

Shri C. D. Deshmukh: I have not got very much time. So I do not think I should take notice of these interruptions.

Then there was the extraordinary complaint made by the hon. Member who has not waited for an answer. He said something—fleecing and hectoring. If it is fleecing, I think it is the golden fleece which brings good fortune to the country. He has picked out all the factors which, according to him, betoken that the country is in a very parlous condition indeed. Well, if that brings solace to his soul, he is welcome to live in that illusion. I am quite convinced that there has been a very distinct improvement in the economic conditions of the country. And even in regard to the figures which he quoted, if he will only take the trouble to look at the latest figures, he will find that even the cost of living index has fallen in almost every centre except Bombay. Bombay is a very special case because they used to get a very large subsidy on their cereal consumption as one of the biggest industrial cities. With the removal of that subsidy last year, their cost of living index went up. But with the exception of the State of Bombay, as I said, where the food index for the year rose by about ten per cent. the cost of living indices have generally fallen all over the country in varying degrees. I shall not take the time of the House by quoting the actual figures.

Mr. Deputy-Speaker: The hon. Minister may take a few more minutes, if he wants.

Shri C. D. Deshmukh: I have sheaves of figures that prove this point. I am certain that that point cannot be disproved.

[SHRIMATI AMMU SWAMINADHAN in the Chair.]

I do not think there are any other points which I should answer at this stage and, therefore, I shall now content myself with the observations I have already made and commend my motion.

Shri K. K. Basu: May I ask a question?

Mr. Chairman: No question now.

Shri K. K. Basu: One point must be answered. The other day the Finance Minister said he was considering the possibility of seeing that personnel retrenched in one department of the

Government were absorbed in another. I referred to cases of retrenchment in the Disposals Department when there was recruitment in the Income-tax and other departments of equally qualified persons.

Shri C. D. Deshmukh: I shall be very pleased to investigate all these cases if the hon. Member will send me the details. It is very difficult to deal with a matter like that in a general way.

Mr. Chairman: The question is:

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

The motion was adopted.

CENTRAL EXCISES AND SALT (AMENDMENT) BILL.

Clause 2.—Amendment of First Schedule etc.)

Shri Nambiar (Mayuram): I have carefully gone through the Bill and I find that some relief is being given to the tea garden owners. It is welcome at this stage, but at the same time, I have my own fears whether this relief will actually go to the workers who are retrenched. On that point no specific information is forthcoming yet. According to my information and the information given by the hon. Minister of Commerce and Industry, recently about 117 tea gardens closed down and about 60,000 men were rendered unemployed. Out of these 117, according to the information supplied by them, only 23 gardens are reopened. The remaining gardens are still closed. Further, out of the 60,000 men only 20,000 are re-employed and 40,000 are still unemployed. We do not know whether even in the gardens opened they have work all the seven days or only for four days. My information goes to show that only four days' work is there in many gardens. Apart from that, the amenities granted to the tea garden employees, namely, supply of foodstuffs at subsidised rates etc. have not been restored yet. Formerly they used to get foodstuffs at the rate of Rs. eight or Rs. nine a maund whereas now it has gone up to Rs. 17-8. Previously, in July last, when the same issue was raised here, both the hon. the Minister of Commerce and Industry and the Minister of Finance promised us that they would try to restore all the amenities and they would do their best. But what happened was that the Assam Government as well as the West Bengal Government were helping practically, rather than opposing the management in this

[Shri Nambiar]

