

[Dr. Katju]

area which was part of the Shillong Municipality was not included. It was considered to be a non-tribal area. Now that it had been included in the district and the Assam Government, on their part, have extended the State List laws to that area, this Bill provides that the Union laws may also be extended to that particular area which were not up till now governed by these laws.

Mr. Deputy-Speaker: What the hon. Home Minister says amounts to this. It was originally part of the tribal territory to which neither the State laws nor the Union laws were applicable, as such. Now they have been brought in a district and the provincial laws have been made applicable. It only follows as a corollary that the Union laws have to be made applicable.

The question is:

"That the Bill to assimilate certain laws in force in the scheduled areas to the laws in force in the Khasi and Jaintia Hills District, as passed by the Council of States, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: There are no amendments to this Bill.

Clauses 1 to 4 were added to the Bill.

The Title was added to the Bill.

The Enacting Formula.

Dr. Katju: There is one formal amendment.

Amendment made:

In page 1,—

for line 1, substitute—

"Be it enacted by Parliament in the Fifth year of the Republic of India, as follows:—"

—[Dr. Katju.]

The Enacting Formula, as amended, was added to the Bill.

The Schedule was added to the Bill.

Dr. Katju: I beg to move:

"That the Bill, as amended, be passed."

Shrimati Khongmen (Autonomous Distts.—Reserved—Sch. Tribes): Before the Bill is passed, may I ask the hon. Home Minister whether the District Council of Khasi and Jaintia Hills have been consulted in this matter?

Dr. Katju: I presume so.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

RUBBER (PRODUCTION AND MARKETING) AMENDMENT BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move:

"That the Bill further to amend the Rubber (Production and Marketing) Act, 1947, be referred to a Select Committee consisting of Shri A. M. Thomas, Shri Amarnath Vidyalankar, Shri Ramnanda Das, Shri Lalit Narayan Mishra, Shri A. Ibrahim, Shri Ram Dhani Das, Shri M. K. Shivananjappa, Shri C. R. Iyyunni, Shri Bheekha Bhai, Shri Piare Lal Kureel Talib, Choudhary Raghbir Singh, Shri Bulaqi Ram Varma, Dr. M. V. Gangadhara Siva, Shri Hira Vallabh Tripathi, Shri U. R. Bogawat, Shri Gulabshankar Amritlal Dholakia, Shri S. C. Deb, Shri M. Muthukrishnan, Shri Balwant Sinha Mehta, Shri I. Eacharan, Shri Sohan Lal Dhusiya, Shri N. C. Govindaswami Kachiroyar, Dr. Natabar Pandey, Shri R. Velayudhan, Shri Y. Gadilingana Gowd, Shri Nettur R. Damodaran, Shri P. T. Punnoose, Shri Mangalagiri

Nanadas, Shri Sivamurthi Swami, Shri M. R. Krishna, Shri D. P. Karmarkar, and the Mover, with instructions to report by the last day of the first week of the next Session."

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Sir, the amending Bill was introduced in 1952 and considerable amount of water has flown down the bridge since then. The purpose of the Bill is comparatively simple. The intention is to make the Board somewhat more effective than what it is today. The history of this Board, I would briefly mention, is that during the years preceding the World War, because rubber industry in the East faced a problem of over-production, there was International Rubber Regulation Control and with the Japanese occupation of South-East Asia, the main source of rubber supply was cut off and rubber became a scarce commodity. India and Ceylon were the main suppliers in the East. With the object of encouraging increased production of rubber by all possible means, the Central Government after consulting the interested State Governments passed the Indian Rubber Control and Production Order 1942. A parallel legislation was also passed in the States of Travancore-Cochin and Mysore. Under this Order, the Indian Rubber Production Board was constituted. All available supplies of raw rubber had to be sold exclusively to Central Government or parties nominated by them at prices fixed by Government from time to time. The monopoly purchase of raw rubber by Government terminated on 30th April 1946 and the Indian Rubber Control and Production Order lapsed on 30th September 1946. The Board constituted under this Order ceased to exist six months later. The Government of India, however, convened a conference of the rubber producing interests in December 1945 to examine the necessity of creating or setting up an organisation to look after the interests of rubber producing industry.

In accordance with the recommendations of this conference, the Central Government passed the Rubber (Production and Marketing) Act of 1947 under which the present Rubber Board came into being. Its duties were to undertake scientific and technical research, give technical assistance to the growers, improve marketing of indigenous rubber, collection of statistics and to advise Central Government on all matters relating to rubber. The Act provided for the fixation of price of indigenous rubber. Since 1947 the price of rubber has been statutorily fixed and the price was revised later. For a number of years—about four years—the price remained stationary. In 1951 it was revised and then again in 1952. I would like to tell the House that the fixation of the price of rubber in those days, the initial days, did not operate very much in favour of the rubber producer. It happened that at that period, that is after 1947, the world price of rubber has been shooting up. The Indian producer had to supply rubber at 13 annas a pound. I remember, as a non-official Member, I had occasion to protest against this low price of rubber to the Indian producer. When the price in Singapore was 4 s. 8½ d., the Indian producer was getting 13 annas. Subsequently, the matter was referred to the Tariff Commission and the price was raised. Again, in 1952, we felt that the increase in price is not adequate enough and on further examination the price was fixed at Rs. 1-6-0. The ruling price of rubber today is Rs. 138 per 100 pounds. Simultaneously with our raising of the price of rubber, the world price of rubber dropped. The price of rubber in Singapore touched the low figure of 16 d. though it has risen now to about 19½ d. When our people were supposed to be getting Rs. 138, the price in Singapore was Rs. 86 or 87. In the mean time, Ceylon, which is another big producer of rubber had made arrangements for the sale of rubber to China at about Rs. 155. They were able to pay their producers anything between Rs. 120 to 130. I think the price there has

[Shri T. T. Krishnamachari]

come down a little. In regard to the production of rubber, we have not been more or less self-sufficient, for a long time. Imports of rubber had to be made in order to meet the industrial requirements. I think in 1950, the imports were somewhere about 6,000 tons. In 1952, the imports came down to 3,000 and odd tons. Our production of rubber has been steadily going up from year to year. In 1953, the production of rubber was 21,136 tons. The consumption of rubber which reached the peak in 1951 with 22,400 tons, came down in 1952 and again went up very nearly to the 1951 figure. I think our consumption last year was somewhere about 22,200 and odd tons, that is, over 1,000 tons more than our production. The present position is this. The outlook for rubber consumption is fairly good. During the last four months, the consumption by the tyre industry has been on the high side. It looks that in spite of all the impediments that there are today for the development of the motor industry, tyre consumption has gone up and with the most conservative estimate that I am making today, our consumption of rubber during the current year would be in the region of 25,000 tons. Unless production increases beyond the 21,136 tons, we probably have to import some rubber, which would certainly be welcomed by the industrial interests, because, even at the present prices, they can get cheaper rubber from Malaya. I am merely mentioning all these facts to indicate

Shri A. M. Thomas (Ernakulam):
The hon. Minister Shri Karmarkar mentioned in answer to a question that we have attained more or less self-sufficiency in rubber.

Shri T. T. Krishnamachari: Actually, the position is this. The word "self-sufficiency" is one which I would not like to use because what is self-sufficient today is not self-sufficient tomorrow. Self-sufficiency is a term which ties up two figures about which we do not know anything. I would rather use the world self-reliance,

that is, reliance very largely on what you produce for your own needs, rather than self-sufficiency. There is no particular magic about it. What my hon. colleague must have intended is that we are more or less breaking even. After all, when you think in terms of 22,000 tons, between 22,200 tons and 21,100 tons the difference is about 1,100 tons, and the fractional short-fall is about four and odd per cent. So I personally would like not to use the word "self-sufficient", but, instead, I would use the word "self-reliant".

