

disrespect to the House. So, we are also walking out.

At this stage, Shri Nitish Kumar and some other hon. Members left the House.

SHRI BHOGENDRA JHA (Madhubani): Sir, since the Minister has shown disrespect to the House, we are also walking out.

17.34 1/2 hrs.

At this stage, Shri Bhogendra Jha and some other hon. Members left the House.

[English]

17.35 hrs

[SHRI SHARAD DIGHE *in the Chair*]

STATUTORY RESOLUTION, *RE*:
DISAPPROVAL OF COFFEE
(AMENDMENT) ORDINANCE
AND
COFFEE (AMENDMENT) BILL—
Contd.

*SHRI OSCAR FERNANDES (Udupi): Mr. Chairman, Sir, it has already been stated that the Coffee Board has rendered yeoman's service for the country and growers during the last five decades. Through this amendment Bill to the Coffee Act, our Government has given the opportunity to the coffee growers to sell 50% of their produce in the open market. As the Minister has stated, the 30% has been increased to 50%. The overall production of coffee in our country is about 3% to 4% of the total production

in the world. The Coffee Board has protected the interests of coffee growers all these years. This has enabled the coffee growers to get better prices not only in the country but also in the international market. Now, our Govt. has come forward to increase the open market quota to 50%. It has also exempted excise duty on coffee.

SHRI DILEEP BHAI SANGHANI (Amreli): Sir, there is no quorum in the House.

MR. CHAIRMAN: Let the quorum bell be rung. Now there is quorum in the House. Shri Oscar Fernandes may continue.

*SHRI OSCAR FERNANDES: This amendment Bill which has been brought forward by our Hon. Minister has been welcomed by the coffee growers. The question before us is to encourage the coffee growers to produce more coffee in the country. We have to provide all facilities to the growers and that should be our main objective.

My friend Mr. Dhananjaya Kumar has given a suggestion in this august House regarding the percentage of coffee produce to be sold in the market. He has said that the 50% which has been allowed by the Government for open sale should be increased to 100%. Of-course, the Hon. Member's suggestion is very good in the interest of coffee growers. The main aim of the Coffee Board was to protect the interests of the coffee growers. Accordingly, the Coffee Board took keen interest in the welfare of the coffee growers. But the growers felt that the entire responsibility of the welfare of the growers should lie with the growers themselves. I, too, agree with this view. It has appeared in

[Shri Oscar Fernandes]

the newspaper about the working of the Coffee Board.

ONE HON. MEMBER: Mr. Fernandes, why don't you speak in English?

*SHRI OSCAR FERNANDES: I can do that, Sir. Since, I am representing the Coffee Growers of Karnataka, I thought I should speak in Kannada.

ANOTHER HON. MEMBER: Yes, correct. That is right.

*SHRI OSCAR FERNANDES: Our Government should call the coffee growers for discussion and then only they can take further steps to provide impetus to them and to take final decisions.

There is good scope to grow coffee in the north-eastern States. Coffee is also grown in Kerala, Tamil Nadu etc. We have to encourage the production of coffee in new areas also. For this, we have to discuss with the farmers and get their suggestions. The production which is about 3 to 4% should go at least upto 10% of the overall production in the world. There is demand for Indian coffee in the international market. At the same time, we hear that, we are not able to get into the international market.

The activities of curing coffee is going on well in Mangalore Mysore and Coorg. These activities have to be encouraged. There is great need for conducting research in this field for the benefit of the coffee growers. Other promotional activities also must be taken up for the welfare of the growers. The Coffee Board was doing good work. But,

the coffee growers have complained about the working of the Coffee Board. It is very important to protect the interests of the growers. Therefore, our Government has brought this amendment Bill. I thank the Hon. Minister and our Government for this. We had demanded the Centre to bring this Bill to protect the interests of the growers and to enable them to produce more coffee. Sir, I thank you for giving me this opportunity to speak and with these words I conclude my speech.

SHRI DILEEP BHAI SANGHANI: Sir, there is no quorum in the House.

MR. CHAIRMAN: Let the quorum bell be rung. Now there is quorum in the House. Shri Oscar Fernandes may continue.