case. They helped to increase the price to Rs. 17-8 from Rs. eight or nine. Therefore, the condition in the tea gardens has not come to normal yet. If this help were rendered previously, at the time of the tripartite conference in December last, the thing would have been different. There was an agreed resolution in that period, namely, that if the cess collected could be repaid then retrenchment would have been stopped and closure would have been avoided. They represented likewise, but the Government then refused to accept it. They also said in that agreed resolution that an Inquiry Committee could be appointed and if there was profit shown in a particular garden, that money which was repaid could be used for labour welfare. Even that was not considered. Now the tea garden owners have shifted the entire burden of the crisis to the workers and they have kept their profit intact. What happens? This help goes to them. After the whole burden has been shifted on the workers, now there is another attempt to shift the burden on the consumers too. I welcome the Bill provided the Government would assure us that by this move, there would be restoration to the workers of the amenities they enjoyed, reopening of all the closed gardens and there would be no attack on the consumer in the sense that the duty which they say would be collected from the middlemen—the blenders and packers—would naturally be passed on by these people to the consumer and he would have to pay. The tea garden owners can be given relief, I agree. But the middlemen will pass on the burden to the consumer. Therefore, there is a danger of increase in price and the danger of attack on the consumer on the one side, and on the other, there is no assurance forthcoming that the amenities would be restored.

Therefore, if the Government would give us an assurance that these things would be done and the money that is saved out of this would be utilised as suggested, that would improve the situation, much of the crisis would be averted and this measure would serve its purpose. Otherwise, on the other hand, it will try to allow the tea garden owners to recoup their position. At the same time, the workers will have to be where they are today. Therefore, this is my criticism, which I hope the Government will consider and give an assurance on these points. Otherwise,

the Bill will not serve its purpose and we will have to oppose the Bill.

Shri Bansal (Jhajjar-Rewari): I welcome this Bill as indicative of the Government's desire to help this industry which has been undergoing serious crisis for the past several months. But, I have some doubts on one or two points. The hon. Finance Minister, while moving the Bill had said that this change in the rates of duty would not affect the revenue of Government. That is so if the ratio of tea which goes in the market unpacked and packed is in the proportion of one-third and two-thirds. But, I was reading *Capital* of the 16th, the latest issue, where it is pointed out that the quantity which goes to the market unpacked is 40 per cent. If that is so—I do not know whether it is correct—if this figure is correct, then, according to my calculation, Government's revenue from this source will suffer by about seven or eight per cent.

I am not very much afraid about this reduction provided this reduction is going to help the tea gardens. But, on that point too, I have my own doubts and they are substantiated by the report of the Official Team on Tea Industry which was appointed by Government some time back. While discussing this question of reducing or abolishing excise duty, in paragraph 94, they went into it in great detail. I will not take the time of the House but confine myself to one or two sentences from that report. It is said there:

"Even on the most favourable assumption that retail prices remain unchanged, the middlemen and the growers must compete for a share in the reduction. Being weak holders, growers will not gain more than a small proportion of the reduction."

Then again the report said, 'in a weak market, the latter will not be able to obtain any large share of the reduction'.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The market is now strong.

Shri Bansal: Right, Sir. I am not opposing the Bill as I said in the very beginning. I am bringing these considerations to your notice so that you may keep a watch over the situation as it develops.

Then, the second point is that this change will no doubt increase the off-take in the market of unpacked tea.

Whether this is going to be to the good of the industry as a whole, I have my own serious doubts. There again, I have ample support from the report of the Ad Hoc Committee on Tea which was appointed in 1950. They deal with this problem of blending and packing on pages 84 and 85. Again and again it is mentioned that it is absolutely necessary in the interest of keeping the quality of tea and better marketing that proper packing is done. Inasmuch as this reduction of duty on tea will accrue to the tea going to the market in the unpacked form, this will, in my opinion, affect the quality of tea, and, therefore, ultimately the industry. I would, therefore, request the hon. Commerce and Finance Ministers to kindly keep a watch over the developments that take place both in this industry and in the marketing of this product, and, if they find that this method is not helping the growers, but is, on the other hand, affecting the quality of tea, then, I am sure they will revise their policy and take some other steps more suitable to help the growers.

Shri H. N. Shastri (Kanpur Dist.—Central): If the purpose which has actuated the hon. Minister to bring forward this measure succeeds, no doubt, the House will whole-heartedly support this measure. But, I have only one or two comments to make in this connection.