I am merely mentioning all this just to show that with all the sins of commission and omission of which we are sometimes guilty—I do not say the Government is perfect—we, during the last 1½ years, have served the rubber interests well. We have been able, by means of a closed market, to provide our rubber growers a better price than the world price. We have been able to keep imports under control. In 1953 we imported only 246 tons of certain special rubber. We have been able to keep industrial interests under control and imports under control. I do recognise, and I think my friends from the West Coast would tell me, that though we have fixed the price of Rs. 1-6-0, all the growers do not get it. That is so. I realise it. It is the middle man, the man with money, the man with an organisation, who goes and collects it from the small growers and keeps stock, from whom these industrial interests purchase, it is he who gets the price. They get higher prices. They may not always get Rs. 1-6-0. They get sometimes Rs. 1-6-0 when the stock is short; otherwise they get probably Rs. 1-5-0. But the grower has probably to sell, according to exigencies, maybe for Rs. 1-2-0 or Rs. 1-3-0, but, nonetheless, I must very humbly submit that compared to the previous years, we have served the rubber growers well.

But, I am not satisfied with it. I am not satisfied with the present condition of production in the smaller estates. The evaluation of the production of rubber made in 1951 has

shown that there are estates which produce as much as 1,200 lbs. of rubber per acre as against estates which produce only 200 lbs. per acre, and we, in trying to fix the price, have taken the minimum as about 400 lbs. per acre. That shows that those estates which are really efficient, which produce 1,200 lbs. are making colossal profits when we fix the price on the basis of 400 lbs. per acre. We would like as much as possible that the small man who has got an acre to be able to produce 1,200 lbs. and if he produces 1,200 lbs. and he is able to get Rs. 1-6-0 a lb. it is a substantial income to a man with one acre, because a man with one acre has half an acre of coconuts and areca and pepper and things of that sort. The economy of Travancore-Cochin is such that if it is so arranged that on rubber he can get a substantial amount and his rubber produced is the quantity that is needed, that is normal, then there is prosperity in that area. All that I am thinking of is that with the help of friends here.

Shri Punnoose (Alleppey): Is this 400 lbs. per acre or per plot?

Shri T. T. Krishnamachari: The data before me is a report which speak in terms of acres, so much per acre. Maybe that the hon. Member knows more about it than I do, but that is the data before me.

Our trouble is this. Though we constituted this Rubber Board—we have a Rubber Production Commissioner who is a technical man—we have not been able to do very much for the small man, both in regard to making him produce more rubber and also seeing, as I said, that he gets as near as possible the price that we have fixed. One is the organisational side, the other is the technical side. We are collecting half a rupee per hundred lbs. for purposes of expenses of the Rubber Board. Some portion of it is supposed to go for research. We have a little over Rs. 2,13,000 in the Research Fund. We have not set up a Research Institute yet. All this really means that a lot can be done for these people which we have not

done. I cannot altogether absolve myself of the responsibility for this inaction, but I do plead that the instrument that I have at my disposal is not quite enough. I say this in no sense of detracting from the good work done by the Rubber Board people. I would like to refer here to some remarks that hon. friends opposite have made in the past about some kind of quarrel or difference of opinion between the Rubber Board and myself. I would like to tell them that unfortunately I am a blunt man. I am not really a courtier and I often say things which are better not said. But our whole intention is to get something done. It is a question of expressing dissatisfaction at the existing state of affairs. That is where I have expressed my displeasure with the Board. But it is not right that I should have done so, I agree, because the Board has served to the extent of the limitations under which they operate—and the limitations are considerable.

As I said, the Rubber Production Commissioner is not an executive man. He is a very good man technically, and is the best man we could possibly get. His technical ability nobody questions, but it is the organisational side of it, that is questioned. He is the head of the organisation, but he cannot do anything about it. So, We have to send somebody from here in the nature of an office superintendent, and the man's efficiency varies. He is a very good office superintendent, who is good in giving you information. But he cannot actually go into the field. I have been trying during the last year to see that the Rubber Board does help the small man to market his goods better, but the Board has pleaded inability, and has said, there is no organisation.

We had been good enough to have as the Chairman of the first Rubber Board for a long time, a person with unique experience in the rubber business. Mr. Kurian John has done a lot of good for the Rubber Board, but like me, he is a very blunt man who

[Shri T. T. Krishnamachari]

believes that he is right. Naturally, when two people like that come together, we have a difference of opinion, and we have a clash. But I do recognise that more than any other person, Mr. Kurian John has done a lot of good to the Rubber Board. But it is not possible for any non-official who has got his own business interests, to devote all his time. The present Chairman happens to be a colleague of ours, a person whose knowledge of rubber estates is unique; he has put that knowledge to very good use. He has organised his estates and made rubber an attractive industrial scrip. But Mr. Thomas has got so much difficult work to do; unfortunately for the last six or seven months, he has not been very well. I think he is doing his very best to fulfil his functions as chairman of the Rubber Board. But the trouble is that he has himself told me, it is best for you to have a full-time chairman. So, the organisational side is very important. It is only when we have a full-time chairman, who will look after the organisational side, a reasonably high-powered man, that we can have the Rubber Production Commissioner devote himself to the question of research. The funds that we are providing by means of our half a rupee contribution is not enough. It has got to be something more.

Any cursory examination of these estates reveals that the European-owned estates produce better results than the Indian-owned estates, really because, much as we may say against the European as being an exploiter, he exploits also the rubber tree to the maximum. He makes the rubber tree yield maximum. When an European owner or inspector or supervisor goes and sees a particular tree is not good, he has no hesitation in cutting it down. But an Indian looks at the tree in the same way as he looks at a cow. The non-yielding cow eats away the food of the yielding cow, and we have to keep it going, merely because we feel we are attached to the cow. Similarly, for an Indian

owner, who is a small owner, every tree has an attraction. He is fond of it. You cannot go and ask him to go and pull it out. But unless he pulls it out, not merely is its yield low, but it also affects the yield of the other trees. This is an impersonal angle, which an European inspector or manager exercises about his tree, which our people are not able to do. And that is why we are not efficient.

The other thing is that these big European estates are composite estates. I know of one particular estate, which used to be called the Yendayar estate, where the owner was so clever that a slump in the price of one commodity did not matter, because the other commodity kept him going. He had five hundred acres of rubber, five hundred acres of tea, and five hundred acres of spices estates. So, the profit in the one equalised the loss in the other, so much so that the estate has always prospered, when it is a big estate. But these small people with small estates, who solely depend on tea or rubber only are not able to spend any money. It is my intention that we should stimulate the expenditure by ourselves spending a little more money by some kind of a rehabilitation allowance, so far as these small estates are concerned. We need a little more money for that purpose. The suggestion made in this measure is to enable Government to levy a higher rate of cess. The cess would not operate on the income to the producer. It will be added on to whatever price is fixed, and the industrialists will pay it.

