

Movement to Madras and Travancore-Cochin is also taking place against their existing quotas and railways are supplying wagons according to the demand placed on them by the Orissa Government.

Rice is going into the Central reserve depots in Calcutta and Hyderabad through simultaneous movement in the directions, and to Calcutta both by rail and sea from Chandbali port. The movement has started and will be in full swing within a week.

Shri Barman (North Bengal-Reserved-Sch. Castes) rose—

Mr. Deputy-Speaker: No questions can be asked now.

COFFEE MARKET EXPANSION (AMENDMENT) BILL

Mr. Deputy-Speaker: The House will now proceed with the motion that the Bill further to amend the Coffee Market Expansion Act, 1942 be referred to Select Committee.

Shri Punnoose (Alleppey): Sir, before we proceed, I would like to mention that yesterday it was said that the Special Marriage Bill will be taken up first that being an important Bill, whereas in to-day's order paper, priority has been given to Coffee Market Expansion (Amendment) Bill. Why not we have the Special Marriage Bill first? It is always good to proceed to coffee after marriage.

Mr. Deputy-Speaker: I leave it to the hon. Members to consider this matter. If the House wants to have the Coffee Market Expansion (Amendment) Bill afterwards, I have no objection. The time allotted for the Special Marriage Bill is 8 hours and therefore, if we have Coffee Market Expansion (Amendment) Bill first, the Special Marriage Bill will go for the rest of the Session.

Shri Punnoose: We can take up all the time and keep two hours in reserve for the Coffee Market Expansion (Amendment) Bill.

Mr. Deputy-Speaker: That means not all the Session. I leave it to the House to decide. It appears the Chairman had asked to inform the House, but nobody seems to have informed. It is only a reference to the Select Committee. I agree that the hon. Members are always ready with the Special Marriage Bill. But, when do they want the Coffee Bill?

Shri Punnoose: After the Special Marriage Bill.

Mr. Deputy-Speaker: Then, shall we be interrupted in the Marriage Bill with this Coffee Bill?

An Hon. Member: Yes.

Mr. Deputy-Speaker: Therefore, I will give an opportunity for Members to study. They have come prepared with another Bill and it is no good thrusting upon them this Bill today. Shall we have it as the first thing tomorrow? It is only a general discussion on the Special Marriage Bill and we may deal with it for the rest of the Session.

Shri M. S. Gurupadaswamy (Mysore): Sir, some of the Members after going through the Order paper thought that the Coffee Bill will be taken up now, whereas you are agreeing to take up Special Marriage Bill now. It is better to take coffee first.

Shri Barrow (Nominated-Anglo-Indians): Moreover, the hon. Law Minister is not present and therefore we will have to wait till he comes.

Shri Venkataraman (Tanjore): Sir, may I say a word? The Special Marriage Bill cannot be disposed of within the time allotted, namely, two days. On the other hand, if we take and dispose of this Coffee Bill, we can continue discussions clause by clause as soon as the House meets after this Session. Therefore, it will be more advantageous to the House to take up the Coffee Market Expansion (Amendment) Bill first and the Special Marriage Bill later.

Mr. Deputy-Speaker: The hon. Minister may start. The other hon. Minister is not here and therefore, we will

[Mr. Deputy Speaker]

have to adjourn for one hour. Therefore, let us take up the Coffee Market Expansion (Amendment) Bill. While the hon. Minister goes on making his preliminary speech, the other hon. Members may get ready. After all, it is only a motion for reference to the Select Committee.

Shri Veeraswamy (Mayuram-Reserved-Sch. Castes): What about the Special Marriage Bill? We must take it up for discussion in this Session itself.

Mr. Deputy-Speaker: The time allotted for the Coffee Market Expansion (Amendment) Bill is only two hours. There will still be time left today itself.

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

"That the Bill further to amend the Coffee Market Expansion Act, 1942, be referred to Select Committee consisting of Shri R. Venkatraman, Shri C. R. Narasimhan, Shri Birendranath Katham, Shri Laisram Jogeswar Singh, Shri Vyankatrao Pirajirao Pawar, Shri Chandra Shankar Bhatt, Shri Amar Singh Sabji Damar, Shri Goswamiraja Sahdeo Bharati, Shri Wasudeo Shridhar Kirolikar, Shri Raghavendrarao Srinivasrao, Shri H. Siddananjappa, Shri N. Rachiah, Shri K. Sakthivadivel Gounder, Shri George Thomas Kottukapally, Shri N. Somana, Shri Hem Raj, Shri P. C. Bose, Shri Nayan Tara Das, Shri Bhagwat Jha Azad, Dr. Satyanarain Sinha, Shri Gajendra Prasad Sinha, Shri Baij Nath Kureel, Shri Vishwanath Prasad, Shrimati Ganga Devi, Seth Achal Singh, Shri Har Prasad Singh, Shri Badshah Gupta, Shri K. G. Wodeyar, Shri R. N. Singh, Shri K. A. Damodara Menon, Shri K. Ananda Nambiar, Shri M. D. Ramasami, Dr. D. Ramchander, Shri Y. Gadilingana Gowd, Dr. Indubhai B. Amin, Shri D. P. Karmarkar, and

Shri T. T. Krishnamachari, with instructions to report not later than the last day of the first week of the next Session."

Sir, the Bill has been before the House in one form or another for nearly 18 months and I would like to take the House through the various changes that the Bill seems to make in the Act that it seems to amend. The changes broadly are, reconstitution of the Board so as to give representation to consumers along with producers, labour and trade; the appointment of a Chairman by Government—and it is the intention that the Chairman should be a full-time officer; to make provision to increase the cess or duty that is now levied for the purpose of the Board from one rupee to six rupees—the idea is to give power for raising the duty up to six rupees so that the Board could undertake development of the coffee industry; to provide for salaries etc., for the officers, and also certain changes necessitated by the Constitution, namely, declaration that this industry is of national importance. We have also added a clause to validate the action that has been taken since the promulgation of the new Constitution by reason of the fact that this declaration has not been enacted by Parliament. Those, broadly, Sir, are the changes that we envisage.

I would also like to mention now the reasons why we found it necessary to change the contour of the Act and for this purpose I have to take the House through the history of this measure.

In 1940, when the export markets were more or less banned by reason of lack of shipping, the position of the coffee industry was on a parlous stage. Then the Government had to enact an Ordinance so as to bring all the producers under one Coffee Board. Subsequently, in 1942 a regular Act was enacted, more or less continuing the arrangements that were contemplated by the Ordinance. Again, in 1946, when the period of the existence of

the Board came to an end because of the provisions of the 1942 Act, an amendment was made providing for the continuance of the existence of the Board. It must be remembered that the Board was brought into existence and all the powers vested in the Board essential to help the Board to market coffee in the country, to increase the market, so as to keep the industry on a stable basis, because the war-time measures indicated very clearly that a dependence on the export markets would make the position of the industry very unstable. I would like to add that subsequently when exports were made possible, the prices ruling in the world were so low that the consumer in India had to subsidise the export by about Rs. 15 a cwt. That is to say, the consumer price in India was loaded by Rs. 15 a cwt. to make up for the shortfall in the realisations of export, so that the grower can get the price that has been assured to him.

The prices have been fixed by the Board as a result of cost accounting done by a government officer on three occasions. Two of them happened to be before my time, and the last one was last year. But the variations in price that has to be paid for the grower were made by the Board themselves, and I am mentioning an instance. Sometime before 1948, I think, the price to be paid to the grower in regard to Plantation "A" was somewhere about Rs. 90 a cwt. From Rs. 90 it went up to Rs. 120; from Rs. 120 it went up to Rs. 135, and from Rs. 135 it went up to Rs. 180—all within a period of about four years from 1948 to 1952. These variations were done not by reason of any cost accounting, but because of the decision of the Board. I am mentioning this just to point out that a Board where the producers are fourteen in number and where the consumer was not represented were in a position to raise the prices for the consumer without any reference to him, subject only, I suppose, to the veto that could be exercised by Government. I will come back to that aspect of the question a little later.

The contour of the industry is one which is not particularly a strong one from the point of view of the smaller estates. The total registered acreage for coffee plantation is 281,250. The actual acreage is 235,374. Of these, 590 estates consist of an acreage of over one hundred acres and cover 157,000 acres, leaving about 85,000 for the smaller estates. Actually, the average does not mean anything, but the average has to be worked out as between these estates which have an acreage of more than hundred acres; the average works out to about 268. That means that there must be estates which probably run into several hundreds of acres.

So far as the smaller estates are concerned, there are 27,800 establishments with less than ten acres and the total acreage covered by these small estates is 49,000 acres. So much so, the average comes down to less than two acres. It therefore goes to show that there are coffee estates having an acreage of a little over an acre and rising up to ten acres. All of them are 27,800 in number. So, this must reveal to the House that even in regard to considering producer interests, the interests vary. The interest in regard to the gross estates which cover more than hundred acres—and there are about 590—is the predominant interest which determines the shape of the working of the Coffee Board. The small producer for whom oftentimes many hon. Members speak in this House has a very small acreage and produces very little. Actually, in the matter of production also there are estates which produce as much as 1½ cwt. per acre, whereas there are estates which produce more than 8 cwt. per acre, and some of them even more than that. So, it is an industry which has several tiers, and the weaker tiers have to be protected. One of the reasons why I am proposing to the House that we should increase the levy of the cess from Re. 1 to a higher figure—it does not mean that Rs. 6 should be levied straightaway—is to help the smaller estates. Even now we have on hand a scheme for investigation into the development

[Shri T. T. Krishnamachari]

of the smaller estates and we have requisitioned the services of a competent person to go into this matter. That, I think, in one sense indicates that there is a case for greater interest to be shown by Government and for greater powers for the Board and an insistence on greater concentration in regard to the wellbeing of the smaller estates.