SHRI THAYIL JOHN ANJALOSE (Alleppey): Mr. Chairman, Sir, at the outset I want to point out the dangers involved in the Coffee (Amendment) Bill, 1994, as it would affect the coffee growers adversely in the long run. The Government has pointed out that the objective of bringing this Amendment is to help the coffee growers. I would submit that this is not the real picture. The move of the Government is to help only the big growers and trader.

Sir, for the present, the small growers are feeling happy just like our industrialists who felt happy at the time of the introduction of the liberalisation policy. Now our industrialists are facing crises and they are feeling unhappy. Likewise, the traders in this field will tighten their rope around the neck of the small growers and they will suffer.

The legislation of 1942 was for protecting the growers. Till 1992-93, it

was the Coffee Board which was the sole buyer of coffee. In 1992-93, the growers were allowed to sell 30 per cent of their products in the open market. There was a feeling among the growers initially that if they have the opportunity to sell their products in the open market, it would be more profitable. But it has already been proved that at this juncture, it would be the traders who would be cornering the profits and the growers would be deprived of even a reasonable price.

Sir, one important aspect is that if the price is going down, there will be no effort on the part of the Coffee Board to intervene in the market. This helplessness should be avoided. A safeguard should be there for the Board to intervene, if any adverse impact is felt by the coffee growers.

I would like to make it clear that the Amendment Bill is nothing but part of the policy pursued by the Government to allow the private parties in every field. The Coffee Board was exporting coffee worth of Rs. 400 crores. When the Government had allowed 30 per cent free sale earlier, the private parties had already taken this stage in the export field. Now the private parties would be the major exporters of coffee which would deprive the Board of some of its privileges. Apart from reducing the role of the Board, the Government decision is going to adversely affect the growers in the long run, if not immediately. Because of this decision of the Government, around one thousand employees of the Coffee Board have become redundant. Many depots have already been closed and the decision of the Government is going to adversely affect the coffee workers.

I would request the Government to consider all these aspects and make

consequential amendments in this Bill itself. I would like to draw the attention of the hon. Minister regarding the crisis of Kerala economy. The State is facing difficulty due to the fall in the prices of each crops like coconut, rubber, pepper etc. This is the result of new economic policy. I would request the Government to take urgent steps for protecting the growers, especially in Kerala. I would again urge upon the Government to protect the interests of the small growers and coffee workers from the private parties.

SHRI P.C. THOMAS (Muvattupuzha): Sir, I welcome this Bill since the Bill has actually made some immediate effect also in the market. I do not think in the long run also difficulties will be caused because some safeguards have been made in the Bill itself. Only 50 per cent free quota has been given. There need not be any apprehension about it because it is not a must that you must avail all this free quota. I would expect that the Bill would be fetching good results.

The price which was Rs. 15 per kg., out of which the farmers got only Rs.12 per k.g. because of the pool, has gone to Rs. 28.50 and that has gone up to Rs. 40. I think, the growers will be benefited by this. Of course, there may be some safeguards which should be there. I do not think that the Board or the Government for that matter, has the machinery which can monitor prices or fix prices or enter into market effectively. We have the examples of some Boards also. I think, a proposal which has been made in the case of Spices Board for intervention in the market may not also be encouraged. I am pointing out because the members of the Spices Board, I am told, as well as some of the persons involved in the cultivation have already informed the Minister that such a move will have a fatal effect.

[Shri P.C. Thomas]

With regard to the workers in the Coffee Board, a point has to be made. I think, by this move, more than 1800 workers may lose their jobs. It is because of the new Bill and because of the fact that many workers need not be there as the Board's functions are going to be diminished. If that is so, I feel and I plead with the Minister that some positive steps may be taken in the case of the workers because the workers who were sincerely working for the development must not feel that they are left out because of this Bill and they may also have a feeling that for the purpose of giving some aid to the growers, they are left without any aid. I suggest that the proposal shall be made three months salary and also some pensionary benefit may be given to the workers of the Coffee Board who may be affected by the new Bill. There have been instances where big companies like Nestle have made wrong use of the present policy. Last year there was an accusation that this Company which was under an export obligation, dumped 2,000 tonnes of coffee into the domestic market. This tendency is having a very huge effect on the market. This is not only in the case of coffee but also in the case of many other foreign exchange earners which we are producing. The same effect is seen, for example, in the case of cloves as well as in the case of some other produces. Unless the Government is able to monitor and see that the export obligations are undertaken and effected on the same lines as laid down by law, I think they will be causing great difficulties and I feel that when the Board is not going to have much control, the Government should have control with regard to these aspects because these are aspects which may at a later stage affect not only the coffee

industry as such but mainly the growers to a great extent.