It might go into the cost of our tyres to some extent, but nevertheless, it is worthwhile having an industry which provides the raw materials for our tyre industry, even though we pay a higher price. Our dependence on world fluctuations might be to our advantage today, but it won't be tomorrow. Rubber has proved demonstrably that dependence on foreign

sources for raw materials though it might be advantageous for the time being—when we can get rubber at 19d. a lb. we were paying 4sh. 8½d. for the short-fall, in our needs some time back and when the Indian production was at 13 annas a lb.—in the long run it would not be so. So the question of development of our rubber industry is imperative. As I said, even as I visualise the present, the consumption will be about 25,000 tons. I am not sure if our production is going to be very much more than 22,000 tons. About this time last year, our over-all stock position was about 9,500 tons. Sometime back—the latest figures I have seen are really about a month old—we were just about the 6,000 ton limit. And today the industrialists who want rubber tell me that the total available quantity, according to the peak figures with the estates and the dealers, is about 2,000 tons. But really they are not able to procure more than 50-lot tons anywhere, because it is spread over. Today we are really getting very dangerously to the position of having low rubber stocks and perhaps we will have to import some. But I can assure the House that any importation will be very careful; we will not import such a quantity as will affect the interests of the rubber producers in the future. But that brings home to us the fact that it is imperative that we develop the acreage under rubber, the production of rubber, to make the estates more efficient so that we can look forward to a production which will keep pace and would be *pari passu* with our consumption needs. I do not think that I am being unduly optimistic when I feel that our consumption of rubber will considerably increase. With our having gone to the bottom of our consumption of tyres and purchase of motor vehicles, we have to rise in future and have more motor vehicles on the road. The transport problem is none too good. So it is quite possible that within the next five or six or seven years, our consumption might rise in stages of two, three or four thousand

tons per year, and we have really to look forward to a time when we need about 40,000 tons of rubber. The existing acreage might produce it to some extent, by adequate replanting and by making the trees yield a little more; but it might be necessary for us even to extend the acreage, even for purposes of meeting our own needs.

So having all these in view, I feel that the Board will have to be reconstituted. The Board will have to be provided some more funds. It should have an effective organisation at its disposal which will work for the benefit of the rubber grower and make him produce a little more. Broadly the scheme is for a reconstitution of the Board, with provision for appointing a Chairman, which means you can appoint a paid Chairman. Then there is the question of raising the cess up to a maximum limit of Rs. 6, which we do not need to use all at once. We propose to raise this cess only as and when we have to provide the necessary amount for expenses. If we cannot use more than Re. 1 now, let us stop at that, and as our needs grow, when we think that the money will be spent usefully for the benefit of the industry, we propose to raise the cess.

These are broadly the problems which I would like the Select Committee to consider. I would like to say this that the whole idea is to serve the rubber interests and if in any way by amending the Act, we cannot serve them, I am quite prepared to consider changing it where necessary. But the purpose is not to quarrel with the interests or to dominate the interests or to stifle them, or to see that they do not produce more. The whole purpose is to make them produce more, to help them and to help as far as possible the smaller man. I know that my hon. friends coming from the west coast are very deeply interested; I know something about the economy of the west coast myself and therefore, I am also very deeply interested, because rubber,

[Shri T. T. Krishnamachari]

along with some other commodities, plays a very important part in the economic life of the average man in the west coast; it is not always the rich man. Sir, the question may be asked: 'why have you appointed a Committee on plantations?' Plantation enquiry Committee is intended mainly for tea. Actually, the present situation in tea industry does not even warrant an inquiry, because the tea position is very good. But it cannot stay good for all time. There is no point in our exploring difficulties and trying to remove them only in times of distress. We have got to do it in times of prosperity.

12 Noon

Reference was made by an hon. Member to foreign ownership. Foreign ownership has one or two facets which are good, but it has got a lot of facets which are not quite so good. One of the things we have to go into is, if foreign ownership changes, how are we to be prepared to take up the responsibility? I would maintain even today that much as I dislike the foreigner, I much dislike the propaganda which many of them oftentimes have started against us. But I must agree that so far as the estates are concerned, the foreigner is very efficient. It is a question of our emulating him and becoming efficient ourselves. It does happen that in the case of a tea or rubber estate, you get an Indian assistant appointed. Well, the European assistant is perhaps hardy. He goes out during the rains, putting on his hat and overcoat, when the labourers are working with their umbrellas. But the Indian assistant generally considers himself big and says, 'I cannot stand in the rain all the time.' We must get over that particular difficulty. If our young people want to be supervisors, they must be prepared to share the risk, the trouble and all the inconvenience of the people who work on the spot. So, these difficulties are there. It is my belief that the Plantation Enquiry Committee would be able to

tell us how best to get over all these difficulties. In larger issues, the Plantation Enquiry Committee would be consulted. Though it is going to consider tea, coffee and rubber, it cannot help us in regard to the organisational side of it which has to be remedied, and which we want to develop. I do not think that it is worthwhile to put off this question, of reorganizing the Board and putting a little more funds at their disposal and making the executive organization a little more effective. I had already intended to get this done. It is more than a year and a half since that time. There is no point in my waiting for the Plantation Enquiry Committee to report at the end of the year. After that, another six or eight months might be taken to process the report. In the meantime, we will probably have to import a lot of rubber for our needs. I would, therefore, submit to the House that the matter is urgent. I am proposing a Select Committee because this is a matter which has to be considered from the various points of view;—the hon. Members opposite, the Members coming from Travancore-Cochin—all have to consider it. I am prepared to leave the matter entirely to the Select Committee to shape the Bill as they want in consonance with the wishes of Members representing the area, but primarily with a view to improve the situation and providing for us more rubber and a little more money for the man who produces it. Sir, I move.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Rubber (Production and Marketing) Act, 1947, be referred to a Select Committee consisting of Shri A. M. Thomas, Shri Amarnath Vidyalankar, Shri Ramananda Das, Shri Lalit Narayan Mishra, Shri A. Ibrahim, Shri Ram Dhani Das, Shri M. K. Shivananjappa, Shri C. R. Iyyunni, Shri Bheekha Bhai, Shri Piare Lal Kureel Talib, Choudhary Raghbir Singh, Shri Bulaqi Ram

Varma, Dr. M. V. Gangadhara Shiva, Shri Hira Vallabh Tripathi, Shri U. R. Bogawat, Shri Gulabshankar Amritlal Dholakia, Shri S. C. Deb, Shri M. Muthukrishnan, Shri Balwant Sinha Mehta, Shri I. Eacharan, Shri Sohan Lal Dhusiya, Shri N. C. Govindaswami Kachuroyar, Dr. Natabar Pandey, Shri R. Velayudhan, Shri Y. Gadilingana Gowd, Shri Nettur P. Damodaran, Shri P. T. Punnoose, Shri Mangalagiri Nanadas, Shri Sivamurthi Swami, Shri M. R. Krishna, Shri D. P. Karmarkar, and the Mover, with instructions to report by the last day of the first week of the next Session."

Shri N. Sreekantan Nair (Quilon *cum* Mavelikkara): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th April, 1955."

When I move this amendment, I have before me weighty reasons to show that it is necessary to elicit opinion on it. I concede that the Bill has already been delayed. When I say that the Bill may be put off for another year, I have weighty reasons to support my contention. I am prepared to admit that Act XXIV of 1947 may have many defects. But we have to go into the question as to how far it is defective and how they are to be rectified. I am sorry to say that the Bill in its present form is not intended to rectify the defects so much as to make some personal considerations and the importance of the Ministry reflected in the provisions of the Bill. The authoritative powers of the Ministry are more concentrated. That is my complaint with regard to this Bill. But my motion to send the Bill for eliciting public opinion is primarily based on what the Minister has already pointed out, namely, that a Committee of Inquiry has already been appointed to go into all the aspects of the plantation industry and submit their recommendations. That Committee is functioning. I find no reason why this matter cannot be put off for a year so that a comprehensive

legislation can be effected on the basis of the recommendations of the Committee. The Committee has been appointed with Shri P. Madhava Menon, I.C.S., O.S.D., in the Ministry of Commerce and Industry as its Chairman, and Shri K. G. Sivaswami and Prof. N. P. Mathur as members. The terms of reference are very exhaustive as can be seen from this order dated 17th April, 1954. They are ascertaining separately the amount of capital, Indian and non-Indian, examining the methods of production and costs of production, examining the present methods of financing, examining the present methods of marketing with special reference to factors which affect the prices paid by the consumers, examining the possibility of further expansion and development and such other allied matters.