The production of coffee is not one that has been even. It has been varying. It has been varying, say from 1941-42 till this year, from about 15,000 tons to 27,000 tons. I am told that statisticians find a cycle, a cycle of six years in which the variations go on and it comes back again to the original figure. I am also told that the second cycle of six years shows a definite increase in the total production. The lowest touched was in 1946-47 at 15,350 tons. Thereafter there has been a steady rise and we have had a bumper crop this year of 27,000 tons as against 23,500 tons which was the provisional estimate for 1952-53. There has been a big increase this year and curiously enough the increase has been in respect of the richer varieties of coffee. Usually, we used to have a substantial quantity of anything between two-fifth to one-third of the total production in the shape of what is called Robusta which is the cheapest variety, but this year the Robusta crop was poor and the production was largely of the better varieties, and in one sense it is a bumper year. But, as against these variations in production, our consumption has been more or less steady, excepting for last year. The quantities released for internal consumption have been in the region of seventeen to eighteen thousand tons. In 1948 it was 16,708 tons; in 1949—17,556 tons; in 1950—17,258 tons; in 1951—18,383 tons; in 1952 it came down again to 17,919; and in 1953, the consumption was 15,067. I would like the House to mark this fact while from 1948 to 1951 the consumption in the country has been steadily increasing—I have, no doubt, as a result of the work of

the Board by reason of the coffee houses that they have opened and the propaganda that they have been doing—consumption dropped in 1952 and dropped more abruptly in 1953. That brings me more or less to the central theme of my speech today. The reason why consumption dropped was because of a steep increase in prices in the middle of 1952. To take Plantation A, I said that the price fixed by the Board was Rs. 180 per cwt. I would ask the House to remember that the price fixed by the Board is only a floor price and not a ceiling price. The price is a protection for the grower, undoubtedly, because that is the price at which the goods are offered in auction. If there are no bidders at that price, namely Rs. 180 plus the cess and the Central excises, plus the cost of working of the Board, all of which comes to about Rs. 32, or in other words, if the price offered is below Rs. 212 per cwt. for Plantation A, the stock was withdrawn. But if higher prices were realised, it went into the pool, and the money was distributed to the producer. I shall take Plantation A as an illustration, and say what the producer got on that basis, during all these years.

Year	Minimum guaranteed for the grower	Actual amount received by the grower
	Rs.	Rs.
1947-48	120 per cwt.	154-6-0 per cwt.
1948-49	135 „	150-0-0 „
1949-50	135 „	184-0-0 „
1950-51	155 „	180-13-4 „
1951-52	180 „	220-0-0 „

So, there is a difference of about Rs. 35 to Rs. 49. The House will please realise that the fixation was in respect of a safeguard provision for the grower, but it did not determine the amount of money that he got. Oftentimes, when hon. Members tell us that the cost of production is so and so, and you have fixed it at a price which is below the cost of production, they do not remember that what the grower receives is not what

is supposed to be the cost of production plus his profit plus his depreciation plus his interest on loans and so on, but something more, and he has been getting it all these years, the amount varying from as much as Rs. 50—and above the price fixed to about Rs. 25 or Rs. 30. That being the case, any increase in price to the consumer acts as a direct benefit to the producer, and in a producers' Board, dominated by the producers, it stands to reason that they would welcome the increase in price.

I would like to take the House, though I know I am wearying it, through what happened roundabout the middle of 1952. In 1952, while the price fixed was Rs. 180 cwt. the prices of Plantation A on an average were as follows:

Month	Average price per cwt.
March	Rs. 196-7-0
April	Rs. 207
May	Rs. 238-11-0
June	Rs. 252
July	Rs. 269-6-0
August	Rs. 299-12-0
September	Rs. 316-11-0

Hon. Members would please note that the spiral started some time in May. I would ignore even the April figure of Rs. 207, which is not an abnormal figure. In May, it has reached a peak of more or less Rs. 238; and then it went to Rs. 252, which was a figure never reached before; then, it went to Rs. 269, Rs. 299 and finally to about Rs. 316. So, the peak prices that obtained were in September 1952.

If the House will pardon my using a personal *proneur*, it was some time in May, that the new Ministry came into being, and the responsibility of looking after coffee interests as well as other interests devolved on me. It was some time from about July that representations came pouring into the Ministry from consumers, that the prices were shooting up, and that nothing was being done. Of course, Government machinery moves very slowly,

and it is not also very efficient in putting down any abuse of this nature, that occurs. I would also like the House, especially the Members who do not know South India, to know that in South India, where coffee is almost a national drink, it is a beverage which is consumed not by the richer classes. The richer classes go in for milk, ovaltine and various other things. If you go to a rich man's house, he first asks you, will you have something solid to eat, and then very probably, he will offer you ovaltine, because he thinks that offering coffee is not something which is particularly an act of respect. But if one goes to the house of a lower middle-class person, to the house of a petty clerk, a school teacher or even a policeman, the lady of the house will say, will you have coffee—the coffee may not be very good, it may be an apology, but nevertheless, she offers coffee, though she could hardly afford to give that coffee to a visitor. But that is, more or less, a national beverage, so far as the lower middle classes are concerned. It is the cry of the lower middle-classes—the constituency from which I come predominantly represents the lower middle-classes in an urban area.

Shri M. S. Gurupadaswamy: Are they all coffee-drinkers?

Shri T. T. Krishnamachari: Competency does not always rest with hon. Members there.....

Shri Venkataraman: He asks whether they are all coffee-drinkers

Shri T. T. Krishnamachari: I said that the lower middle-class in my part of the country are all coffee-drinkers, without any exception. It may be that their coffee is not the coffee that the hon. Members are accustomed to get outside the House; it may be even an apology for coffee, but it is coffee, nevertheless. It is the cry of these people that made me sit up. But I am afraid I must confess that I did not act with alacrity in the matter, in which I should have acted promptly. All

[Shri T. T. Krishnamachari]

that I could do was to send for the Chief Marketing Officer to meet me at Bangalore, when I was passing through Bangalore on 31st December, I think, and to tell him—of course, we have been writing before—that unless something was done, Government would have to take drastic action. The Chief Marketing Officer told me, well, I have no powers, I only deal with marketing, the policy is controlled by the Board, the Chairman of the Board went away some time in early summer to England, and is due to return only in December, and he will try his best to see if he could get the Marketing Committee do something about it. Even these threats held out by Government had some effect, and slowly the auction prices came down. In November it was Rs. 257-14-0, and in December, it was Rs. 245-14-0, while earlier the average price was Rs. 316-11-0, though actually, in some cases, the price went up to Rs. 327 or Rs. 328.

I will go back to the history again. The Chairman of the Board came back, I think, on 7th December, 1952. But I had a letter from him that the whole thing was due to the fact that in former years, Government had allowed exports to go. Anyhow, I said, let us meet. I went to Bangalore on 31st December 1952, and I had a meeting with the Board. By that time, I had decided that the Act had to be changed, and that we should have a permanent Chairman, because the whole position of the Board was this. The Chairman was the executive of the Board; he was a non-official elected Chairman; he was not there available all the time. The Chief Marketing Officer deals with the marketing side only. The research side is dealt with by a Research Officer, but the co-ordinating factor was the Chairman. The prices were determined by the Marketing Committee, in which, though the Chief Marketing Officer was the Chairman, he did not have the dome-

nant voice. So, it is a very curious set-up, a set-up which is quite good when you want prices to rise, and when you want to pump in a little more money into the hands of the bigger producers, because, if for a cwt. the prices were raised from Rs. 180 to Rs. 220 for the grower, the small man who produces only 1 cwt. or 1½ cwt. got Rs. 60, but for the man who produces 8 or 9 cwts. per acre on 500 acres that is something very substantial. I would ask hon. Members to remember that in any Board composed of what you call the producers, it is the bigger producer who dominates and it is the bigger producer who gets the benefit of any increase in price. The small man gets practically little. That is the composition of the Board. I had to meet the Board, as I said, on the 31st December 1952 and discuss this matter with them. I went to Bangalore for nothing else but only for that purpose and spent a whole morning with them. I must say in all fairness that I was rather taken in by the Chairman of the Board. I shall not say anything disparaging of a person who is not here. I was rather taken in by him because he was extremely competent and there is hardly anything about coffee worth knowing which he did not know. He was all sweet reasonableness. In fact, he told me that he was going away and that he felt himself at the time that it was better for the Chairman to be a full time man who could give more attention to the Board, and he practically seemed to agree with everything that I said. I told the Board—please do not interfere with our present selling arrangements. There is a price guaranteed. If there is a little extra that you can give, by all means you can give him. But the idea of making a guarantee of lower prices and allowing the ceiling to go up without limit was unfair. They might try some other method instead of auctions because auctions meant rigging up of prices. The consumer never comes to these auctions. They said: Give

us sometime. Let us think about it. Give us about three months and we will bring the prices down. As soon as I came back, I got a communication from the Board that they felt that most of the suggestions made by Government were wrong and that the present system should go on and they did not think they could bring down the prices. That is roughly the history of all that happened behind this matter.