I am told that the industry has for some years been continuously getting relief in the form of subsidies or in other forms, from the Government, or at the cost of labour or at the cost of the consumers. But the main purpose of giving relief either to the consumer or to labour has not materialised so far. Let us briefly judge the position as it stands. In 1952, the minimum wage was fixed for tea labour. Immediately after the fixation, the daily compensation enjoyed by workers in respect of cereals was abolished arbitrarily and in the teeth of vehement opposition from labour. That resulted in a daily saving of about Rs. 14,000 to the industry in the province of Assam alone.

Now, let us come to the second point. The House may be aware that grain concessions were discontinued some time back. Now, having made a study of the situation arising from the discontinuation of these concessions, I have reached the following conclusions. Labour has lost and consequently, the industry has been benefited in the following manner. For conversion, Rs 19,163; for withdrawal

of dependent subsidy for unavoidable absenteeism, Rs. 34,940 and for withdrawing workers subsidy for absenteeism, Rs. 116,800. The total comes to Rs. 170,903. This is the daily loss to labour and consequent benefit to the industry. Now, the final benefit that is likely to accrue to the industry, as a result of the passage of this Bill, is a matter, which I have not had time to examine very closely myself. Therefore, subject to correction, I am going to make this statement. It is my own assumption. I am of the view, and my conclusion is, that as a result of the passage of this Bill, the industry, on an all-India basis, would gain or would be benefited to the tune of about Rs. seven crores annually. I have come to this conclusion on the basis of the production figure in 1951, which was 622 million lbs. As I said, I am open to correction but that is my guess.

Now, as I said earlier, I do not grudge the benefit that the Finance Minister proposes to give to the industry, provided that it results in the objects that have been stated in the objects of the Bill. I would like the hon. Minister to give a categorical assurance in regard to the following points, as to whether as a result of this subsidy that he is going to give, employment to the four million workers who are still unemployed in the tea industry will be assured?

Shri T. T. Krishnamachari: Four million?

Shri H. N. Shastri: I beg your pardon; forty thousand.

The second question is how far it is going to result in the restoration of the wage cuts that took place recently by the discontinuation of the grain concessions to the tea workers. Thirdly, as has been pointed out by a Member opposite, there is still under-employment in the tea industry and many of the economic concerns themselves are opening only for three days or four days in a week. How far is this situation going to be improved? Finally, how far is it going to result in benefits to the consumers in the form of reduced price of tea? These are some of the points on which naturally the House would expect some enlightenment from the hon. Minister.

Shri R. K. Chaudhuary (Gauhati): It is a great pleasure to be able to address you after a very, very long time. The subject on which I am going to speak is equal-

[Shri R. K. Chaudhury]

ly pleasant. I was somewhat adversely struck by the discordant note raised by my hon. friend. Anybody who is interested in the tea labour in Assam should have welcomed this proposal. I cannot appreciate the reasons for this discordant note, although I can understand it. There is a vast multitude of labourers who have been unemployed for some time, but a large number of them have already been able to get to work again in the tea estates. This is due to the commendable efforts which the Government have made in this behalf. They have enabled the tea estates, particularly Indian ones, to stand on their own legs. The guarantee which the Government gave to the banks, the persuasion which they used—here I am referring to the State Government—with the labourers to join the estates again at the normal price of the grains; and lastly, this particular measure for which the Indian tea estates clamoured—all these are big steps they have taken. The tea estates wanted that the entire excise may be collected from the blenders and packers and not from themselves. This has been, as a matter of fact, conceded by Government by this Bill and this has enabled the tea estates to open their estates in many places where they had been closed. It is only on paper that the tea labourers are expected to buy paddy at Rs. 17 per maund. I have ascertained recently during my tour that this has not come into operation yet. The tea labourers are still getting their grains at the old concessional rates.

Shri Nambiar: Government does not say so.

Shri R. K. Chaudhury: I have asked several estates. They have not dared to introduce the new scheme. It is only on paper and they have not introduced it. That is because it would mean that many labourers would not come for work.