The third part of the order is about the directions to the Committee. The Committee shall also make recommendations to the Government on measures to be adopted (1) to secure fair prices to the producer (2) to enable the provision of necessary finances to the plantations, (3) to ensure suitable marketing arrangements and (4) to develop and expand the plantations industry.

The fourth part deals with the direction to the Committee that the report should be submitted within a year. The whole enquiry is a very comprehensive enquiry. It was said that an Expert Enquiry Committee will go into the matter. I do not think that the present constitution of the committee would be tantamount to an expert committee. Anyhow, it is good for whatever it is worth and the terms of reference are so exhaustive and broad that it would satisfy even the critics of the Ministry and the critics of the Minister.

But, why is this legislation rushed through? I fear that it is rushed through with certain motives. The Statement of Objects and Reasons states:

"In order to ensure proper co-ordination between the Board and

[Shri N. Sreekantan Nair]

the Central Government, it has become necessary to effect a change in the method of representation of the interests concerned by vesting more powers in the Government in regard to nomination of members of the Rubber Board."

Two things are very patent from this. The first is that there has been no co-ordination between the Board and the Central Government, as has been slightly hinted at. There have been certain unfortunate developments in the past which had their reactions in this House also in the charges and counter-charges that were expressed by different parties. But, apart from this, the attitude of the Government now is to get more powers in their hands to control the industry; not only to control the industry but to control the activities of the Board itself. Almost all the suggested amendments are intended to take away what little power the Board has. If the Government were anxious only to use legitimate powers, I think the existing Act provides sufficient rights and privileges and authority for the Government.

I would request you to go through sections 11, 12, 13, 22, 23, 24 and 26 of the existing Act. Section 11 is the power to prohibit or control imports and exports of rubber. Section 12 is imposition of rubber cess. Section 13 is the power to fix maximum and minimum prices for sale of rubber. All these are powers given to the Central Government by the original Act. Then, section 22 is control by the Central Government. Section 23 deals with appeals and section 24 with accounts of the Board. Section 25 deals with the power of the Central Government to make rules, and section 27 with procedure for prosecutions. All these give sufficient powers to the Central Government to control the Board and the industry even as it is. But there is one aspect that has been brought out. The Government

wants to give a better deal to the small planter. So, with that purpose they are going to increase production. I do not know what is the co-relationship between increasing production and getting a better deal for the small planter and I also do not understand how it is going to affect fundamentally the production figures in the plantation industry. Anyhow, if it is for experimentation and such other items the Minister himself says that he is not confident that he is going to levy at the maximum rate of one anna. It is a matter which can also be put off for a year or so until the suggestions of the enquiry commission are before the Government or before the House. What is most pertinent and important is that even now section 12 gives the right of increasing the cess, subject only to one condition, namely, that the Board realises the interests of the industry. I do not think that the present constitution of the Board is such as to deny or refute the necessity of increasing the cess for development purposes. Of course, the hon. Minister testifies to their veracity and the interest that they have taken in the matter. Here also, the question of rushing through the amendments does not come in. Wherein does the canker lie? That is a very important question. You know that we recently amended the Tea Board Act, and we have brought forth a new Tea Act—the Tea Act of 1953. It shows certain signs of the psychological changes taking place in the mind of the Minister, and those changes, I think, do not portend something good to the democratic traditions in the country. Some of the clauses incorporated in the Rubber Bill as also in the forthcoming Coffee Bill, I fear, are foreshadows of a *chota* Hitler or Mussolini in action. The Minister wants all the powers; he wants the power to appoint the members of the Board. He wants the Chairman of the Board to be an appointed bureaucrat, who naturally will be one of his favourites. He wants a Vice-Chairman to be

another bureaucrat. Of course, there is the Controller who is appointed by him and all the other members are appointed according to his wishes. There is a most cantankerous aspect in the amendment of section 25 (clause 13 of the Bill). It says:

“For sub-section (2) of section 25 of the principal Act, the following sub-section shall be substituted, namely:—

(2) In particular, and without prejudice to the generality of the foregoing power.....

(i) the term of office of members of the Board, the circumstances in which and the authority by which members may be removed and the filling of casual vacancies in the Board.”

All these things are to be fixed by the Government, so that the Government is taking more powers into their hands. I may give my experience of the Tea Board. Travancore-Cochin is a very important tea-growing area. I find that not even a single representative of the employers of Travancore-Cochin is on the Board. We have only one representative of the workers—an INTUC man. The new constitution of the Board is such that there is no adequate representation of the various interests concerned. Why was the representation taken away? The whole thing converges to the unfortunate incident referred to already. There was a quarrel between the Rubber Board and the hon. Minister, and I find from that time be taken everything pertaining to Travancore-Cochin as something of an anathema to his mind and starts tilting against his windmill. That is what really happened in the Tea Act. That is what is happening in the Rubber Bill and that is what is going to happen in the Coffee Bill. If this Bill is allowed to be sent to the Select Committee as it is, it will be injurious to the interest of this House as well as to the interests of the industry. I say that before enacting

such a measure, the report of the exhaustive and comprehensive enquiry of the commission should be gone through. If the hon. Minister could have put this Bill off for one year and a half, why cannot he put it off for another one year?

Let me bring to the notice of the House some of the important changes which he wants to incorporate.

In clause 7, in section 6 of the principal Act, in sub-section (2) the words “in consultation with the Board” are to be omitted. The purpose of the amendment is very clear.

Then again, in clause 10, in sub-section (1) of section 11 of the principal Act the words “after consulting the Board” are to be omitted.

What is the purpose of the Board, I do not understand.

Then in clause 11, in sub-section (1) of section 12 of the principal Act, for the words “at such rate as the Central Government may, on the recommendation of the Board” the words “at such rate not exceeding one anna per pound of rubber so produced as the Central Government may” are to be substituted.

The Board has vanished into thin air; by a jugglery of words the Board has no existence at all.

Another reason suggested in the Statement of Objects and Reasons is that the Rubber Price Advisory Committee is unnecessary, because the Tariff Commission is now recommending fixation of prices. If the Advisory Committee is only advisory in its functions, I do not understand why there should be any objection to its functioning. Nor do I see how the functions of the two bodies clash. As a matter of fact, even the partisan opinion,—let it be of the interested parties, like the producers and manufacturers, should at least serve as a basis for the Tariff Commission to arrive at a fair price.

[Shri N. Sreekantan Nair]

Paragraph 4 of the Statement of Objects and Reasons says:

"The Bill gives effect to these proposals and incidentally opportunity has also been taken—

(a) to substitute a new section for section 2 of the principal Act in order to bring its language in conformity with the language of Entry 52 of List I in the Seventh Schedule to the Constitution;"

So, this is an incidental matter, not germane to the subject and can also be put off. Hence, there is no reason why the amending Bill should come into law, unless it is that the Minister wants things to be done as he wishes.

Here again, I may bring to the notice of the House that working of the Tea Board, in the constitution of which the Government have taken wide powers, things are not quite laudable from the point of view of the interest of the people, of the industrialists or of the workers. If my information is right, there is a tea house scandal in Geneva which cost the Government Rs. 3½ lakhs. Then, again there has been our representation at the Havana Conference and also at the Latin American Conference. Our representatives at these two Conferences, if my information is correct,—I am subject to correction—are the sons of a particular gentleman who has been nominated on the Tea Board. So, the family gets three representations, and that gentleman has no connection either with production or with manufacture. He is only an agent and an agent and his family get three representations, two in important international conferences and one in the Tea Board. If this is going to be the attitude of the Minister it is very difficult for the Board to function and produce those results which the Minister himself wants.