The two cardinal factors that we have to remember is this, that prices shot up and the determination of those prices was entirely in the hands of the Board. The price that they fixed was a floor price, not a ceiling price. Secondly, in this development of coffee, the development has not been even. There are 27,000 and odd tons and they roughly average about two or three acres with only $1\frac{1}{2}$ or 2 cwt. per acre. That position has not bettered. That, Sir, in my view—only in my view—is a clear case for reconstitution of the Board and putting it on a more stable footing.

I would also like to mention that the consumption figures have also dropped. I mentioned about the total off-take. Hon. Members will remember that the lowest consumption figure that was touched was in 1953 and it came down to 15,000 tons. It may be that there was a contributory factor because there was no auction for one month. But even so in the subsequent month the slack was not taken up. It is a direct result of high prices. A period of high prices did bring down consumption, and coffee consumption is not certainly inelastic, though it is a matter of luxury which we ought to allow to the lower middle-class; there is hardly any other luxury in their life. But it reacts to prices and this is a matter which I would like the House to note.

9 A.M.

I would also like to mention that during the last four months—January, February, March and April—after the prices were pegged at Rs. 2-4-0

for the grower—Rs. 2-1-0 as the floor price—we felt that since the grower is guaranteed his cost, we could not afford to peg down the upset price of auction a little lower. That is, instead of Rs. 180, we put it down by $8\frac{1}{3}$ per cent. After doing that, prices came down. The result of that is that during the last four months auctions averaged roughly 2000 tons a month. The total quantity taken up between January and April was 8044 tons. If you divide it up, you would get 2000 tons per month. This is in spite of the fact that owing to the short-sightedness of the excise officials, who normally stop all sales of excisable articles ten days before the Budget, the excise officials walked into the Coffee Board office and said: 'No. You should not release goods. You should not have any auction'. We did not have the foggiest idea of raising the excise duty on coffee. Nevertheless, the excise officials have got a rule-of-thumb method; they went and stopped auctions. Nonetheless, the total off-take has been 8044 tons. Hon. Members will remember that this is a direct result of lowering of prices, not an abnormal lowering of prices, not the prices that ruled in 1946, but a little lower price of about 25 to 30 per cent. over what obtained in 1952. As a result, there is an increase in internal consumption. Some hon. Members who are interested in the coffee industry might say: 'Well, what is wrong? Why should you increase internal consumption? Why do you not export because if you export today, you will get fantastic prices?' Actually, in spite of a little export duty that we have, the price realised after deduction of export duty, after deduction of the various cesses and all that at the plantation end is somewhere about Rs. 460 to Rs. 480 per cwt. as against Rs. 167 which is the upset price. We do get fantastic prices because the world market for coffee is very high. At the same time, if you think that the growers ought to profit by the world market forgetting the internal consumer, you are forgetting what the

[Shri T. T. Krishnamachari]

internal consumer did for you during the years 1943, 1944, 1945 and 1946 when he maintained this industry by consumption, when export markets were lost. Hon. Members who know about the world market for coffee would remember that in 1946 hundreds of thousands of tons of coffee were dumped into the Caribbean Sea because Brazil had such a bumper crop, and the prices were so low. At that time, it was the internal consumer who gave you Rs. 15 per cwt. so that you could maintain your industry and export...

Shri Matthen (Thiruvellah): What was the quantity exported in 1946 and 1947 and 1948?

Shri T. T. Krishnamachari: The hon. Member will get the information later on when I reply. Of course, I have got the figures here, but it will take some time for me to find them

Shri Matthen: Appreciate the sacrifices they made.

Shri T. T. Krishnamachari: The sacrifice that has been made, I maintain, has been made by the consumer every time. I do not think the hon. Member is interested in the coffee producer because his area has only a thousand acres under coffee production.

Shri Matthen: I am a consumer. I am not a producer at all.

Shri T. T. Krishnamachari: The position, as I said, is that the industry has to depend vitally on its home market and this home market has responded, so far as this industry is concerned, in the past, and I think there is no reason for its neglect. This year we have a surplus. Last year we had a surplus because of contraction of consumption. As a result out of 18,000 tons, I allowed 3000 tons to be exported. This year we have 27,000 ton crop and so far we have allowed 5,000 tons to go out. The increased prices that have been realised will go into the pool and I am sure that the

growers will get not Rs. 2-4-0' per point, not Rs. 180 per cwt. which we have guaranteed, but something much more. It might be 4 annas or 5 annas or 7 annas per point more. I am not going to deprive them of it. They are going to get it.

Shri Matthen: Not the whole.

Shri T. T. Krishnamachari: The whole of it. But if the House or the Select Committee say that the whole of it should not be given and that some portion should be given to some party or to somebody else or that some portion should be set apart for rehabilitation, I am in their hands. As it at present stands, even with this amended Act, it would mean that the whole of it would be paid to them. Any advantage that we get by export would go to the grower; I do not want to stop it so long as the consumer gets it at a reasonable price...

Shri C. R. Iyyunni (Trichur): May I ask.....

Shri T. T. Krishnamachari: I will answer the hon. Member later.

I do not stop it so long as the consumer gets it at a reasonable price—and I will say in all conscience that it is not a reasonable price from the point of view of the coffee consumer to pay. I have supplied to the hon. Members a chart in regard to the cost of living and also the prices of coffee. Hon. Members will please see how in spite of the fact of the sins and omissions and commissions on the part of the Government, the cost of living having gone up, the coffee prices have shot up; they have just gone up, in spirals sky-high. In spite of all that, I think the producer will get his money. I think most of the hon. Members in the House will agree with me, in this: what has the Government or a member of Government got against any producer excepting that he wants more or less average price between the consumer and the producer, with the advantages or disadvantages? Where is the ques-

tion of anybody being against any particular person? It may be that a particular producer or a group of producers is against a particular Minister because a momentary advantage is denied to them. I agree. I have striven, during the last one and a half years, to see that the prices come down, and they have come down. I do admit that in doing so, I have injured the interests of some of the powerful producers, and I realise that propoganda has been carried on, *agents provocateurs* have been sent to various places, newspapers have been briefed, columns have been purchased. But what does it matter? After all, when a man undertakes his responsibility, he does expose his head for these missiles to be hurled at him. I do not propose to retaliate. I do not propose even to answer.

Mr. Deputy-Speaker: They have not reached the head.

Shri T. T. Krishnamachari: It has hurt. I may very humbly submit that all this hurts to some extent, the more so because most of them do not happen to be the truth. It is falsehood that hurts, not the truth. A man can take the truth and he might agree that the truth is thrust on him, but when he recovers he knows he has been attacked by falsehood and not by truth. Some portions of the mud sticks. But I do not complain. I do not propose to name the person; I do not propose to name the groups or interests that have been doing it. It is all in the game. I do not mind if some people are employed to go round and brief the persons, or brief other interests and newspapers. It is all in the game. If people do not employ advertising agents, people would not live. Whenever somebody goes and says, this Minister is against coffee interests, well, he probably follows that way of life. I have nothing to grumble. He does not happen to be a Minister but he has got to live. I do not grumble. These things, I can say, do not hurt me in the least, but I do main-

tain that we have striven to reduce the prices for the consumer to some extent and have succeeded to an extent. One solitary proof of the success that we have achieved is that, in spite of the fact of relatively high prices, consumption has gone up, and the internal consumer is taking his due share. This will strengthen the industry. People can go in for more acreage of coffee. I do believe that so far as the scheme that we have before us is concerned, we are thinking in terms of extending the acreage by a hundred thousand acres, and we are also thinking in terms of raising the production to at least an average of 2½ cwt., all of which would certainly mean that more coffee will be produced. It may not be, as a former Chairman of the Board has said, that India may earn Rs. 50 crores by way of foreign exchange, because this is a question of earning foreign exchange by raising the acreage, and somebody selling at a high price in a foreign market does not stay put. We are aware that Northern India is also taking up coffee drinking, as some hon. Members have done, and thus we may have some more coffee in this country, all of which will ultimately benefit the industry. That is the intention of this Bill. The intention of this Bill to revise the Act is to make the Board a little more effective and also to help the small grower and keep the consumers' interests all the time in the forefront.

I do not think I need take any more time of the House. Of course, hon. Members were asking questions. I shall certainly answer them if I have an opportunity to reply to the extent that is possible. I may finally mention that this Bill has been before the public, except for the variations that I have made. But I withdrew it and reintroduced it taking more power for levying a high rate of cess. So far as these provisions are concerned, we have received representations from various bodies; the Coffee Board itself has considered this and have sub-

[Shri T. T. Krishnamachari]

mitted to us a printed memorandum. On one or two matters, they do not agree, for instance, on the manner of representation. They do not want the consumer quantum to be represented in a large degree. They want each organization directly to elect a representative to the Coffee Board. But in regard to this question of the Chairman, even the Coffee Board has agreed. As I said, the former Chairman told me that it is better for the Chairman to be a full-time man. They have agreed to have a full-time Chairman. All these matters can be discussed by the Select Committee. I shall place all these facts before them and I shall probably try to give them all the information that I have and accept their findings finally and bring them back to the House. This is all I have to say now.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Coffee Market Expansion Act, 1942, be referred to a Select Committee consisting of Shri R. Venkataraman, Shri C. R. Narasimhan, Shri Birendranath Katham, Shri Laisram Jogeswar Singh, Shri Vyankatrao Pirajirao Pawar, Shri Chandrar Shankar Bhatt, Shri Ainar Singh Sabji Damar, Shri Goswamiraja Sahdeo Bharati, Shri Wasudeo Shridhar Kirolikar, Shri Raghavendrarao Srinivasarao, Shri H. Siddananjappa, Shri N. Rachiah, Shri K. Sakthivadivel Gounder, Shri George Thomas Kottukapally, Shri N. Somana, Shri Hem Raj, Shri P. C. Bose, Shri Nayan Tara Das, Shri Bhagwat Jha Azad, Dr. Satyanarain Sinha, Shri Gajendra Prasad Sinha, Shri Baij Nath Kureel, Shri Vishwanath Prasad, Shrimati Ganga Devi, Seth Achal Singh, Shri Har Prasad Singh, Shri Badshah Gupta, Shri K. G. Wodeyar, Shri R. N. Singh, Shri K. A. Damodara Menon, Shri K. Ananda Nambiar, Shri M. D. Ramasami, Dr. D. Ramchander,

Shri Y. Gadilingana Gowd, Dr. Indubhai B. Amin, Shri D. P. Karmarkar, and Shri T. T. Krishnamachari, with instruction to report by the last day of the first week of the next Session."

