46 of the Report)

#### *Statement of Objects and Reasons of the Tea (Amendment) Bill, 1976 (No. 50 of 1976)*

Tea industry occupies a very important position in the economy of the country, in that it provides employment to over six lakh workers and earns over rupees 200 crores worth of foreign exchange for India in a year. There are in North-East India some 16 growing areas, each having its own peculiar agro-climate. There are some 1,000 gardens over these areas. These gardens are scattered in rural areas and, in addition, they are comparatively small units. North-East India produces a wider variety of tea than any other growing area in the world. From the Himalayan heights of Darjeeling descend the world's most flavoured and, therefore, the most expensive teas. On the other hand, from the plains of the Brahmaputra Valley come teas which are the most attractive to look at, the richest to drink and the longest to endure in freshness. But unfortunately, the tea units in general and in North-East India, in particular, are facing difficulties in the matter of finance, managerial skill, etc. A number of tea gardens are reported to have been closed; few others are reported to be sick or uneconomic. Unless timely corrective action is taken, it is feared that sick and uneconomic tea gardens may be closed down resulting in problems of unemployment and economic hardships which might ultimately affect productivity of tea and country's earnings of foreign exchange by the export of tea.

2. In the Tea Act, 1953, there is no provision for taking over the management of the sick and uneconomic gardens. That Act only provides for the control and development of tea industry under the Union Government. It is, therefore, proposed to include in the said Act provisions, analogous to the provisions contained in Chapters III, IIIA, IIIAA, IIIAB, and IIIAC of the Industries (Development and Regulation) Act, 1951, to empower the Central Government—

- (a) to order an investigation into the working of a tea undertaking or tea unit which is sick and uneconomic;
- (b) to take over the management of such tea undertaking or tea unit initially for a period of five years with the possi-