Then, again, I have been told that there is a Publicity Officer. There is a publicity officer attached to the Tea Board on a very huge salary and he had never had anything to do with publicity.

Such powers taken in the hands of the Government lead to nepotism and cannot help the country. Rubber industry concerns my State much more and the whole trouble originated with the previous Rubber Board. Mr. Kurian John was a blunt man but it was reported he had a lot of experience. The trouble started there. Why did it start there? It was because somebody from the lower rank—a stenographer or someone like that—had been sent there as Secretary and he was not accepted as Secretary to the Board. It is an important job and a certain dignity is attached to it. The dignity of the Board is something more important than the whims of a Minister. I only point out these things and bring these matters to the notice of the Ministry so that this attitude might change. Every Board must function for the good of the industry and not for the enhancement of the power of this Minister or that Minister nor for appointing this or that friend or relative. The democratic nature of the Board is substituted by totalitarian methods and this is resented much. This should be set right.

With these words, I request that the Bill be circulated for the purpose of eliciting opinion thereon.

Mr. Chairman: Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th April 1955."

Shri Damodara Menon (Kozhikode): Sir, I am glad that the hon. Minister in his speech said that when this Bill goes to the Select Committee, it may make such alterations as it deems necessary and that he is open to conviction and further corrections if

necessary. That is a welcome statement.

The hon. Minister said that he is a blunt person and because of his bluntness, he complained, he is sometimes misunderstood. I may say that apart from being a blunt person, he also acts occasionally with certain amount of sarcasm. That perhaps may be the reason why he is sometimes misunderstood. In regard to this Bill, he will excuse me if I am also equally blunt or try to be blunt. I wholeheartedly agree with the previous speaker that this Bill gives the impression that the hon. Minister of Commerce and Industry is now developing a tendency to be an autocrat. He wants to concentrate in his hands all powers that he possibly can acquire. Unfortunately people coming from the West coast are the worst sufferers of this craze for more power on the part of the Commerce and Industry Minister. It is this tendency on his part which is seen in its worst aspects in this Bill dealing with the plantation products. As he himself has said, we on the West coast depend mostly on this plantation industry for our prosperity and economic life itself. Therefore, if the hon. Minister takes all powers into his own hands and he refuses also to give a certain amount of democratic control in the constitution of the Board, it adversely affects our interests very much. That is why I said that we are the persons who are now being victimised by this craze on the part of the hon. Minister for concentrating more powers in his own hands.

Now, Sir, I heard with great interest his account of this industry. Rubber is a strategic material and we are not producing enough now for our own needs. There is great room for expansion and the country's economy requires it. As you know, rubber cannot be grown in all places. Certain climatic conditions are necessary and our coast generally has that climatic condition which favours rubber production. The hon. Minister, I am sure, is very anxious to see that this industry is developed properly. When he was not occupying one of

the seats of the treasury benches, I know how he fought for the rubber producers. When, as he himself has stated, the price of rubber went down very much, when in the foreign market 100 pounds of rubber was quoted at Rs. 450 or so, whereas the local price as fixed by the Government was only Rs. 90/8/- per 100 pounds, it was he who fought really on the floor of the House to see that the producer got his due share. It was due to his efforts also that we could get the price enhanced to the present rate. Therefore, I am quite sure that he is very keen on protecting the interests of the producers and seeing that this industry develops along proper lines. But, as all very able men are apt to think that every power must be in their own hands, so also, he thinks that if the Government gets all powers, if the Board is entirely under his own control and if the Government could manage things in its own way, it would be possible for him to see that the industry develops along proper lines. That, Sir, is a wrong approach especially in a democratic set up. Mr. T. T. Krishnamachari is not going to be the Commerce and Industry Minister for ever. It may be that a person who is not so sympathetic about the interests of the rubber grower may some day, come to occupy his place and then that Minister may exercise all the powers that we are now vesting in the Minister in a manner which may be very prejudicial to our own interests. Therefore, I want him to appreciate our fears in this matter; it is not personal at all.

Mr. Sreekantan Nair was just now pointing out about the constitution of the Tea Board. I was also surprised to find that the newly constituted Tea Board no representative from Travancore-Cochin State has been included. Nearly 50 per cent of the tea produced in South India is from Travancore-Cochin, and when the Minister nominated four representatives to the Board from South India, it was a matter of surprise to me, how he failed to include at least one person who understands the tea industry in

[Shri Damodara Menon]

Travancore-Cochin, in that Board. All these things make it clear to us that it is not often right to depend upon the sole discretion of a Minister, however well-intentioned he may be, in a matter which affects the industry as a whole and also the livelihood of several thousands of people living upon our coast.

Sir, the hon. Minister in his speech did not specify why he thought it necessary to amend this Act at all in the manner he wanted. Of course, certain cesses are to be enhanced a little more so that there may be more money to be spent on development purposes. That is all very good. But, why does he want to have all these members nominated by Government? What is the objection to retain the present constitution of the Board? Why should we not have an elected President and an elected Vice-President? Why not, as has been pointed out, consult the Board at least in the matter of fixing prices and in the matter of import and export? Why is this Board constituted at all if it cannot advise the Government on a matter so important for the development of the industry? If, as everyone knows, we want to see that the producer here gets a fair price, then the import policy, the export policy and the price control policy of the Government have certainly a great deal to do with the problem of getting a fair price for the producer. If this Board has no power at all even to recommend to the Government what the price should be, that seems to be preposterous to me. Even according to the parent Act which is being amended now, Government have all powers to amend, vary or even to reject the recommendations made by the Board, in regard to price of rubber, in regard to import or export, etc. It is not necessary at all for the Government to accept the recommendation. Even this recommendatory power, the power of consultation is being taken away from the Board. I think the hon. Minister will appreciate me when I say that this is going

too far. In that case, why constitute this Board at all? He can run it as a branch of the Government. You can have the same bureaucratic machinery as you have here in the Government. There are many experts. You can appoint more men. Let there be a branch or wing of the Commerce Ministry which would look after the interests of the plantation industry also. Let us not have this farce of a Board. If you are really having a Board, introduce in the constitution of the Board a certain element of democracy. I won't go to the extent of saying that all the representatives of the producers must be elected by them or that you must name the most important producers or companies or their organisations. But, is it not possible,— this has been done in the parent Act—to see that the producers get some of their representatives and not representatives suggested or nominated by the Government or by the Minister? As has been suggested by my friend, the workers also must be represented. Of course, in these days, workers' interests are very often forgotten. In nominating the representative of the workers, the right of the producing area or the surrounding places to be represented by their own representative may often be forgotten. Therefore, it is necessary that in giving representation to the workers, Government should consult their organisations and local organisations also. I do not want to enter into this moot question of elimination of foreign interests in this plantation industry as that is a question on which we can argue for a long time. If it is possible we should see that the foreign interest is eliminated as early as possible. The nation will stand to gain a lot. It cannot now be pleaded that for the plantation industry, we do require foreign experts or foreign skill to the extent we could say with reference to the other industrial undertakings. The hon. Minister said that the European managed plantations produce more. That is true. But, that is because they are able to have large plantations under their control. The plantations held by

Indians are small and as the hon. Minister said, some of them are very small. He is out to protect the interests of the small producer. I am very glad that he is doing so. I hope every one from the West coast will be happy to see that the interests of the small producer are protected. At the same time, in the interests of the small producer himself, it would be good if Government could undertake a policy of eliminating foreign interests from the plantation industry as early as possible. I am sure that the hon. Minister himself is not opposed to that proposition as he stated now. Only the pace at which this nationalisation or elimination can take place is a matter on which he has some doubt.