I learn that the date about the report has been put in a different form. It should be: "By the last day of the first week of the next session."

Shri N. Somana (Coorg): I have tabled an amendment that the Bill be circulated for the purpose of eliciting opinion.

Mr. Deputy-Speaker: He may move his amendment. He is in the Select Committee. So, he must give up one or the other.

Shri N. Somana: There was a precedent in the House. Shri Vallatharas moved an amendment and he made a speech.

Mr. Deputy-Speaker: I will certainly go by the precedent. I did not allow him, and I am not going to allow you.

Shri Punnoose: In the Bill moved by the hon. Minister, there is a similarity with the Bills that he has moved on other plantations, the Rubber Bill, the Tea Board Bill, etc. He has increased the power of the Government, the hold of the Government, in constituting a Board as well as its methods of functioning. If you go through the Bill, you will find that all those powers, all those stipulations in the original Bill making it necessary to consult the Board, have been scrapped. In spite of the fact that he made a very enlightening speech, he could not explain why he wants these amendments to take place. I can understand when he says that it is necessary to have a whole-time Chairman. I can understand when he says that there should be representation for the consumers on the Board. But, I cannot understand why he wants to assume dictatorial powers over this Board. I am not one of those who stand for pure democracy without looking into the conditions. In the case of a certain

industry where there is foreign capital, where we leave the whole prospects of that industry to alien management, to the whims and fancies of the foreign element, then it may be necessary to bring about a certain amount of control. There we will have to accept some sort of qualified democracy. But, in the case of coffee, where there are a large number of small-scale producers,—something like 89,000 acres are owned by people owning less than 2 acres,—where the Indian industrial element is strong, why is it that the Government wants the powers of the Board to be circumscribed and nomination is resorted to? Look at this clause.

“A Chairman to be appointed by the Central Government; one person to represent the State of Coorg, to be nominated by the Chief Commissioner of that State, one person to represent the Government of Mysore, to be nominated by that Government; one person to represent the Government of Madras, to be nominated by that Government, four persons to represent coffee trade interests, to be nominated by the Central Government; three persons to represent labour, to be nominated by the Central Government...”.

All nominations by the Central Government and the State Governments. There is no provision to give representation either to the growers or to the consumers or to labour thereon on their own. They are all going to be nominated under this Bill. The hon. Minister has not explained why he wants such a change. Time and again, criticisms have been levelled in this House against Government dominating these Boards. They have all become the showboys of the Government. I do not know how it will help the industry. In a sense, it will only be handing over the whole industry to bureaucratic control, which I view with suspicion and a great amount of apprehension.

The question of the coffee industry is one which concerns the production aspect to a large extent. The report of the Coffee Board will show that production has increased by 17 per cent. But, the hon. Minister did not say that there was almost a 33 per cent. increase in acreage. As against 33 per cent. increase in the acreage, the increase in production is only 17 per cent. If you look into the report, you will see that the Board has not been able to help the growers in combating the various diseases, pests etc. that go to ruin this industry. Sufficient care has also not been taken to increase the acreage itself as it can be. There are prospects even now, because, with some amount of attention, coffee can be cultivated in several parts of India; but that attention has not been paid. The Board, with such exclusive powers, and with the Government dominating the whole show and the increase of the cess from one rupee to six rupees, not only the acreage but also the yield must increase. In doing so, we have to take into consideration the interests of the small-scale producer also. What are his interests? The method of pooling, the fixation of prices as also the other conveniences given are practically restricted. Take my own area where we do not have large coffee plantations at all. In our area, we have got coffee estates 50 cents or 2 acres at the most. They have certain special problems. There must be some kind of mechanism by which that small producer can be helped.

One of the biggest problems is cheap credit. At the time the crop is taken, he has to collect it and sell it at the lowest price available. There was a regular black-marketing in coffee going on in our part of the country. The result was that the black-marketeer was there to take away the crop at the lowest price possible from the small producer. He has not got the capital or the money to invest. There must be some organisation, some co-operative organisation through which he can get

[Shri Punnoose]

cheap credit so that he may get a sufficiently reasonable price for his produce. I think that should be one of the definite objects of the Board.

Then, I come to the consumer. As the hon. Minister stated, even the ordinary worker and peasant in our parts is a consumer of coffee. At times we have found that the price has been very prohibitive and the average people have found it very difficult to have their coffee. Some mechanism should be evolved by which the Indian consumer gets coffee at reasonable prices. At the same time, our export market should not be affected unnecessarily. That is, a certain quantity should be set apart for the Indian consumer and only the balance should be given over. There must be a definite proposal by which the Indian consumer gets his coffee at reasonable prices. The market for coffee in India can be definitely increased. In the U.S.A. the *per capita* consumption of coffee is about 17 lbs. per year. But, in India, a person takes only 1/7th of a pound a year. This can be increased. Ultimately it is a matter of the purchasing power of the Indian people. But, nevertheless, even under the conditions at present obtaining, it can be increased. So, steps should be taken by the Board to see that the consumption of coffee in India is increased and the consumer gets the commodity at a reasonable price.

Then, I come to another point. In all these Bills, with regard to the statutory Boards, one element that is being overlooked is the worker. Time and again, questions have been raised on the floor of this House with regard to the coffee workers, both the plantation workers and the coffee house workers. Every time the Minister has said that they are not under the control of the Government and they cannot do anything. Now, I say, here is the time to have some arrangement about this. With regard

to the officers, it is definitely stated that they will be appointed by the Government and will be governed by the rules made by the Government. Complaints have been made to the hon. Minister as well as to the Minister for Labour from the coffee workers. In the coffee trade, there is the Indian Coffee Labour Union. It has, as members, almost 95 per cent. of the workers in the trade. I may correct it; it is 99 per cent. of the workers that are its members. Nevertheless, this Board has refused to recognise it, but the Government would not do anything except desiring that the Board might do so. Not only that, but you will find that I have got a bundle of papers here containing copies of representations given to the Minister, copies of resolutions passed at public meetings and in general body meetings; where all sorts of strange things have been done. The Assistant Secretary of the trade union, Mr. Singh, issued a statement some time back stating that the price of coffee was rather too high for the Indian consumer and also that the reduction from 8 oz. to 6 oz. in the quantity served in the coffee houses has been unjustified. For issuing such a statement, he was hauled up and dismissed from service. A union official issues a statement, but how can that be construed as an offence and how can that be a ground for disciplinary action and expulsion, I do not understand. Notices have been served on others also saying that they had issued statements and reports have been published in papers regarding general body meetings. Government servants are allowed to have their own unions with certain restrictions, but this Coffee Board, which is a statutory board, and on which representation has been given to various elements, is denied the usual trade union rights. Therefore, in this Bill, it is very necessary to make certain stipulations. In the first place, I can understand the anxiety of the hon. Minister in not giving direct representation to foreign elements on the Board, but why should there be

nomination from the workers, I cannot understand. It is just to patronise certain unions, which may not be unions of the workers but unions of the planters. I do not refer to any particular all-India union or trade union organisation. I can say that when there is no direct representation given to the workers and when they are not allowed to elect their own representatives to serve on the Board, there is room for all sorts of corruption and there is room for the large-scale producer as well as the Government to hoodwink the workers. The workers have got all-India unions and there is no difficulty at all. Time and again Government say that there are various unions and it is difficult, therefore, to give representation to workers. We have got an all-India central organisation which can represent properly the interests of the workers. In the second place, not only plantation workers but also the workers serving under this Board should be given representation; they should be given representation and their union should be asked to elect their representative on the Board. Thirdly, the conditions which govern the service of the workers should be stipulated here and should not be left to the mercy of the Board, about whom the Minister knows more than I know. He is fully aware of what the Board and the vested interests have been doing. Therefore, the workers should not be left to the tender mercies of the Board, and their conditions of service should be stipulated and their terms and rights should be guaranteed, and they must be given all reasonable terms of service. If we do so, if these things can be looked into by the Select Committee, and if the Select Committee functions with the objective of increasing the production of coffee and also of an expanded market in India itself, it will be to the advantage of this country.