I welcome this measure. I am not a tea estate proprietor, nor do I hold a single share. But I welcome this measure in the interests of the labourers. Unemployment among tea garden labourers would be a menace to our country. Therefore, it is in the interests of the Government to help the tea estates to re-employ their labourers. To some extent, they have succeeded, and the disappointment among my hon. friends is there, because they are not getting a large num-

ber of people to join the processions and other agitations. So, the disappointment is there on that ground. As I said, I understand it, though I do not appreciate it. After all, we must consider our stomach more than these colourful processions in red.

One thing I wish to bring to the notice of the Government is this. How long are we going to depend on the foreign market? There have been several competitors in the market. Those competitors are taking very bold steps. Whereas we have only deferred the payment of the excise, in several countries like Indonesia, Java, Ceylon and Pakistan they have absolutely suspended the payment of the excise. We have not done so, and so the competition will be much stronger so far as foreign markets are concerned. In India even today there are many people who do not take tea. My friends from South India prefer coffee to tea. They would not touch tea. My friends from North India prefer lassi to tea. In Bombay also, I do not know whether tea is popular. (*Shri P. N. Rajabhoj:* We take a lot of tea in Bombay.) Well, that is a very commendable spirit. Government should do something to expand the Indian market itself. It can be done in various ways. One way is that a certain quantity of tea may be purchased by Government and distributed through various distributors appointed in different parts of India. We produce petrol in Assam, but we have to pay more price for petrol in Assam than we have to pay here in Delhi. This is one of the mysteries which I have not been able to understand for the last thirty years of my life. In Digboi, we produce petrol, but in Assam we have to pay Rs. three per gallon, whereas in Delhi we pay only Rs. 2-11-0. Similarly, so far as tea is concerned, most of us get only dust tea in India. Good tea is exported to foreign countries. In foreign countries, the ordinary consumer gets his tea much cheaper than we get it in India. What is the reason for it? Why can you not do something to remove this disparity? The tea market will be very largely expanded if we can give good quality tea to consumers in this country. A certain quantity of good quality tea should be purchased by Government and Government should sell it. It should see that the price is not very excessive. We do not get tea now at anything less than Rs. three per lb. which is very excessive. These are the two points I would like Government to consider.

Again I congratulate the Government for on great achievement, namely, enabling the tea industry to survive the very bad and dark days through which it had been passing.

Shri S. C. Deb (Cachar-Lushai Hills): I congratulate the Government for their special attention to the tea industry. I also welcome this measure. I share the sentiments of my hon. friend Shri H. N. Shastri. I have also some doubts as to whether this measure will not affect our consumers. Our internal market for tea is not negligible. We have waste tea in the market. That should be controlled. If good quality tea is placed in the market, and waste tea is controlled by some means, consumers will be benefited.

Today, one of the Members asked the question about research in tea. That technical thing is done by the I.T.A. in Assam. There is the Toclai Institute. They have done that experiment. I ask the Government to take up that matter so that we may have good quality tea, which, our hon. Minister often points out, has markets outside. If good quality tea is required, then the technical research should be undertaken by Government so that we can have good quality. And production as well as cultivation will be much improved in that way. I would ask our hon. Minister kindly to consider this matter and try to do something in that respect.

Another thing and that is if this measure will in any way benefit our labourers. If this thing be cleared it will go a good way for satisfying the labourers as well.

Mr. Chairman: May I know how many minutes the hon. Minister will take so that we can have some time limit?

The Minister of Finance (Shri C. D. Deshmukh): I shall not take more than ten or fifteen minutes.

Shri Barman (North Bengal—Reserved—Sch. Castes): I do not rise to make any complaint about this Bill. Rather I welcome it wholeheartedly. But one or two points I would like to mention to the hon. Minister.

First of all I do not like the very idea of encouraging tea in a loose condition. Tea is known to be a very sensitive product. Those who use it and those who know about it say that if loose tea be kept side by side with some bad odour then it absorbs that odour. This being the case, the selling

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of loose tea is rather dangerous. In the market we see loose tea being sold, with dust and other extraneous matter mixed. So from the health point of view it is not a good thing to encourage the sale of loose tea.