I do not want to say more on this subject. Only I wish that the hon. Minister should reconsider his decision in regard to the remodelling of the Board and its constitution. I want to see as far as possible, that the President and the Chairman are elected and that the present complex of the Board itself is maintained, so that there is some element of democracy. I want also that the hon. Minister should not attempt to concentrate all these powers in his own hands, and the Board, once constituted, must have at least the powers which the original Act conferred upon it. Let us not seek to minimise it, because I see a very dangerous trend in this. In the Tea Board also the same thing was done. The next Bill which the hon. Minister wants to introduce here is also on the same pattern as we find here. That also shows there must be a different outlook on the part of the Minister in this matter. As he himself pointed out, we are very much dependent on him certainly for our economic life and our prosperity, and when we put forward these suggestions, I hope he will take them in the proper spirit and see that our economic life is not shattered by any act of his especially where the plantation industry is concerned.

Shri M. S. Gurupadaswamy (Mysore) rose—

Mr. Chairman: The hon. Member is not on the Select Committee?

Shri M. S. Gurupadaswamy: No, Sir.

Mr. Chairman: Yes. Mr. Gurupadaswamy.

Shri M. S. Gurupadaswamy: I do not propose to take a very long time. I wish to submit a few facts for the consideration of the House.

Rubber is a very important strategic material and we are, all of us, naturally concerned with its development. Unfortunately, the policy of Government is not uniform and consistent and is not good enough to encourage the development of this product.

When I went through the Bill one idea immediately struck me. That is this. The hon. Minister for Industry and Commerce wants to transform this Rubber Board into a rubber-stamp board.

Shri Nambiar (Mayuram): That should be its title.

Shri M. S. Gurupadaswamy: I think this measure can be better called The Rubberstamp Board Act.

My hon. friend Mr. Damodara Menon just now said that it is improper that the Chairman and the Vice-Chairman and the Commissioner, will hereafter be nominated by Government. The other day the hon. Minister was telling us that after all the Government is a democratic Government and it is responsible to Parliament. So, where is the harm in appointing members to committees, since any day the Government's actions can be discussed in Parliament? This argument has been often repeated. But I want to tell him that not only the structure of the Government the constitution of the Government should be democratic, but also we want the policy and the methods adopted by the Government should be democratic. Here, what the Minister is doing is something not at all democratic. He has been following this uniform policy with regard to all the Boards. Since he came to power the Tea Board, the Coffee Board and various kinds of

[Shri M. S. Gurupadaswamy]

Boards have been reconstituted to have the principle of nomination instead of the democratic principle of election. This is a rather retrograde step. It is not very salutary. Before the Ministers bring forward these amending measures, they should come and tell us what are the drawbacks, inherent drawbacks, in the constitution of the existing Boards.

What is the harm in having an elected Chairman? My hon. friend has told us what has happened in the case of the Tea Board. The Chairman of the Tea Board has been appointed by Government, and various other members also have been appointed by Government. In the present Tea Board, there is not even one single representative from Travancore-Cochin, though that State produces nearly fifty per cent of the tea in our country. Nearly four of the members who have been appointed belong to Madras, the State of the hon. Minister himself, and I think they all belong to Tamil Nad. It is very unfortunate. So, there is good room for criticism that the hon. Minister wants....

Shri T. T. Krishnamachari: I thought I would reserve this to my reply, but may I correct the hon. Member at this stage? I find that in the Tea Board, there is a gentleman called Shri Anantasivam. Though his name was suggested by the U.P.A.S.I. he comes from Travancore-Cochin.

Shri N. Sreekantan Nair: I have not heard of him.

Kumari Annie Mascarene (Trivandrum): A Tamil converted into a Malayali.

Shri M. S. Gurupadaswamy: According to my information, there is no representation given to Travancore-Cochin. Anyway, I am subject to correction.

Shri Pannose: There is a representative imposed.

Shri M. S. Gurupadaswamy: There is one sentence in the Statement of

Objects and Reasons, which I would like to read out. It runs as follows:

"The relationship between the Board and the Central Government will be further strengthened if the Chairman and the Vice-Chairman are appointed by the Central Government instead of being elected from among the members."

This can be understood only in the following way. If the Chairman and Vice-Chairman are appointed by Government, naturally, they will have to agree to whatever is done by Government or whatever is said by the hon. Minister. If they do not accept but oppose it, naturally they will be removed. Moreover, this nomination principle, apart from being undemocratic, provides large scope for patronage and favouritism. I can quote one or two examples to show that in other cases also, this patronage is rampant. The other day, I heard the name of one Mr. Kothari and his family. They have been represented in all committees. They have been thought of as experts in tea. If there is to be a delegation to go abroad, a member of the Kothari family will be chosen. If it is a question of appointing a man on any committee, a member of the Kothari family will be appointed on that committee. This is really bad. Is it for this purpose that the hon. Minister has come to us and asked for our support to this measure? We do not want to give any support just for enlarging the scope for official patronage and favouritism by hon. Ministers.

Shri Nambiar: The Kothari family is all-powerful.

Shri M. S. Gurupadaswamy: The purpose of the Bill is simply this. The hon. Minister wants to have full power to appoint anybody he pleases. So, I say that this measure cannot be supported on any ground.

There is one more point which I want to make. The rubber production in the country has been slowly and steadily increasing since 1947. That is a very salutary factor.

Since 1947, production has increased by 6,000 tons, nearly 29 per cent. Still India's rubber production is nearly about 1 per cent. of the world production. But there is another important factor, that is we are consuming all the rubber produced in the country itself. We are not exporting our raw rubber outside. But Government has not taken any concrete steps to develop rubber production. There are foreign firms, foreign proprietors of rubber estates. And we have been urging all along that as far as possible, we must follow a progressive policy of Indianising our plantations. That the Ministry has failed to do so far. The Ministry is very anxious to appoint people on the Boards, but it is not anxious to develop the industry. The development of the industry is sacrificed, whereas the Ministry is giving attention to other minor matters. To them, they are very very important. It may be so, because they want to appoint their own men, they want to favour their own friends. But these are not relevant or important for the motion. What is important today is that we must follow a very bold policy of encouraging rubber production. The Government has failed miserably in this respect. Though there is a slight increase in production, I must say it is not very satisfactory and production could have been increased still further, if more effective steps had been taken by Government.

Lastly, I say again that we should have the elective principle in all these Boards. That is very necessary. So long we have seen that the nomination principle has been grossly misused by the Minister. He cannot come and defend that the nomination principle has been working properly, because it is known that it has been misused and abused, and this is a most undemocratic and scandalous method. The Minister has not told us and has not given us all the grounds for which he wants nomination. He wants the co-operation of the Board; he wants satisfactory relations between the Board and the Government. Sir, I do not want

this Rubber Board to be reduced to the position of a rubberstamp Board. If you want a really good, genuine Rubber Board, it should be autonomous, and autonomy will be taken away if there is nomination, because nominated people cannot stand against the policy of Government. If the Government policy is wrong, if the Government commits a wrong, they cannot point it out that it is wrong, because they fear that they may be out from the Board. So we must accept the elective principle and in all the Boards hereafter we must see that the elective principle is accepted and all the interests, including those of labour, are properly and adequately represented. If you believe in democracy, you must follow democratic methods. Your policy should be democratic and your thinking also should be democratic. Unfortunately, we have been having people in the Treasury Benches who talk big of democracy but do not really believe in it. They always say that they are responsible to Parliament, but when we, the Members of Parliament, say that there should be the principle of election, they pooh-pooh it and say it is not workable. If the principle of election is not workable in Boards, then it is not workable in the country.