Kerala is a place where coffee is mainly grown in Wyanad district as well as Idukki district. But coffee is grown all through Kerala in small quantities. The share of coffee produced by Kerala is about one-fourth.

So, I plead with the Minister that Kerala may be given more representation on the Coffee Board and I think that the representation which has been given at present is very meagre.

I once again commend the Bill which has been moved and I welcome it.

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Mr. Chairman, I rise to support the Bill. I am convinced of the circumstances that the hon. Minister in charge of the Bill just explained about the necessity for promulgating that Ordinance. By promulgating the Ordinance, we have set a seasonal benefit. I think the Bill will be passed by the House. The Bill proposes to give more incentives to the coffee growers as well as to the exporters.

I consider that it is beneficial to the consumers also. Considering the fact that it is beneficial to both the growers and the consumers. I feel that the Bill is a proper one and it is meant for serving the interests of the growers and the consumers as well.

The principal Coffee Act, 1942, is very old. It is required to be modified in the changed circumstances or changed context. Now, it has become a fashion to drink coffee. At that time, only the aristocrats were drinking coffee. Now, it has become an habit of so many people to drink coffee. So, in the changed

circumstances. I do feel that the principal Act of 1942 must be modified as proposed by the hon. Minister who is the Minister in charge of the Bill.

In the Statement of Objects and Reasons, It has been clearly mentioned that according to the recommendation of the Coffee Board, the Government has proposed to accept the introduction of a free sale quota for coffee. That aspect is appreciated. So, I need not repeat all those points that have been mentioned by our hon. Members. Therefore, taking advantage of participating in the discussion, I urge upon the hon. Minister who is incharge of the Bill who is looking after Planning and Development, to consider exploring the possibility of growing coffee in the State of Manipur. Manipur is considered a fertile place for growing coffee. Many surveys were conducted and some of the considerations were met for venturing to grow coffee in that area. There is plenty of land available where coffee can be grown in the State of Manipur. The only difficulty is about finding a proper market. If the hon. Minister pays more attention to the North-Eastern Region which is found to be very fertile for growing coffee, then, we have to invest more money so that the unemployment problem can also be solved there. By taking up this industry, many youths can also be employed. In view of that, I would like to urge upon the hon. Minister who is incharge of the Bill to consider funding this project in Manipur so that coffee can be grown there. They can also earn foreign exchange by producing more quantity of coffee in the State of Manipur.

With these words, I conclude.

SHRI H. D. DEVEGOWDA (Hassan):
Sir, first of all, I would like to thank the Government for having come to the

rescue of the growers by bringing forward this Ordinance. The hon. Minister Shri Pranab Mukerhjee has, in his initial remarks, stated that the season was fertile and good and there was no time to wait and that was why the Government tried to promulgate the Ordinance to give some support to the growers.

18.00 hrs.

Unfortunately, after this Ordinance was promulgated, the confrontation between the growers and the Coffee Board started. That is the whole crux of the problem.

So far as other suggestions made by various hon. Members are concerned, it is a matter to be decided after going through the pros and cons of it. And then you should take a final decision and bring necessary comprehensive amendment to the Coffee Board Act. Now the very objective has been defeated. There is a regular confrontation between the Coffee Board employees... *(Interruptions)*

[Translation]

PROF. PREM DHUMAL (Hamirpur):
Mr. Chairman, Sir, it is 6 'O clock. Now the House should be adjourned.

SHRI DILEEP BHAI SANGHANI:
This Bill should be taken up tomorrow. Now it is already 6 p.m... *(Interruptions)*.

[English]

MR. CHAIRMAN: The Business Advisory Committee has already decided about it. You please refer to the Bulletin Part II dated 2nd March, 1994. It was further agreed that House might also sit up to 8.00 p.m. from 2nd March, 1994 to 19th March, 1994 to for the disposal of urgent items of business.

(Interruptions)

MR. CHAIRMAN: The Business Advisory Committee has decided about it and the House has approved it. The Report of the Business Advisory Committee has been adopted.