What I apprehend is this. I come from a district which perhaps grows about one-fifth of the tea grown in the whole of India. When we speak of West Bengal it is practically my district that grows that tea, and it is practically a tea economy district. It is said that from the betelnut seller to the multimillionaire they are all interested in some manner or other with tea. So I know something about it, in what condition this tea is prepared and how it is sold. So far as my experience goes it is only a very limited quantity of tea that comes out of the factory in a loose condition. Most of the tea, or rather 90 per cent. of the tea that is produced in a factory has to be sent to the Calcutta warehouse where it is auctioned. Those who know the trade also know that not all the tea that is lifted from the warehouse is exported. About one-third of it is taken out of the warehouse for internal consumption. I can show it from authoritative sources like Cooks & Sons and other brokers and prove it. That is the present condition. When tea is not sold for the export market, it is taken out and some of it is blended together by blenders and the other is sold in a loose condition in tin pots in ordinary shops. Only a very small quantity of tea actually comes out of the garden for ordinary open sale. I apprehend that once the duty is reduced to one anna most of the tea that is meant for internal consumption or which has no chance of having a market in the warehouse auction will be passed on in a loose condition. After taking it out there will be some sort of packing and that will be sold as packed tea. It is not possible for the administration to tax this tea or levy any duty on it, because when it goes out of the garden it will be sold by ordinary packers, they are not "blenders". That is one point.

Another thing I want to know from the hon. Minister is this. I think he should ascertain it at least from the Central Tea Board whether this definition of tea is going to benefit the growers or the tea industry as the hon. Minister intends. Because I find that there are two broad divisions in the definition: one is package tea and the other is tea not otherwise specified. It is very clear that the tea not otherwise specified is loose tea. So far as

[Shri Barman]

package tea is concerned, it is defined as tea packed in any kind of container. If that be so I think it is such a broad definition that it can include anything. All the tea that will have to be carried from the garden or out of the factory to the market will have to be packed in some way or other. Either it may be the approved box in which tea is packed, or it may be sacks or something of a kind of container which will have to be used in order to take it out of the garden. If that broad definition applies, then I apprehend that the benefit which the hon. Minister wants to give to the gardens will not be actually accruing to their benefit.

Shri Bansal: Sixty lbs.

Shri Barman: What my hon. friend suggests is that if in one package it is put more than 60 lbs. then it will not have to pay any duty. But what about the tea which will come to the warehouse at Calcutta in order to get it sold in the auction? That cannot be packed except in approved packages. That is there are only two kinds of approved packages, one of 60 lbs. and the other of lesser quantity but they are all of a standard nature. They will have to be packed in the tea garden itself. The same tea is assorted into different kinds, orange pekoe, broken orange, etc. They are not according to the grade quality but according to the size of the produce. After sifting, they are separately packed and sent out. When they are to be sent to long distances, they will have to be packed well. Otherwise, they will be spoiled. Peak production period is mostly during rains. It comes to Calcutta from West Bengal, from Assam and the case is the same for South India. It cannot be sent to such a long distance in a sort of loose packing. In such a case the quality of the tea will be spoiled. It will become absolutely unfit for use. I say this after seeing so many gardens in my district. I do not think it will benefit the grower for whose benefit this Bill is brought. I hope the hon. Minister, if he has not consulted the Tea associations or the Central Board, will kindly consult them and if necessary by amending the Bill or by some executive instruction or order, make it suitable so that the object may not be defeated.

Shri C. D. Deshmukh: I am glad that almost every section of the House has welcomed this Bill although on

some sides doubts are expressed as to whether it is going to attain its object fully. The various speeches that have been made show the desirability of trying to reconcile all the different interests for the common good. Voices have been raised in favour of labour, on the side of manufacturers, of the producers and on behalf of the consumers and I should say that that arrangement is best which secures to the maximum extent the interests of all the three.