Kumari Annie Mascarene: Yes.

Shri M. S. Gurupadaswamy: So I say that hereafter the entire structure of all the institutions in the land should be democratised. If you believe in democracy, you should accept the principle of election and should do away with this principle of appointment and nomination. Thank you.

Shri K. P. Tripathi (Darrang): I thank you for giving me this chance of participating in this debate. The principle of nomination was adopted by the Minister first when the Tea Board Act was amended. At that time, the question arose in this way. As you know, the Tea Board was backed by representatives of tea-growing interests who are mainly foreign. The intentions of the Tea Board were controlled by foreign elements. They were

[Shri K. P. Tripathi]

managing things in such a way that, to some extent, the affairs were going against the interests of the Indian nation. It was not known how best to interfere and make the Board as well as the International Tea Committee to function as we desired. At that time, the Government of India took a very important decision of walking out of the International Tea Committee, and as you will remember, it created a furor. Then, in the Central Tea Board, a resolution was actually passed contradicting the stand taken by the Government of India. From that incident, we began to feel that the Central Tea Board was not able to function in the interests of India, if it was constituted like that. So, a necessity arose to change it. Now, the Tea Board Act was passed, and in that, the principle of nomination was introduced for the first time. You will remember that in India, plantation industries such as the tea industry and the rubber industry are mainly foreign owned. The coffee industry is mainly Indian owned. The same logic which applied to the tea industry also applies to the rubber industry.

Shri N. Sreekantan Nair: No, it does not.

Shri K. P. Tripathi: It applies in this way; the rubber industry is also mainly foreign owned.

Shri N. Sreekantan Nair: Not to that extent.

Shri K. P. Tripathi: The extent is different. The whole point is, wherever there is a majority of foreign interests, they are so close that they dominate the Board entirely. Why there is such an inferiority complex on the part of our representatives, I do not know, but I am just describing to you the conditions under which we are suffering.

Shri N. Sreekantan Nair: Is the hon. Member aware that till now the Rubber Board has been controlled by Indians, Travancore-Cochin people, all along, beginning with Kurian John.

Shri K. P. Tripathi: You said there was a majority of Indians on the Board. I am not contesting that point. I am merely stating that the leadership which frames the policy was foreign. In the Central Tea Board also, if you count the number of persons, you will find that the number of persons of foreign nationality is less than the number of persons who are of Indian nationality. But there also, the leadership is such that the foreign interests or elements of the Board used to decide what policy should the Board follow. This is the position wherever foreign interests have dominated.

Shri Matthen (Thiruvellah): Not so in the Rubber Board.

Shri K. P. Tripathi: In spite of what my friend, Shri Matthen, might say, I must admit that their domination is perfect whenever they are on the Board. It is from this point of view that the necessity for nomination arose. What the policy of the Government of India is going to be in respect of rubber, I do not know. We want an Act in which it should be laid down as policy of development of rubber in this country. How this power of nomination is going to be handled by the Ministry, I do not know. The way in which the power of nomination was handled in the Tea Board, I am not satisfied with. That is what I want to point out. Take, for instance, the Assam Valley. From the point of view of labour, they have nominated a member of the Hind Mazdoor Sabha. That Sabha has some representation in North Bengal. It would have been more proper to keep the nomination there. But it was not good here. The nomination for the Sabha has been given in the Assam Valley where the Sabha has no following at all. In this way, the power of nomination has not been properly utilized by the Government. If the power of nomination is not properly utilised by the Government, then these difficulties will arise. Therefore, I draw the attention of

the Minister that when you take the power of nomination in your hands, you work on a two-edged sword. You must exercise your discretion in such a way that you are cent per cent correct. If you make mistakes, then it is most dangerous to assume power in a democratic country. In democracy it is easy to assume power but it is difficult to discharge the power. Therefore, I would pointedly draw the attention of the Minister to this aspect.

The second point is this. With regard to all these plantation industries—tea, coffee, rubber, etc.—we must have a national policy. We have had no national policy up till now. It is a mistaken notion that as soon as you pass an Act constituting a Board and nominating certain persons on it, a policy is made. Actually, policy is not made in that way. The position of rubber is very dangerous. In the world market, you will realise that a substitute has been discovered. The Government of the United States floated certain firms or factories which were, during the war, government-owned and these are producing synthetic rubber which is more effective in the sense that it serves more purposes than natural rubber. So, what is going to be the position of the natural rubber *vis-a-vis* the artificial rubber development? There is a tie between the two types of rubber in this world today. The Government of the United States have already disposed of, in the course of last year, all those state-owned factories to private owners, so that these factories in the hands of private industrialists will be more effective in competing with natural rubber in the world market. Last year, in Malaya there were such huge stocks that there were wage-cuts. Not one wage-cut but there were five wage-cuts. You can imagine what amount of suffering it has brought to labour.

So, when you are thinking in terms of this industry, the responsibility is very grave. The Government shall have to think of a policy, a long-term policy for rubber and within that long-term policy it must find a place

for rubber in our national economy and it must be able to discover a cost structure which is very fair to labour. At present the cost structure is absurd. The whole cost structure is so manipulated that the entire thing is meant for the employer. The management has the best choice. The management is well paid and labour is ill-paid. It will be very interesting to note that the rubber worker has to work all the seven days in the week and he has to work for ten months in the year. He cannot work during the other two months because of rain and then he is discharged. He does not get anything. This is very unfortunate. If a man works for ten months in the year and seven days in the week he must have some chance of being paid during the other two months. If he were to get one day every week as leave he would have 52 days in the year. So, this has to be adjusted. What is the authority which will adjust all this? We do not find that from this Bill. There is no special provision in this Bill for representation of labour. There is no special provision for righting the wrongs that are there already. There is no provision for adjusting the cost structure in favour of labour. After all, this cost structure developed when we were dependent. Taking advantage of the Government's powers, the British employers utilised their position for having all the loaves for themselves and nothing for labour. The labour had starvation wages.

The living conditions of labour are most hopeless in rubber plantations. I had a chance of going to some of the rubber plantations in Kerala and I was shocked to find the conditions there. In one area, I found in one house, a house meant for just one family, three families had been housed. Do you know how the position was? Every family used to sleep on the machan placing a box in between to make some sort of partition. But in one room there were four families putting up and there was no room for placing the boxes and they slept together. Here was the promotion of

[Shri K. P. Tripathi]

promiscuous living. All these factories are earning high profits. In one case, I found that the main room had been given to two families, the Kitchen had been given to one family and the small verandah had been given to two families. In the Kitchen the husband and wife were lying on the machan and the father of the wife was sleeping just below the machan. Can there be any morality under these circumstances? It was a disgraceful state of affairs.

Shri N. Sreekantan Nair: Is the hon. Member aware of the fact that conditions of workers in the tea industry are no better?