PROF. PREM DHUMAL: We do not agree. (*Interruptions*)

18.02 hrs.

PROF. PREM DHUMAL: There is no quorum in the House.

MR. CHAIRMAN: Let the bell be rung.

Now there is quorum. The hon. Member Shri Devegowda may continue.

SHRI H.D. DEVEGOWDA: Sir, the specific point that I would like to mention is—I do not want to take much of the time of the House—that though you have made a provision under Section 22 to give 50 per cent free sale quota, the officers are insisting on first surrendering 50 per cent of the internal sale quota to the Board and till then they are not going to give permission for the free sale quota. This has led to confrontation between the growers and the Coffee Board. The growers are hesitating to do that. There is some attractive price in the open market on the free sale quota. So, there is a lot of corruption, harassment, confrontation and the object which you intended to achieve while you promulgated this Ordinance was actually not achieved, though it was for the benefit of the farmers. That is why, I request the hon. Minister to see that this confrontation is removed and allow the growers to have their free sale quota without any hindrance from the Coffee Board officials.

Sir, in section 22, there is a rider through which the Central Government get the power, that is, with the recommendation of the Board, the Government can further enhance, if necessary, the free sale quota, provided the Board may, with the previous sanction of the Central Government, allot such quota at a percentage higher than 50 per cent of the said probable total production. So, there is no need to bring in amendment to this existing provision. As my friend, Shri Dhananjaya Kumar suggested, in my opinion also, it is not necessary. You yourself get this power by an executive order, that is, with the recommendation of the Coffee Board, you can enhance even the free sale quota. You have got that power under this very Ordinance itself. So, my only request to you is to see that this confrontation between the Coffee Board officials and the growers is removed. The whole thing has come to a standstill: they are not deriving this benefit. The very objective of helping the farmers has been defeated.

I must compliment the Government because before the Standing Committee on Commerce could make any recommendation on this, they have thought over on this issue. When a delegation of growers from Karnataka met the Minister, he had assured them to help the growers, but, unfortunately, the whole purpose has been defeated. I only request you on a specific point, that is, to see that this confrontation is removed. So far as other issues like the functioning of the Coffee Board, how the malpractices are taking place, the exploitation and all those other things are concerned, I do not want to elaborate on them because this is not the right time for me to express my views on them.

I am one of the Members in the Standing Committee on Commerce. We

are examining all these things and we are going to give a final report from the point of view of growers.

I am requesting your goodself to see that some relief is given to the growers and to remove this confrontation between the Coffee Board officials and the growers, so far as this free sale quota issue is concerned.

I would like to thank the Chair for having given me an opportunity to express my views on this Ordinance.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Mr. Chairman, Sir, I am grateful to the hon. Members who have made their observations and interventions.

I am happy that most of the Members, practically all, supported the main contention of the Bill. Shri Nitish Kumar's objection is on a different footing. He did not want this to come through the Ordinance route; he felt that it should have been brought through the normal legislative procedures and that the Government should not resort to making laws through ordinances. That point is well taken care of. I have explained in my preliminary observations what compelling situations prevailed to have this Ordinance and how it has helped to improve the situation a bit. There is a long history of this Act. With the introduction of the 50 per cent free sale quota, the process of liberalisation in coffee production, auctioning and trade—both internal sale and external sale—will be taken to its logical conclusion. As one hon. Member pointed out instead of 50 per cent it should be liberated one hundred per cent in one go. We wanted to watch the situation as it has been pointed out that nearly three-fourths of the total production of the country is to be exported. Unfortunately the world

market is not very encouraging. After the collapse of international coffee agreement, coffee quota in 1989, the prices crashed and everybody who is concerned with the production has suffered. Thereafter the International Coffee Organisation has also not come back to its health.

So far as the role of the Coffee Board is concerned, it will continue to play the vital role in respect of research, development and providing necessary support and extension services to the growers. One moot point we shall have to address if we want to be competitive both in two varieties of coffee—arabica and robusta—is that we must improve the yield per hectare. Instead of having just horizontal expansion, we should have some sort of qualitative expansion. Bringing more and more areas within the coffee cultivation perhaps would be more appropriate to have new technology, new method of cultivation through which we can improve the yield per hectare, so that the return of the farmers becomes more attractive.