Shri Asoka Mehta (Bhandara): The two principal objects behind this Bill are to foster the development of industry rather than to restrict attention to marketing of coffee, and to

establish better co-ordination between the Board and the Government. Unfortunately, the speech, that the Mover made, made no reference whatsoever to these two objectives. I do not know in what way he proposes to foster the development of the industry. In the Bill suggestion has been made in that direction. One concrete suggestion is to raise the rate of duty from Re. 1 to Rs. 6. Apart from that suggestion, there is no proposal whatsoever for the development of the industry. Far from establishing better co-ordination between the Board on the one hand and the Government on the other, what we find is that an effort is sought to be made to subordinate the Board to the Government. This Board is sought to be emasculated. The Board will have no elected representative either of the growers or of the workers. Neither the growers' associations nor the labour unions will have any direct say or decisive say whatsoever in the composition of the Board. In the past, I believe, the growers had their representatives and the workers' representatives were appointed in consultation with the labour unions, maybe labour unions associated to the Indian National Trade Union Congress, but all the same labour unions were consulted and their advice was accepted and acted upon.

From the speech that the Mover made, it seems that in future he merely wants a board of his choice, because his contention is that in the past the Board has functioned in a manner that has left him completely dissatisfied. The Board, will have an appointed Chairman and the powers given to make bye-laws have been taken away; all the rules will be framed by the Government. The Board, which is supposed to be autonomous, will have hardly any powers to develop its activities. All officials of the Board will be appointed by the Government. All officials of the Board will be not only appointed, but their salaries and conditions of service will also be determined by the Government. I do

[Shri Asoka Mehta]

not know why a board is needed at all. Surely, the Minister can do these things departmentally. Why have such a big board? Why have a cumbersome machinery like this? Why incur this incidental expenditure of setting up a board when he can do these things departmentally? Even under the present Act, the Minister has all the powers he needs. The Minister, after consulting the Board, can fix whatever price he wants to fix for any particular variety of crop. There is the marketing officer and the marketing officer's duties and responsibilities are decided upon or determined by the Government. I believe that the Chief Marketing Officer is appointed by the Government. How have these powers been used? We are told that in the past the price of coffee has gone up very much and the consumers have suffered. Probably, the consumers' interests have not been properly looked after, but who is responsible for it? Surely the Government, with all their overriding powers, is responsible. I cannot understand how Government or a member of Government can come and deny it and say that the Board is responsible for what happened. The Board has to function under the overriding supervision and control of the Government; the marketing officer is there; the representatives of the Government are there on the Board. In spite of the fact that various State Governments and the Central Government have been represented on the Board, if the Board has misbehaved, I do not know how we would be justified in giving further powers to the Government and converting this Board into almost a rubber stamp organisation.

This Board was set up for a specific purpose. The idea was to develop co-operative marketing of coffee. I believe in coffee and coffee alone are the growers called upon to surrender their entire produce to the Board. The marketing has to be organised by the Board wholly and entirely, but what do we find? If it had been

for developing and fostering these co-operative processes, if it had been for developing co-operative marketing and introducing co-operative methods and co-operative processes for the cultivation of coffee, I could have understood such a Bill and I would have welcomed it. Instead of such a Bill, even the co-operative element in the marketing is to be taken away and marketing is sought to be bureaucratised. For the purpose of finding out ways and means of developing this industry and for giving a fair price to the growers, and to the consumers only recently a committee or a commission was appointed. Before it had an opportunity to study the problem, before the competent committee has submitted its report, we are being called upon to grab the power which certain non-official elements enjoy and substitute that power by a body which will consist wholly of the nominees of the Government. From what the hon. Mover has been telling us, it seems that the persons he will nominate will not enjoy the confidence of the various interests concerned. He told us that it was the big owners and the big growers who were able to take advantage of these powers and the rise in prices at the expense of smaller growers. Why should that be so? The overwhelming majority of the growers happen to be small growers. Why have they not been brought together? Why have not co-operatives been set up? What has the Government been doing? Surely, it is within the powers of the Government to create conditions to provide facilities, and to offer incentives whereby the small growers can come together and form themselves into co-operatives. They would outnumber the large growers probably by a majority of 80 or 90 per cent. Instead of bringing together the small growers and developing and fostering the co-operative forces among them, what is sought to be done is to bring the entire industry under the control of the Government not merely under its direct control and supervision, but the entire

executive will be in the hands of the Board, picked by the Minister, by the Government. There are many of us who believe that the future of India lies in developing co-operative activities. The overwhelming majority of this House has drawn its inspiration from a philosophy that wants to restrict the *Raja Sakthi* and wants to foster the *Jana Sakthi*. This Bill is an effort wholly and completely to hand over the coffee industry to *Raja Sakthi*. We are anxious that the Board should become more and more autonomous, more and more representative. Real representative capacity will come to the Board only when the smaller growers, labourers and smaller traders are able to find adequate representation according to their number and position in the industry. For that, what is needed is development of organisational consolidation at the bottom, development and fostering of co-operative activities at the bottom and not increasing bureaucratisation.

The hon. Mover has quoted a number of figures which may or may not be relevant but what I am concerned with is the basic outlook. The prices might have gone up or gone down; that can be discussed separately. In order to bring it down surely, the autonomous body should not be converted into a rubber stamp organisation. Therefore, I believe that no case whatsoever has been made out. The only thing that he has suggested—and that merits our consideration and deserves our support—is that the rate of duty should be raised from Re. 1/- per cwt. to Rs. 6/- per cwt. Beyond that all the suggestions made and all the amendments suggested are of a retrograde character and I think it would be unnecessary on our part even to refer this Bill to the Select Committee.

Shri M. S. Gurupadaswamy: Just now, Mr. Asoka Mehta focussed the attention of the House on the very important problem of encouraging co-operatives in the coffee industry.

195 L.S.D.

I do not want to refer to that problem because he has very well put it and has explained it in lucid terms. I want to refer to one or two other important points relevant to this matter.

When a resolution on coffee was brought forward by the Minister sometime back, the question of cost of production of coffee was raised on the floor of the House by many hon. Members. It was urged by all sections of the House that the procedure adopted by the Government in appointing a Cost Accountant Officer was not at all proper and also it was said that what this officer did at that time was not in any way satisfactory and the report he submitted to the Government was not a report based upon correct observation and real facts. Though there was unanimous demand by all sections of the House that this matter can be fairly tackled by the Tariff Commission and that this should be referred to it and its decision should be awaited, the hon. Minister thought it fit not to refer the matter to the Tariff Commission. He did not give any reason why the matter should not be referred to the Tariff Commission. The complaint against the Cost Accountant was that he was a government officer and that he did not correctly appreciate the conditions on coffee plantations. So, we urged upon the Government that nothing will be lost in referring this matter to the Tariff Commission. On that occasion, I suggested that the Tariff Commission was there to make enquiries of such a nature regarding the various industries in the land. The hon. Minister said that if the matter is referred to it, it would take a very long time; there will be a lot of delay and so they thought that the Cost Accountant would finish the work soon. I fail to understand this reason because this is not a very good reason. When the Tariff Commission is there for the purpose of conducting such enquiries, I fail to understand why the hon. Minister did not agree for referring this matter to the Tariff Commission. Even now, it is not late.

Bill

[Shri M. S. Gurupadaswamy]

This matter may well be referred to the Tariff Commission and their decision may be awaited in this matter.

Next, Sir, I come to some of the provisions of the Bill. Shri Asoka Mehta very well said that there has been progressive bureaucratisation of these Boards. I made that point when I was speaking of Rubber Board last time and I repeat that this tendency on the part of Government to create puppet organisations will not in any way help to solve the problems of industries. Gradually all the commodity Boards so far created have been completely brought under the thumb of Government. This should not be in any way tolerated because we see that these Boards if they are completed under the thumb and power of Government, they will be nothing but puppets in the hands of the department. Instead of having such useless Boards, I would prefer to have none. If Boards are to be appointed we expect that there should be a certain amount of autonomy in their working. We also expect that all the interests are properly represented. The nomination principal is very bad, it takes away all the independence of the Board and the function of the Board will be jeopardised.

My next point is that the Board should be consulted. According to the present Act, prior to taking any decision in the matter the Government should consult the Board. The hon. Minister wants to do away with this provision. He wants to delete the word 'consultation'. He wants to make the Board completely subservient; completely subordinate to the Ministry. There I object. I want to know what is the reason for this? What is the harm in consulting the Board before taking any action? Will it harm industry? Will it in any way come in the way of the policy of the Government? Even now Government has sufficient power to override the decision and authority of the

Board, and whether there is consultation or not, Government is empowered to follow its own policy in this matter. But, where is the harm in consulting the Board? Even after consultation the Government can amend the decision of the Board; change the decision of the Board and even override the decision of the Board. Therefore, this is a retrograde step. I strongly protest and say that this amendment ought not have been brought forward by the Government. The Mover of the Bill did not give any reason in his speech why this amendment was thought fit and why he felt the necessity of bringing forward this amendment. So, Sir, I appeal that this is a very retrograde and undemocratic step and the Bill shall not be in any way allowed to be amended on this point.

Then, Sir, I want to say about the policy of Government regarding the development of the industry. The hon. Minister talked big again of the development of the industry, but unfortunately it was only a talk and we hear such talk off and on. He seems to sponsor the interests of the consumers which means the public. But, what has he done for the public so far? What has he done for the development of the industry? He said that the big interests should not be allowed to reap the harvest. I agree with him. But, so far, what has he done to uplift the small grower? What has he done to bring down the cost of living of the consumers? Further, I want to know whether an amendment of this Act will in any way improve the matter. Already Government had vast powers under the present Act and in spite of that, the Government failed to bring about any change in the industry. The Government has failed to bring about any improvement in the development of the industry and so far the policy of the Government has not in any way satisfied either the consumer or the producer, or anybody.