1 P.M.

Shri K. P. Tripathi: After all, when independence has dawned, things must change. No effort has been made to change these conditions, and until these conditions change, it is a sin to have rubber out of these and permit the employers to have profits. Therefore, it is very necessary to make provisions in the new Acts for the good of rubber workers. After all, in the last few years I have been crying hoarse and requesting my friend, the Minister, to set up an enquiry commission in order to find out the hidden things about the tea industry, the coffee industry and the rubber industry. You will remember that the demand was for a tripartite commission, and the hon. Minister has now come forward with a commission. What kind of commission is it? It is not a tripartite commission. I wrote a letter to the hon. Minister requesting him, asking him and begging him to set up a tripartite commission. He says that he has just come to the conclusion that it should not be a tripartite commission. What a wisdom! If it was possible to find out the inner things of these industries by a non-tripartite commission, then the Rao Committee would have succeeded in finding out the hidden things about tea. They did not succeed and they cannot succeed. The reason is this. When you set up a commission and put on the commission

members who do not know the industry intimately, they cannot properly formulate the questionnaire. Searching questions cannot be put by them and therefore, there is no enquiry worth the name. The questionnaire is framed in the interests of the employers, and when the employers dictate a certain type of questionnaire, the enquiry becomes one which gives relief to the employers and not to the workers. Therefore, we had asked for a searching enquiry and it is not merely from the point of view of labour but it is in the national interest that we asked for this enquiry. If you can find out hidden facts about this industry, it will be to your advantage and to the advantage of the country but I do not know why the Minister has always a suspicious eye for whatever emanates from labour. He thinks that when labour asks for a thing, it must be unreasonable. So, he gives only half of what the labour demands. This half-a-loaf measure has been ordained and I do not know when we will get the tripartite commission. I can forecast that all commissions which are set up by the Government of India will be a complete failure until and unless they are tripartite commissions. They will not be able to find out the hidden things of the country or the industry. You will remember that in this very House as well as in the other House promises were made by this Minister and the Finance Minister during the last 1952 crisis in the tea industry that the labour interests would not be touched, and on this condition the Government of India did agree to the extent that 10 per cent. loss of the banks should be guaranteed in the matter of advances to these interests. The industry did not listen to the latter part of the advice. They laid off labour; gardens were closed and 40,000 workers were thrown out; they starved. I was telling that this crisis was going to last only a few months and in fact the crisis lasted for three months. After that, the prices shot up and they are sky-high, so much so that the planters' re-

presentative in a speech said, "We are suffering from a profit inflation". Profit deflation and profit inflation are coming on alternately and in between the labour is suffering. If there is no profit, the wages must be cut. If there is more profit, the wages cannot be raised because there is the chance of the profit coming down. Where shall we be?

Shri N. Sreekantan Nair: Remain suspended in the air.

Shri K. P. Tripathi: The Assam Government in a press communique said like this: "Let wages be cut and continue to be cut until the losses are made up,—not merely until the crisis is over but till all the losses are made up by the industry. Then only, we will consider restoration of the wages." Such a means of creating capital for uneconomic units from labour wages I have heard of nowhere. Of course, this generally happens and Marx has observed that this is the general nature of the employers. But is there a Government which would put its seal on it? Now, our Government put a seal on it. Of course, the Government was ignorant I do not blame the Government because Government after all was ignorant. We brought this to the notice of Government, but by that time they had lost all courage. The difficulty is that the employers have their way of creating crisis. A crisis is created to demoralise the Government; so much so once demoralised they cannot pick up courage to act even after the crisis is over. Today the crisis is over and tea is fetching the highest price ever known in history, and the House will be surprised to hear that the wages have not been restored. There was a tribunal award in favour of labour in Assam. We do not get very many awards in our favour. Once in a blue moon we get an award in our favour, and yet the Assam Government would not implement it.

Now what is happening today? The difficulty is that this Government is not posted with figures of cost structure. The cost structure in tea was Re. 1/ to Rs. 1/4 in 1952. Government took action and reduced the cost struc-

ture; I think it was fourteen annas, or even less, in the case of uneconomic gardens. In 1953 they got the price of Rs. 1/14- per lb. So Re 1/- per lb. is the profit and still no restoration in wages has occurred. The whole point is that the nature of finance in this industry is peculiar. The bank which advances the money has got even the right to dictate what the wages in the industry should be. Is there any other industry in which such a thing would happen. I, therefore, requested the hon. Minister to set up a tripartite commission. But the Minister would not hear us and in his own wisdom he has set up a committee which is completely ignorant of the plantation industry. I say that Government should cease suspecting us. We are the well-wishers of the industry and the nation. Our interests are not anti-national. We are here out to help the Minister. But we are viewed with suspicion; we are *persona non grata* with the Minister. Therefore, we have not been given any representation. This is the situation. If this situation persists, I must tell the hon. Minister that he will not be able to discharge his duty to the nation.

Coming to rubber, I must tell the House that the fate of rubber will be decided somewhere else outside India. It is therefore, necessary for Government to take powers. Let them by all means, I do not object to that. But let them at the same time have a long-term rubber policy for the country, in which should be included artificial rubber also. You cannot have a comprehensive policy until and unless you take power to adjust the cost structure between the management and labour.

What is the bane of the plantation industry today? The Indian plantation industry is suffering from extremely high management cost. There was a productive team which came from the I.L.O. In its report the team recommended rationalisation of management. My hon. friend the hon. Minister of Commerce is very much for rationalisation. In the light of the opinion of the I.L.O. I should have expected

[Shri K. P. Tripathi]

him to have come forward with a scheme for rationalisation of management.

Nobody speaks about that report today. No steps are taken for rationalisation of the management in any industry whatsoever because the employers do not want it. But the rationalisation which is advocated is the rationalisation of labour so that labour may be reduced. I may tell you that in this country in every industry there are units which are the least economical and there are also units which are very highly economical. The wages given are fixed in between these; that is an average. Therefore, all the units which are economical in character are earning a very high profit and this will continue till all the units become economical in character which is not going to be in our generation. Therefore, the policy must be determined as to how best to absorb the higher profits of the more economical units so that the less economic units might be developed. In a developmental economy it is very necessary that the higher economic units should help the lower units so that they may be brought up. In a developmental economy you artificially expand the market and therefore it is the profit which comes to the existing units that should determine the policy. The higher profit due to the development must be taken hold of by the Minister. There is no mention of such a policy; there is no chance of such a policy developing.

What is this Bill? It provides for continuance of existing conditions so that things may not improve. The conditions of the plantation labour are bad for which relief should be given. The management is completely free; it is left untouched and therefore, all the laws continue to be directed towards labour and all the profits continue to be shared by the employers. This absurd situation must not be allowed to continue.

I draw the attention of the hon. Minister to the directive principles of our

Constitution wherein it is stated that there must be brought about an adjustment so that economic differences might be less. For whom is this directive principle of policy intended? It is meant for the Government itself. In every step Government takes, it is necessary that it should bring forward a measure which gradually levels down the differences. Such a thing is not there. Therefore, I would request the hon. Minister to take a long-range view of the plantation industries, particularly the rubber industry which is going to suffer in the coming future, so that if and when a time comes when the prices tend to go down—prices are likely to go down—the wages may not be scaled down and may be maintained. After all, wages determine the purchasing power of the country. If you lower the wages, the purchasing power of the country goes down. What is the best way to reduce the managerial cost? Government must take power in order to arbitrate and to decide as to how far the managing cost has to be reduced; how far the management has to be rationalised. This point, I put forward with all the emphasis at my command, not merely for this industry but for all the other industries also so that the hon. Minister might consider my advice for whatever it is worth. It may not be followed. But it is not my advice; it is the spirit of India that so advises and I hope that the hon. Minister would be doing justice accordingly.

Several Hon. Members rose—

Mr. Chairman: Order, order. The time is up. Out of the time allotted, only twenty minutes are left and I would call upon the hon. Minister to reply on the 10th. The House will now stand adjourned till 8-15 a.m. on the 10th May 1954.

The House then adjourned till a Quarter Past Eight of the Clock on Monday, the 10th May, 1954.