Shri Devegowda has drawn our attention to the issues of, I would not use the word confrontation, but unfortunately some not so desirable situation which has cropped up. I can assure him that it would be our endeavour to see that good relations between the growers and the Coffee Board exist. Unfortunately there is an apprehension in the minds of the employees of the Coffee Board as to what is going to be their future when the role of the organisation would be reduced. As one hon. Member pointed out as to why so much time is taken or why there is delay to settle these issues, though it is correct that growers have agreed to provide the compensation from the pool fund, it is taking more and more time because the normal practice on the normal method of computation of com-

[Shri Pranab Mukherjee]

pensation is not being followed here. It is something more and we are working on it. But that should not stand in the way of the interest of the farmers and the simplification and expansion of the free sale quota.

Another hon. Member raised the question about the problem arising out of double auction. There would be no double auctioning henceforth. The earlier practice was to have one auction for the domestic sale and another auction for export. That is not there now.

The third question in respect of facilities to be provided to the growers for exports, it is true that small growers cannot export directly but the existing arrangements in several areas can also be extended and they can be clubbed. It would be our endeavour to have the cooperation of all those concerned. It is a true that pro rata, even on the basis of the 50 per cent from the production point of view, it would have come to the pool. It is less than that compared to the receipt in the corresponding period of the previous year. But we shall have to get it through persuasive measures and we are trying to do that.

I do not think that certain other areas which have been brought are strictly relevant in this area.

I would like to draw the attention of the House to one more point, that is, because of historical reasons and because of certain peculiar situations, Indian Coffee Board was the only Coffee Board which used to purchase coffee. Otherwise, the role of the Coffee Board in different parts of the world, particularly in the coffee growing countries was to have some sort of a nodal agency. They did not

adequately intervened in the market; let the market forces take its own course of action; and there were some serious market distortions. At one point of time, the intervention was called for and it was done.

I have already mentioned that the Ordinance was promulgated at the special instance of the growers. Even before the Coffee Board made the representation, the growers came and made a representation to us and we agreed to take appropriate measures. We have taken care of that.

In respect of the duties, it is true that there are some local duties. Both the purchase tax and also the turn over tax make the coffee costlier. These are all being collected from the fund. The hon. Members would be happy to note that from the Budget of 1993-94, the excise duties and the customs duties on coffee have been abolished and the realisation of 1992-93 was roughly about Rs. 3 crores. So, to the extent, the taxation of Rs. 3 crores is no longer there; and the Coffee Pool Fund will not have to pay for that. Even in respect of purchase tax, there has been some reduction. It is true that the State Government of Karnataka has imposed a purchase tax of about eight per cent. Originally it was 13 per cent. From 13 per cent, it has been reduced to 8 per cent. Sometimes it becomes difficult. Both from the export point of view and from the growers points of view, we would like to insist that there should not be taxes like this, but from the overall resource point of view on which the States are confronted and in my other capacity when I have to deal with them and request them to make the additional resource mobilisation efforts, naturally, they would like to fall back on certain areas; and it is one such area where they are doing it. But, at the same time, we

shall have to strike a balance so that it does not create any serious distortion in these respects.

I can assure the hon. Members that it would be our endeavour to see that these things do not create any ideal problems. One, hon. Member has referred to extending the coffee cultivation to certain non-traditional areas. I would have no objection to giving even the necessary support, as we have given in respect of rubber. As you are aware, for one of the important schemes which is being headed by the World Bank, the extension of rubber cultivation to the non-traditional areas, we are providing some facilities. But in the area of coffee we shall have to concentrate more on improving the yield per hectare; if we can do that, I am sure, it will be beneficial to all of us.

In our exercise, of course, we shall have to keep in view the consumers' interests also so that the prices do not become exorbitantly high. That is why, in one go, we did not agree to have the total liberalisation. Now, for the free sale quota, as the hon. Members are aware and as it has been pointed out in the Bill itself, there is no restriction on its sale in the domestic market and also there is no restriction on the sale in the export market. The necessary support which they will be required to for the access to the export market will also be provided by the Coffee Board.

I think, Sir, the Bill has received support from all the cross sections of the House. Shri Nitish Kumarji has also said that he supports except for the Ordinance. If he has objection for the Ordinance part, I have already agree to that also.