I have been watching the developments in the tea industry for the last six or eight months and I hope I shall be forgiven for the criticism but I think that labour rather over-played their cards. I think there was a time when perhaps they could have made terms with the producers because finally, it must be remembered, the crisis was due to incapacity to sell abroad and therefore, it was a crisis of a contraction in production. Now, in my opinion, there is no one standing out when a crisis comes about this way and I think labour ought to have chosen the opportune moment for making the best terms that it could in order to help in keeping the gardens going. However, I have no doubt that as the fortunes of the industry improve, whether due to measures taken by us or whether due to outside factors, I imagine that labour will again be in a position to get back something out of that new prosperity. It is not for me to give an assurance on their behalf. I can only make a forecast of the situation.

Actually, the position in regard to the closing of gardens and retrenchment is as follows because the figures quoted are not quite correct. The total number of gardens which actually closed down was 94 although it is true that 107 gave notice of closing down and in these 94 gardens, the labour affected was 63,490. Now gardens that have since reopened number 42, employing a labour force of 39,228. Therefore, the number of gardens which remain closed on the 15th April was 52 and the labour affected, unemployed was 24,262 and not 40,000 or four lakhs or four millions.

Shri Gadgil (Poona Central): Even this figure is not inconsequential.

Shri C. D. Deshmukh: I feel confident that as an improvement comes about, because we are certainly in upward trends, most of these gardens will re-open and the labour which is

unemployed will be taken back. Whether there will be full employment for them or whether they will be employed for part of the period is more than I can say.

As regards details, there are some areas which have suffered a little more than others and I think the conditions are worse in Assam.

The next question that has been raised is whether the producers will get the benefit of the measure. Now our expectation is that they will be able to do so to a large extent although one can never dogmatise in a matter of this kind.

There were some doubts expressed by Shri Barman in regard to loose tea being issued out of the gardens and losing duty altogether. I think we have sufficient powers under our regulations to keep a watch on developments of this kind because all packers are going to be licensed and it may even be possible to keep an eye on the sellers of loose tea under the regulations so that if both packers and sellers of loose tea are licensed, then we would be able to keep an eye on this development as well as on any development in the direction of a substitution of loose tea for packed tea. As I said in the course of my observations, our anticipations are that such substitution will not be on a very large scale because in a matter like this people have fortunately fixed selections and they do not lightly allow themselves to be moved from the articles of their ordinary choice.

It must be remembered that the additional charge, that is, of one anna is a very small fraction of the price of tea which ranges now from Rs. 2/8 to Rs. four and I doubt whether consumers are likely to shift to loose tea if they are not used to it merely for avoiding an impost of this kind.

The next question is also very difficult to answer as to whether the consumer will get the benefit of this or whether the increase will be known. Possibly both things will happen. Maybe that some of the increase will be cushioned off and will be borne by the sellers and not by the consumers. Anyway I do not think that this is a matter which ought to give us any great anxiety. If we are inclined to believe that generally the measure ought to help the tea gardens—and that I believe most hon. Members are agreed—there is a great possibility of its doing so.

I think there were some specific assurances that Shri Shastri desired of me. One was: will benefit go to labour? I can only say I hope so. If the conditions of gardens improve as a result of this measure. The second was whether it will help to restore the waste. Again I cannot either give an assurance or even hold out any hopes so far as I am concerned but I can only make an intelligent forecast and my answer is the same that if, as it appears, the fortunes of the industry are now improved, labour might be able to get some share of it and in regard to consumers I have already answered the point. There was a reference to a word—to some kind of subsidy; it is not a subsidy to anybody....

An. Hon. Member: Relief.

Shri C. D. Deshmukh: It is a relief.

I think I have dealt with all points that were raised in the debate, and therefore, I would again commend my motion.

Mr. Chairman: The question is: "That clause 2 stand part of the Bill".

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill be passed."

Mr. Chairman: The question is: "That the Bill be passed."

The motion was adopted.

DETENTION OF TWO MEMBERS

Mr. Chairman: I have to inform the House that I have received the following letter from the District Magistrate, Jullundur:

"To

The Speaker,
Parliament of India,
New Delhi.

No. 269/ST, dated the 17th
April, 1953.

Sir,

I have the honour to inform you that I have found it my duty