Mr. Deputy-Speaker: That seems to be the reason for the amending Bill.

Shri M. S. Gurupadaswamy: No, Sir. The present Act itself gives ample powers to Government; ample powers and control over the Board and its policy. So far, the Government has failed to have any policy and failed to have any scheme for the development of the industry. Vast areas of land are available for cultivation. There are small groups of coffee plantation outnumbering. They have not been consolidated and new areas of land have not been brought under cultivation. Therefore, the Government has not in any way helped the growth of the industry. That is my complaint.

Then, Sir, there is one more point and that is this. The Minister when he was speaking did not give any reason as to how far the present Act has worked adversely and how far it created difficulties in his way. I want to know how giving more powers to Government would help either the producers or the consumers or any other class of people and also the industrial labour who are involved in this industry. He has not made any point that by giving more control over this industry he would in any way improve the situation.

Mr. Deputy-Speaker: There are some others also who want to speak on this subject.

Shri M. S. Gurupadaswamy: I will finish in one minute, Sir. The Coffee Board is different from all other commodity Boards. This Board completely takes all coffee into its possession. There is a pool and all coffee comes to this. Unlike other commodity Boards, coffee has got greater control and greater scope of operation and I want to know why this exception has been made in the case of coffee. Why the same thing has not been repeated in the case of tea? What are the reasons therefor? If a certain thing is applicable to coffee the same thing can be applicable to tea. Why has this

exception been made in the case of coffee? I would suggest that there should be some sort of uniform policy with regard to all Boards.

I want to say about one more point. The expenses involved should be met entirely from the cess collected. The hon. Minister seems to be thinking that the expenses of the Board and the expenses involved in research and propaganda should be met from the general funds received from the proceeds of the sale of coffee. That is rather exceptional and extraordinary. We have not seen such type of thing in the Tea Board and it is only in the Coffee Board that we see that the expenses for research, and administration expenses are met by the proceeds received out of the sale of the coffee. Therefore, I want to know the reason why the hon. Minister wants to adopt a different policy here and quite a different policy in the case of tea and other commodities.

Finally I would say that the policy adopted by Government is not satisfactory and is not conducive to the growth and development of the industry. Moreover, it has not in any way brought down the cost of living of consumers. Although the hon. Minister is making a huge claim on behalf of the consumers that the consumers' interest and the public interest should be protected, so far it has not been protected and no interest involved in this industry is satisfied with his policy.

Some Hon. Members rose—

Mr. Deputy-Speaker: I have been calling Members from this side. I must call one from that side also. Mr. Matthen.

Shri Matthen: When I asked the hon. Minister the quantity of export of coffee during the years 1944 to 1947 I was sorry that the hon. Minister was a bit annoyed, but my sole object was to find out the extent of the sacrifice made by the consumer to protect the producers' interests as

[Shri Matthen]

alleged by the hon. Minister. I am not a producer, nor do I represent any producer. I am a consumer. I have been a consumer of coffee.

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch Castes): Habitual consumer.

Shri Matthen: Yes, habitual consumer, I agree with you, and doing it very liberally also. Any attempt to bring down the price of coffee to the consumer in India will be appreciated by me and I am in very good company there. Therefore, I shall certainly support the endeavours of the hon. Minister, of the new Board or of Parliament, to bring down the price of coffee in India. But, at the same time, I feel the observations made by the hon. Minister about the Board were not very charitable.

I know the condition of the coffee industry in the thirties in India. Estate after estate was abandoned in Mysore and other places. It was the Coffee Board and the coffee houses that gave a fillip to the coffee consumption in India and the quantity consumed in India today is far more than double that of the quantity consumed before the introduction of the coffee houses. I personally feel that the Coffee Board has done a good job.

It is true they were interested in getting a better price for their coffee, but what is wrong with it? What I believe the hon. Minister has not taken into consideration is the development of coffee. This is one plantation industry where there is tremendous scope for development. In these days when we are troubled by unemployment, especially in South India, this is the one line where we can develop with advantage, and the greatest advantage is that we are today producing much more than we can consume. With all the efforts of the Board and the Ministry, what we are selling abroad is getting a price

more than three times what we are getting in India, and if thereby our producer gets the benefit of it, why should he grudge it? It is, after all, the Indian producer mostly.

I was really glad when the hon. Minister observed that there are a large number of small producers whose yield per acre is only 1½ cwt. while the better-class organised estates are producing up to eight or even nine cwt. per acre. The production of 9 cwt. per acre is an inspiration to the smaller producer. In fact, the object of everybody must be to raise the production of the small producer from 1½ to nine or eight cwt. either by the application of chemical manure or by any scientific methods. The importance of the large producer, as I see it, lies in the methods he is using in larger production and the inspiration he gives to the smaller producer for increasing his yield. The smaller producer must produce more. Otherwise, it is a sheer waste. I do not know the number of labourers engaged, but I think the number is about double of what it was some years ago, and the consumption of coffee has been steadily increasing.

10 A.M.

I do not know what exactly the Minister meant by saying that in 1953 there was lower consumption in India. It may be due to delay in sale or some other causes, because since then you find 2,000 tons a month have been sold. That will make 24,000 tons a year if you work on that basis. Therefore, there is something wrong with the calculation. There has not been a reduction in consumption. That is what I think. It has been steadily growing for the last thirteen to fourteen years.

I have no objection to a full-time Chairman being appointed, but certainly I object to nominations by the Department. Coffee, rubber and tea are organised industries. They have

been organised from a very long time and they have been doing honest and efficient work also. I do not think there are many more organised organisations in India like the plantation industry of South India. They have got a good record. And, after all, according to the Act, the Minister has got complete over-all power for everything. Why not a few of them be allowed to elect their own representatives? The United Planters' Association of Southern India, the Coorg Planters' Association and the Travancore Planters' Association are really old and doing efficient work. Why not give them power to elect their representatives? They will not be in a majority. Even if they are in a majority, the Minister has got full power, over-all power to do away with all that they decide if necessary. This is an observation I wanted to make even when the Rubber Bill came up.

The provision for consultation with the Board which has been removed from the new Bill is also a matter for consideration, as Mr. Gurupadaswamy has pointed out. I believe the Select Committee will go into that because without consultation, with all the efficiency of the Ministry I can assure you they cannot get that efficiency and knowledge of the industry as Ivor Bull had, as an organised first-class planter has. Why not have the benefit of consultation? I think that the consultation provision should be retained, and I believe the Select Committee will look into it. With this, I support the Bill.

Shri Bansal (Jhajjar-Rewari) : I generally support the changes adumbrated in this Bill, and therefore commend the motion of the hon. Minister of Commerce and Industry to refer this Bill to the Select Committee.

I have only one complaint to make on the composition of the Board. I agree with my friend Mr. Matthen

that this amendment will lead to further bureaucratisation of the Board and remove whatever element of democracy there has been in the Indian Coffee Board so far. There has been an increasing tendency in the Government of India to substitute these Boards by hand-picked individuals. There are some individuals who become the blue-eyed boys of the Minister concerned at particular times and those individuals are nominated on these Boards. It happens that by the good fortune of the country at times there is a very honourable Minister in charge who also knows all the ins and outs of the industry, but we have also seen that oft-times the Minister is not so capable, and therefore, it will be dangerous to vest in him all the powers of nominating the representatives of trade and industry and of labour on the Board. After all, what is the fear that this representative character is removed from this Board? Most of these associations—I have personal knowledge of some of them—are run on real democratic principles. The fear that they are nominated by the richer or more powerful sections is absolutely unjustified. Every grower and every planter has a right to become a member of these individual associations, and these individuals, who are members of the associations, have a right to cast their vote, whenever there is a nomination, and an election for that purpose takes place. Therefore, for Government to say that the composition of these Boards, by virtue of nominations being made through the accredited associations of planters has led to the domination of bigger vested interests is, in my opinion, absolutely unfounded. I want to ask you, what will be the position under the amendment contemplated in clause 6 of the Bill. The proposed sub-section 2 (vii) of section 4 reads:

“four persons to represent the coffee growing industry in Mysore, to be nominated by the Government of Mysore”.

[Shri Bansal]

I want to know how the Government of Mysore will pick out these four representatives to represent the coffee growing interests. Either they will have to go to the associations of these coffee growers, in which case, instead of the nominations being asked for by the Central Government directly, the Mysore Government will ask for them; in other words, whosoever is the Government at that particular time will nominate the representatives, which means that the Minister in charge will nominate persons of his choice. Now, I think this is a very dangerous principle, which is not going to help anybody.