SHRI SRIKANTA JENA (Cuttack): Now, the liberalisation is to the extent of 50 per cent; and the intention is to go in

for 100 per cent. Then, what will be the fate of the small growers?

SHRI PRANAB MUKHERJEE: As you know, the small growers would not suffer. The only problem is that sometimes in the regulated system, in the name of giving concession to small growers, we cause harm to them. Therefore, what we are doing now is this. It happens so. I am not drawing any analogy or I am not injecting any trade union point of view here. If the amount which you spend on maintaining the buffer stock and the stock of the Food Corporation of India, could have been passed on to the growers directly, perhaps, the growers would have got much more.

So far as the Government kitty is concerned, it is going from the Exchequer, in the form of subsidy. But, neither the consumers are getting the full benefit nor the growers. So, in any regulated system, you will find that the overhead cost is sometimes passed on to the growers; in that case, the small growers find it difficult. That is why, the whole rationale of having it 50 per cent allocation. (*Interruptions*) Let us not go into the debate now. Let us conclude this.

SHRI H.D. DEVEGOWDA: Small farmers are having a cooperative organisations called COMAREK. They are purchasing from the small growers who are the Members and they are taking care of the small growers. So, there is no question of exploitation even from that point of view. I know that.

SHRI PRANAB MUKHERJEE: Therefore, Sir, as I mentioned to you, I have an open mind in the respect. If I find that at some point of time it would be helpful to have 100 per cent liberalisation, I would not mind in doing that.

MR. CHAIRMAN: Now, reply by the Mover of the Resolution, Shri Nitish Kumar.

[Translation]

SHRI NITISH KUMAR (Barh): Mr. Chairman, Sir, for some reasons, we have brought the Motion of Disapproval in the House. While replying to our points, the Hon'ble Minister has explained those circumstances in which he had to bring this amendment Bill. He said that keeping in view the season of coffee, he has brought this Bill in this House. The second thing which he has mentioned in his reply is that the Parliamentary Standing Committee on Commerce had also recommended that the Government should bring an Ordinance in this regard. At the outset, Hon. Minister has mentioned that he has tried to safeguard the interests of coffee growers as well as of the Coffee Board. If any lacuna were noticed in the Coffee Board, then it should be the responsibility of the Government to gear up the Board to remove them. But this tendency is not fair that an institution should be closed down for any such lacuna.

Today the coffee growers are in favour of this policy and most of the hon. Members taking part in this debate have also supported this Bill. One hon. Member of our party, Shri Devegowda has also pleaded that the interests of the small growers should be taken care of. While bringing this Motion, I had only one thing in my mind that when multi-national companies enter this area, the Coffee Board will be gradually ousted and the whole business will be controlled by a few big companies only and they alone will be benefited. A lot has been said on behalf of the coffee growers and the people engaged in this field but the point is if this

Bill is passed, will it be able to safeguard the interests of the as well as the interest of the consumers? We want a categorical reply from the hon. Minister in this regard.

Earlier I was thinking to withdraw my statutory resolution, but in his reply the hon. Minister did not ask me for a single time to withdraw my resolution...
(Interruptions)

SHRI PRANAB MUKHERJEE: I request you to withdraw your resolution. I repeat it not for once but twice and thrice to withdraw your resolution.

SHRI NITISH KUMAR: Mr. Minister has said in his reply that mechanism will be evolved to regulate the prices of coffee.

Keeping that point in mind, I opposed this Bill in principle...

Mr. Chairman, Sir, the main reason of my opposition is that in a Parliamentary Democracy the Government should not be run by Ordinances but by getting the Bills passed by the Parliament, and we are supporters of this policy. But keeping in view the urgency explained by the hon. Minister and also the report of the Standing Committee, I would like to withdraw my resolution at the request of the hon. Minister.

[English]

MR. CHAIRMAN: Has the hon. Member leave of the House to withdraw his Resolution?

SEVERAL HON. MEMBERS: Yes.

The Resolution was, by leave, withdrawn.

MR. CHAIRMAN: I shall now put the motion for consideration of the Bill. The question is :

"That the Bill further to amend the Coffee Act, 1942, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause-by-clause consideration of the Bill. The question is:

"That clauses 2 to 6 stand part of the Bill".

The motion was adopted.

Clauses 2 to 6 were added to the Bill.