I have been associated with the working of the Export and Import Advisory Councils, and I know that, there too, the principle of nomination by certain Chambers of Commerce have been removed. I also know that even as it is, these Councils are working all right, but that is solely on account of the fact that our present Minister of Commerce and Industry who is well-acquainted with the commercial set-up of the country knows which persons to pick up, and from which particular section or from which particular trading centre. But the Minister concerned should not look at legislation from his own particular point of view. He should remember that he is not going to be a permanent feature. The permanent feature is Government, and not the Minister. Therefore, these enactments must be passed from the long-term point of view. After all, in this democratic age, why should we be afraid of democracy even in these sections? If a Chamber of Commerce is run on purely democratic principles, or a labour union or a central labour organisation is run on democratic principles, why should we be afraid of going to these unions or associations to nominate their representatives on these Boards which are set up by the Government of India? I would, therefore, earnestly

appeal to the hon. Minister, to accept the suggestion made by my hon. friends Shri Asoka Mehta and Shri Matthen, that these Boards should no longer be bureaucratised further. After all, there is a nominated element on the existing Board also, and Government themselves have a lot of power to do or undo the recommendations of the Board. In order to keep in touch with the industry, instead of having men of their own choice, who will always say, yes, to what the nominating Minister wants him to say, let Government have on this Board, people who really have the interests of the industry, or the labour which they represent, at heart. After all, a person who is elected through a democratic process by a particular association or labour union—it may be an all-India labour union or a State labour union—will always have to bear in mind the interests of the majority of those whom he represents. As my hon. friend Shri Asoka Mehta said, in the coffee industry, the majority consists of small growers. It is a fact that the majority is of small growers, and therefore, we should not be afraid of giving this power to local trade or industrial associations or labour unions.

I would once again appeal to the hon. Minister to kindly give his consideration to this suggestion, and I hope that at the Select Committee stage, he will try to restore the existing provision under section 4, rather than amend it so drastically.

Shri A. M. Thomas (Ernakulam):
I want to make only a few observations on the Bill. The main object of the Bill is the reconstitution of the Board on lines different from those existing under the present Act. Much has been said on the desirability of having a more democratic set-up in the constitution of the Board, and I have also my chance for pleading for a democratic set-up in the constitution of such a Board, by giving representations to the different

organisations of the industry. In the matter of coffee, it is all the more necessary to give representation to the growers' organisations as nominated by them, than in other industries like tea or rubber, because in no other industry, we find the entire produce of the industry being taken by the Board. That is a difference which we have to countenance. When we take the entire stock of the growers, they would naturally expect that they must have a voice in the disposal of the stocks, in the fixation of prices etc. by the Board, and it is not enough if the Central Government nominate somebody from among the growers or somebody from among the consumers or other small producers or labourers, as the case may be. When a statutory body takes control of the entire stock of this industry, the interests affected are justified in claiming a dominant voice in the administration of that Board, as also in the disposal of the stock that is taken over by that Board.

In addition to these put forward for a democratic set-up in constituting commodity boards, I would like to say therefore that there are additional reasons to be urged in the case of the coffee industry. I would urge upon the Select Committee the necessity of having a constitution of the Board, by giving representations to the various organisations engaged in the coffee industry. Even as the Board is constituted at present, we find that the Central Government's or the State Government's nominees are a substantial number in the Board, and I would even say, they have a majority voice in the deliberations of the Board. As such, it is no use saying that for the purpose of having a better control over the industry by the Central Government, it is necessary to fill the Board with the nominees of the Central Government.

As pointed out by my hon. friend Shri Bansal, the power of nomination has also been given to the various State Governments. But this

Bill does not provide as to how the State Governments will fill those places, as to whether they will refer the matter to the various organisations concerned, and invite suggestions from them or ask for a panel of names from which they would select; the Bill is silent with regard to those things.

One change that has been brought about in this Bill, with regard to the constitution of the Board, is evidently welcome, and that is the provision under the proposed sub-section 2 (xi) of section 4, to have two persons to represent the interests of consumers, to be nominated by the Central Government. This provision has been absent in the existing Act, so much so that it has been the cry of the vast majority of consumers in this country that their interests are not being safeguarded by the Board. That drawback is now got rid of by giving representation to the consumers also, in the Board. That provision is evidently welcome and I would support that provision.

In the Statement of Objects and Reasons, it has been stated that there are many small-sized coffee estates whose economic position being weak need some help for which additional funds are required. The hon. member, Shri Asoka Mehta said that though the Bill had been brought forward with that object in view, the provisions in the Bill were not calculated to serve the interests of the small-scale producers. I beg to differ from him. Sub-clause (c) of clause 17 of the Bill says:

"The General Fund shall be applied for making such grants to coffee estates or for meeting the cost of such other assistance to coffee estates as the Board may think necessary for the development of such estates."

That power was absent in the existing Act and to safeguard the large majority of small-scale producers this provision is quite salutary and I do not think Shri Asoka Mehta's

[Shri A. M. Thomas]

attention was drawn to sub-clause (c) of clause 17.

Shri Asoka Mehta said that the Government ought to have resorted to formation of co-operative organisations to help the small-scale producers. Sir, I would submit that this provision is a step in that direction. We know that in the administration of the handloom fund and other funds that have been created for developing other industries, grants are being made not to individuals but to co-operative organisations and these funds are being distributed with the help of co-operative organisations. That has been the case in the administration of the handloom industry, that has been the case in the administration of the coir industry. So that I would submit that the very point that has been emphasised by Shri Asoka Mehta has been thought of when this Bill was being drawn up, and this is a step in the right direction of the formation of co-operative organisations for the safeguarding of the interests of the smaller growers in the coffee industry. As the Act at present stands, the Government or the Board, even if they were minded to protect the small-scale growers, had no power under which they could act. It is for the purpose of taking that power that this provision has been deliberately added to this Bill. So that that provision is something which has to be commended.

I do not want to take more of the time. The two hours time that has been allotted for the discussion of the Bill is already up. I would only draw the attention of the Minister to the fact that even under the existing Act, the Government have got absolute overriding powers to do anything with the decision of the Coffee Board. For example, under section 42 of the Act, all acts of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as they think fit any action taken by the Board. There are

also provisions which will indicate that the Government have powers which, if they exercise, they cannot say that they are powerless, that the Board is acting in this manner, that they are powerless to do anything. The Central Government exercised these powers and we know that the prices of coffee have come down. So that it is no use saying that the constitution of the Board has to be changed for exercise of governmental powers. That argument cannot hold water.

I do not intend to say anything more at this stage. I would only submit that the Select Committee may go into the entire Bill and take note of the criticisms that have been made on the floor of this House.

Shri T. T. Krishnamachari: I am grateful for such constructive suggestions as have come forward in regard to this Bill. I do not know if I am supposed to reply to hon. Members who spoke—two of them are not here. Nonetheless...

Shri Achuthan (Crangannur): The House wants to hear the answers.

Shri T. T. Krishnamachari: Of course. The House also, I think, must have some consideration, the courtesies that are due.

Sir, the main attack was that the present Board was very satisfactory and the manner in which it was constituted was satisfactory. I beg to join issue with that statement and I am also fairly sure in my mind that hon. Members who made that charge, that I am interfering with some organisation which is very satisfactory, have done so without looking into the constitution of the present Board. I will read the names of the planters' representatives on the present Board. There are three representatives of the Mysore coffee growing industry nominated by the Government of Mysore—there is no election here. They are: Shri M. S. Dyave Gowda, Shri T. C. Manjappa Setty

and Mr. A. Middleton. They are all big planters. The United Planters' Association of Southern India has nominated three people, Mr. Humphreys, Mr. Ivor Bull and Mr. Home-wood. Mr. Ivor Bull has resigned and has been replaced. The Coorg Planters' Association is represented by W/C J. H. Sprott. The Indian Planters' Association (Coorg) has sent Mr. G. M. Manjanathayya. I am told he is a big planter. The Mysore Planters' Association is represented by Mr. R. Radcliffe, the Indian Planters' Association (Mysore) by Mr. S. N. Ramanna—he has many other interests, he is not a big planter but a medium-size one. The Nilgiri-cum-Nilgiri Wynaad Planters' Association is represented by Mr. N. B. Athrey, the Malabar Wynaad Coffee Growers' Association by Mr. M. A. Dharma Raja Iyer—I think he is reasonably big planter—the Shev-roy Planters' Association has sent Mr. Hatton and the Palni-Bodi-Sirumalai Coffee Growers' Association used to be represented by Mr. W. P. A. Soundrapandian—one of the most well-to-do people in that area. That is the present constitution of the Board so far as the planters' representatives are concerned—in all 14 representatives. Now, where is the small planter? Where are the associations who have nominated these planters? I do not know. Hon. Members have the right to speak without even scrutinising facts. It is their right and it is my lot to listen to it and to reply to it.

A point was made by the hon. Member, Mr. Asoka Mehta, in his maiden speech—unfortunately it was very maidenly. I thought when the hon. Member came he would have something new to say. But it was the usual claptrap. He repeated what my hon. friend Shri M. S. Gurupadaswamy said—that it would be a rubber-stamp Board,—and there was not even an originality in devising a nomenclature for this concoction of Government which is going to be an octopus which is ruining the coffee industry. I might tell him that if

he is a little more familiar with the working of Government—bad as it may be from his point of view—in the Tea Board, we have made a provision for the various interests to send panels. In the Tea Board there is no nomination except consumer nomination made direct by Government. Panels were sent and out of the panels selection was made, and I made it very clear on the last occasion when I spoke. In clause 21 under (2) reference is made to principles regulating the nomination of members of the Board. It is up to the Select Committee to amplify the principles if they want. But this is the principle that is being followed. I can also say that I am not keeping the power of nomination with me. In the case of the Mysore coffee growing industry, the Mysore Government has nominated three representatives. And we are going to ask the State Government to nominate. We shall certainly give them a direction if the Select Committee puts it, in order to amplify the rule-making power. We shall give them a direction that they should take into account the recommendations of the various associations. My hon. friend, Mr. Asoka Mehta, was not even right when he said that he did not mind if in nominating labour representatives, the INTUC's recommendations were taken into account. Actually, not only is the INTUC's recommendation taken into account in nominating the representatives of labour on the Coffee Board, but it is the proposal to take into account the recommendations of all organised labour unions working in that area. I might submit in all humility that as an oratorical performance his maiden speech might have been impressive, but in its content I do not think it calls for any detailed reply, so far as I am concerned, because the speech was conceived in ignorance of the background and very naturally it went wide of the mark.