MR. CHAIRMAN: The question is:

"That Clauses 7 to 15 stand part of the Bill."

The motion was adopted

Clauses 7 to 15 were added to the Bill.

MR. CHAIRMAN: The question is:

"That the clause-1 of the Enacting Formula and the Long Title stand part of the Bill.

The motion was adopted.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

SHRI PRANAB MUKHERJEE: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: Motion moved:

"That the Bill be passed."

[*Translation*]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Chairman, Sir, I would not make a long speech. While replying to the debate, the hon. Minister has explained that whatever work is going on in the context of liberalisation, that is right. It is a fact that this Bill is not related much with the short-comings of the Coffee Act or with the problems that were being faced in its sale. This Bill is more related to the economic policies of the Government and Globalization. Therefore, Mr. Chairman, Sir, my objection on this Bill is that only foreign companies will be benefited through it and we cannot deny this fact that in India, export as well as the domestic sale of coffee is mostly in the hands of foreign companies. Nestle company is Swiss company which at present sells coffee powder. But after passing of the Bill, our coffee estates also may go under its control. It seems to me that within a few years, the Government is going to handover the coffee gardens to these companies. You may not say so, but it is inevitable and we are seeing it. Hon. Chairman, Sir, I am opposed to this new liberalization policy. Therefore, I would like to registrar my opposition to this Bill. We will not have to wait for a long time. With the passing of this Bill, the companies such as Nestle and other foreign companies which want to take the coffee trade into their hands, will be benefited the most. Therefore I oppose this Bill.

[*English*]

SHRI M.V.V.S. MURTHY (Visakhapatnam): Mr. Chairman, Sir, ultimately the amendment is to safeguard the interest of the growers. When in every field we have made so many concessions and liberal attitude is being adopted in the case of industries, why is the same not happening

[Shri M. V. V. S. Murthy]

in the case of coffee growers? It is because the growers were almost at the whims and fancies of the Coffee Board in the past. At least now they are getting some benefit. I suggest strongly that they should be allowed to export 100 per cent. Otherwise, the Coffee Board is insiting that 50 per cent should be given to them in the first instance and ultimately, they are being harassed and are not getting remunerative prices. So, our attitude is to bring in more exports. And if that is the case, the Commerce Ministry should consider the matter and those who want to export 100 per cent should be allowed to do so and by doing so, the growers will be protected and production will also improve substantially.

SHRI PRANAB MUKHERJEE: I would not like to respond in details but I would refer to only two points. The point which Mr. George Fernandes has referred to is a larger policy matter, whether liberalisation in the opening of our economy is good or not. Of course, we will get an opportunity of debating it. Earlier also, we had discussions on this issue and in any democratic system, there are bound to be various view in respect of the opening of the economy and allowing more investment from abroad. It is bound to be there. This is an on-going debate and I am not going to enter into it. But for the sake of record, I would like to say one point. So far as investment is concerned, it is the decision of the sovereign Government as to which area they would like to open for investment from abroad and which area they would not like to open. There is no compulsion or international obligation or arrangement that certain areas are to be opened. In respect of 100 per cent liberalisation, as I have explained on an earlier occasion while replying to

the debate, it was not merely the recommendation of the Coffee Board but also the suggestion of the representatives of the coffee grower in the Coffee Board. In addition, before the recommendation of the Coffee Board came, large number of growers representatives came and made the recommendation to them. I have already mentioned that on this issue, I am open-minded, Initially, we opened it for 30 per cent only for internal market. Now, we have opened it for 50 per cent both internal and external. So, it is in the process and gradually, if it is needed and if it is found that it can be done, I have no objection of opening it 100 per cent and the role of Coffee Board would be like that of any other commodity board to provide the necessary extension services and concentrate on research and development.

MR. CHAIRMAN: The question is:

"That the Bill be passed".

The motion was adopted.

18.34 hrs.

STATUTORY RESOLUTION RE:
DISAPPROVAL OF THE MINES
AND MINERALS (REGULATION
AND DEVELOPMENT)
AMENDMENT ORDINANCE

[English]

MR. CHAIRMAN: Mr. Bhogendra Jha.

[Translation]

SHRI BHOGENDRA JHA
(Madhubani): Mr. Chairman, Sir, I beg to move the following resolution:

"That this House disapproves of the
Mines and Minerals (Regulation and