Mr. Punnoose made the usual charge against us, but he fastened his main charge in regard to the

[Shri T. T. Krishnamachari]

non-recognition of labour unions in respect of the coffee houses.

Shri Kelappan (Ponnani): And the usual reply to the usual charges!

Shri T. T. Krishnamachari: When one belongs to the usual place, the usual charges are made and the usual replies are given. If my hon. friend who belongs to the same community to which I belong, brought up in the same way, educated in the same absurd manner, will not see something new. I cannot also see something new! If there is lack of originality there, there is lack of originality here. There cannot be something new here!

Mr. Deputy-Speaker: Coffee-drinking is exceptional to him.

Shri T. T. Krishnamachari: If my hon. friend, Shri Kelappan, takes to coffee-drinking, I am sure there will be something original from him in future. So far as the coffee houses are concerned, in relation to the labour unions, I do recognise that wages paid are very poor. I do also recognise that all is not well, but unfortunately, there are certain difficulties so far as I am concerned, because I am not an operating agent here. I have really no powers. My hon. friend, Mr. Thomas, took out section 42 of the Act. If he scrutinises the Act—that particular section—he will find that the powers are not there. It is not that if the Board says something, I can say no. I cannot initiate. It is possible for the Board to say such and such a thing can be done in respect of such and such item. It may or may not be accepted.

Now, I have mentioned at some length the difficulty that Government face in regard to the working of the Board. We must have co-operation. But all that I can say is the negative approach to the problem does not help. Much was made about this co-operative organization of workers. My friend, Mr. Thomas mentioned rightly, we are all in favour of co-

operative organization and Mr. Thomas pin-pointed that particular thing that in regard to handloom weavers, I refused to give any aid, to any weaver who does not come within the co-operative organization. I do not think there is any fundamental difference of opinion between the basic organization of the small workers and the small planters to wards working in the co-operative way. But, as Mr. Thomas pointed out, they might organize and give co-operation to the Board. I shall be very grateful for any help they can give us in any direction. I am quite prepared to be guided by them and get something new. I am in favour of the creation of a co-operative commonwealth. I do want these small growers, both in Mysore and in Madras, where there are a large number of small and unorganized workers to be brought in as soon as possible so that they could be helped with the cess. I have really no quarrel with Shri Asoka Mehta in regard to what he suggested as the proper method of helping small men. I do maintain that the working through commonwealth—the co-operative method—is good, and I shall be grateful for any help that I can get from the other people.

Reference was made to the Cost Accountants, by Mr. Gurupadaswamy. I read through the three enquiries thus far made: first, the Cooke's enquiry, then another enquiry, and the last one that was initiated by me. Well, I cannot really understand why a particular pattern of enquiry should be changed. What really happened was that the Cost Accountant in question made one human mistake, because he accepted, for the purposes of his enquiry, the figures of the Marketing Committee. He went into the estates which the Marketing Committee took. He did not go into a new set of estates. I did not give any instruction. He was asked to go and consult the Marketing Committee. I find from the actual report that he had gone

only to the same estates, so that the results that were produced were ordinarily the same. I do not think that the Tariff Commission exists for the purpose of the whims and fancies of producers, because the past Chairman thinks that he wants the Tariff Commission could go into these matters. How can I ask an over-worked and over-burdened Tariff Commission to go into this matter, for which there is no cause, and for the kind of work to which they are not accustomed?

The bulk of the criticism was bureaucratisation of machinery, possession of power, and so on. I do maintain that we have made enough provisions for the selection of members by the respective Governments from out of the panel submitted to them, and I am quite prepared to accept any variation on any particular provision which may be suggested by the Select Committee. I have made one important provision. I have completely withdrawn the representation of the Government of India on the Board. Formerly, there were three representatives from the Government of India which had a deciding voice even to ask others to vote. But we do propose to send an officer or two—experts—to the Board, to participate in the discussion, to guide them and tell the Government of India of their views, but not to take part in voting. It is a very embarrassing position for the Government...

Shri Kelappan: But the Governments nominate all the representatives.

Shri T. T. Krishnamachari: The whole trouble is—you have heard the story—that after hearing Ramayana all night, somebody asked what was the relationship of Rama with Sita. I have been telling my friends that we are not nominating the whole Board in the manner in which you think I am nominating. A particular member of Government will be on the panel and he will stick to the panel. If a member is unsuitable, then the fact

that he is unsuitable will be recorded, with the reasons. The reasons will be stated, and they are not going beyond the panel at all. That is the clear consideration that I have given to this matter.

In so far as labour is concerned, we will try to choose a representative from the panel sent by the labour organizations. Government obviously cannot come in there, cannot operate.

Shri A. M. Thomas: Can the hon. Minister enlighten me why the growers in Travancore-Cochin are denied representation by this Bill?

Shri T. T. Krishnamachari: The total area that is available is 2,38,000 acres of coffee which is actually planted out of 2,80,000 and odd of acres of coffee estates which have been licensed. Travancore-Cochin has got 1,022 acres. Unless the number of members is increased to 100, I do not think I can provide representation for a group of growers who, in all, grow only 1,000 odd acres of coffee. Wynaad is represented, and if Travancore-Cochin starts planting more coffee and produces more, naturally, we will amend the Act and give them representation.

I have tried to meet the points made on all sides to some extent. All those suggestions—such suggestions as those which were not criticism and were not wide of the mark—will be taken into account and I shall bring them all to the notice of the Select Committee. I do hope that the Bill will emerge from the Select Committee in a manner which will be reasonably satisfactory to most Members of this House, on both sides.

Mr. Deputy-Speaker: I will put the question to the vote of the House.

Shri N. Sreekantan Nair (Quiloncum-Mavelikkara): There was an amendment.

Mr. Deputy-Speaker: I do not allow that amendment. Hon. Members will have to choose between

[Mr. Deputy-Speaker]

being a Member of the Select Committee and moving an amendment, through a motion. He did not make the motion at all.

The question is:

"That the Bill further to amend the Coffee Market Expansion Act, 1942, be referred to a Select Committee consisting of Shri R. Venkatraman, Shri C. R. Narasimhan, Shri Birendranath Katham, Shri Laisram Jogeswar Singh, Shri Vyankatrao Pirajirao Pawar, Shri Chandra Shankar Bhatt, Shri Amar Singh Sabji Damar, Shri Goswamiraja Sahdeo Bharati, Shri Wasudeo Shridhar Kirolikar, Shri Raghavendrarao Srinivasrao, Shri H. Siddanarajappa, Shri N. Rachiah, Shri K. Sakthivadivel Gounder, Shri George Thomas Kottukapally, Shri N. Somana, Shri Hem Raj, Shri P. C. Bose, Shri Nayan Tara Das, Shri Bhagwat Jha Azad, Dr. Satyanarain Sinha, Shri Gajendra Prasad Sinha, Shri Baij Nath Kureel, Shri Vishwanath Prasad, Shrimati Ganga Devi, Seth Achal Singh, Shri Har Prasad Singh, Shri Badshah Gupta, Shri K. G. Wodeyar, Shri R. N. Singh, Shri K. A. Damodara Menon, Shri K. Ananda Nambiar, Shri M. D. Ramasami, Dr. D. Ramchander, Shri Y. Gandalingana Gowd, Dr. Indubhai B. Amin, Shri D. P. Karmarkar, and Shri T. T. Krishnamachari with instructions to report by the last day of the first week of the next Session."

The motion was adopted.

SPECIAL MARRIAGE BILL

Mr. Deputy-Speaker: The House will now take up consideration of the Special Marriage Bill brought up by the hon. Minister of Law, Shri Biswas. I have got a list of names of hon. Members who took part in the Hindu Marriage and Divorce Bill and also on this Bill, at the time of making the motion

for reference to the Joint Select Committee. As the session is coming to a close, just after the hon. Minister concludes, I will request those hon. Members who have not yet taken any part in the proceedings, from the commencement of this session down to this day,—they may kindly pass on chits—to speak. I shall give them preference over all others in the House.

The Minister of Law and Minority Affairs (Shri Biswas): What about the time allotted to this Bill? The Business Advisory Committee had allotted eight hours. Does that stand?

Shri H. N. Mukerjee (Calcutta—North-East): In the Business Advisory Committee, we decided on eight hours to be allotted to this Bill on certain considerations. After the Special Marriage Bill was discussed in the Council of States, with some very basic alterations having been made, the whole position has changed to such an extent that I do not think it will be possible for us to have anything like an adequate discussion inside of eight hours.

Mr. Deputy-Speaker: How long did it take in the other House?

Shri Biswas: Eight sittings—seven days.

Mr. Deputy-Speaker: How many hours?

Shri Biswas: Eight multiplied by four: 32 hours.

Mr. Deputy-Speaker: Eight hours has been prescribed for all the stages of the Bill, for consideration, for clause by clause discussion and the final reading also. Possibly because it was the originating House, more time was given there and this is only a revising House.

Shri H. N. Mukerjee: Actually, when the Law Minister moved his motion for reference to the Select Committee of the Hindu Marriage and Divorce Bill, he referred to the Special Marriage Bill and said that certain very basic alterations have