

Part I—Tea

Gandhi, Shri M. M.
Ganga Devi, Shrimati
Ganapati Ram, Shri
Ghooh, Shri M. K.
Gorsy, Shri
Gounder, Shri P.
Hasda, Shri Subodh
Chukam Singh, Sardar
Iajjva Ram, Shri
Jangde, Shri
Jena, Shri K. L.
Jinachandran, Shri
Jogendra Singh, Sardar
Jyotishi, Pandit J. P.
Kanakasabai, Shri
Kanungo, Shri
Karmarkar, Shri
Kotaki, Shri Liladhar
Kayal, Shri P. N.
Kedaris, Shri C. M.
Keshava, Shri
Keskar, Dr
Kistaya, Shri
Krishna Chandra, Shri
Krishna, Shri M. R.
Krishnamachari, Shri T. T.
Kureel, Shri B. N.
Laskar, Shri N. C.
Matti, Shri N. B.
Malliah, Shri U. S.
Mansan, Shri
Mandal, Dr Pashupati
Maniyangadan, Shri
Mathur, Shri Harish Chandra
Mathur, Shri M. D.
Menon, Dr. K. B.
Mishra, Shri Bibhuu
Misra, Shri R. D.

Munisamy, Shri N. R.
Mullick, Shri B. C.
Murmu, Shri Paika
Mathukrishnan, Shri
Nair, Shri C. K.
Naldurgker, Shri
Nanjappa, Shri
Narsindin, Shri
Narasimhan, Shri
Narayansamy, Shri R.
Nehru, Shri Jawaharlal
Nehru, Shrimati Uma
Onkar Lal, Shri
Oza, Shri
Padam Dev, Shri
Pahadia, Shri
Paichoudhuri, Shrimati Ila
Parmar, Shri Deen Bandhu
Parmar, Shri Y. S.
Patel, Shrimati Manuben
Pillai, Shri Thanu
Padma Raman, Shri
Raghuraj Sahai, Shri
Raghunath Singh, Shri
Rai, Shri Khushwaqt
Rajsh, Shri
Rakhinani, Shri
Raman, Shri Pattabhi
Ramanand Shastri, Swami
Ramaswami, Shri S. V.
Ramaswamy, Shri K. S.
Ramaswamy, Shri P.
Rampure, Shri M.
Rane, Shri
Ranga, Shri
Rao, Shri E. M.
Rao, Shri Jagannatha
Reddy, Shri Naraya

Reddy, Shri Rami
Rungnung Suisa, Shri
Rup Narain, Shri
Sahodrabai, Shrimati
Sahu, Shri Rameshwar
Samanta, Shri S. C.
Samant Sinhar, Dr.
Satyabhama Devi, Shrimati
Satyanarayana, Shri
Selku, Shri
Sen, Shri A. K.
Sen, Shri P. G.
Sharma, Shri R. C.
Siddanajappa, Shri
Siddish, Shri
Singh, Shri Babunath
Singh, Shri L. Achaw
Singh, Shri M. N.
Sinha, Shri Anirudh
Sinha, Shri Satyendra Narayan
Sinhaan Singh, Shrij
Snatak, Shri Nardeo
Sonawane, Shri
Soren, Shri
Subbarayan, Dr. P.
Subramanyam, Shri T.
Sunder Lal, Shri
Surya Prasad, Shri
Tantya, Shri
Tewari, Shri Dwarikanath
Thimmaiah, Shri
Thirumala Rao, Shri
Uke, Shri
Upadhyaya, Shri Shiva Datt
Venkataraman, Shri
Verma, Shri Ramji
Vishwanath Prasad, Shri
Wadiwa, Shri

The motion was negatived

Mr. Speaker: Shri Jhulan Sinha to raise a discussion on the Government decision regarding future of Non-Government (Light) Railways. He is absent. The hon. Member has lost his chance. If he comes again, I am not going to revive this.

PLANTATION ENQUIRY COMMISSION REPORT, PART I—TEA

Shrimati Parvathi Krishnan (Coimbatore): I beg to move:

"That the decisions of the Government of India on the recommendations of the Plantation Enquiry Commission Report, Part I—Tea, be taken into consideration."

I have moved this motion so that we may have an opportunity of dis-

cussing the reasons for Government's rejection of the main recommendations of the Plantation Enquiry Commission

It is true that they have accepted a few of the recommendations, but those few that have been accepted do not, in my opinion, really deal with the very core of the problem. The real major recommendations, the recommendations that would be helpful in breaking the monopoly that exists in the tea industry, have been turned down by Government, and it is a very serious matter which we should all think over and we must see that something is done about it.

The statement that has been given by the Government, in my opinion, is not particularly enlightening. On

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the other hand, the reasons that are given for one or two recommendations being turned down might almost be termed frivolous.

For instance, on page 7 in their chart, one of the reasons given for turning down the recommendation that the Tea Board should assume the function of regulating the sale of tea in Cochin and Calcutta auctions is that the Government have not received any complaints about these auction sales. It is surprising that Government should state that they have not received any complaint. Surely these recommendations are not based on the fact whether or not Government have received complaints. It is almost as if Government is questioning the very validity of the facts and the findings of a major commission that they have set up. We know that this commission followed a certain method of enquiry. They circulated questionnaires which were in keeping with the various sectors of the industry, whether smaller estates or larger estates, whether smaller companies or larger companies. On the basis of the answers received to the questionnaires and on the basis of on-the-spot enquiries, the commission has made these recommendations, and yet Government now propose to sit back and wait for complaints. Obviously those who have placed their views before the commission, who have given the figures that the commission had asked for and who know what the recommendations are, are waiting for Government's action, and it seems rather frivolous that this type of reason should be given for rejecting a very major recommendation.

What are the facts that have been revealed by this commission? They are indeed very revealing because they show what a very firm and deep grip foreign monopoly has in this industry which is very important to the economy of our country. I will point out later on towards the end how it is not only the tea industry that comes under discussion when we talk of the recommendations of the

commission, but other sectors of industry in our country are also affected by the condition of the tea industry itself.

Take these figures that have been gathered and put before the Government by the commission. The structure of the industry itself shows that out of a total capital of Rs. 113 odd crores, 62 per cent. belongs to non-Indian companies and only 35.8 per cent. belongs to Indian companies. And out of this, 13 leading houses in Calcutta control over 75 per cent. of the production in North India, and of these companies seven control 50 per cent. of this 75 per cent. Over and above this, eight agency houses of producers in Calcutta with associate firms produce the major part of the tea that is put up for auction at the Calcutta auctions. In 1954 the amount that they produced, according to their own figures and according to Government figures, is no less than 50 per cent. It is because of this the commission has said that it would be better if the Tea Board or the State Trading Corporation, that is a body independent of the interests that operate within the tea industry, takes over the holding of the Calcutta auctions in order to guarantee that not one, not these few companies should dominate those auctions, but that the auctions should be more open and more free. Retail sales in our country today are controlled by two non-Indian firms which handle 85 per cent. of the retail tea trade. These same firms also control the blending and the distribution 95.6 per cent. of the package tea and 54.4 per cent. of the tea for internal consumption is raised by these two non-Indian firms.

Now these are figures that certainly show that the non-Indian firms, that is, the British capital, dominate not just one section of the industry; it is not only at the producer stage, but also at the blending stage, at the packing stage, at the warehousing stage and at the shipping stage that the same companies operate, and you have this octopus grip of foreign

monopoly over a very important industry of our country.

Now the recommendations of the Plantation Enquiry Commission are not for wholesale nationalisation because their facts and figures perhaps did not lead them to that conclusion. That is why I am not treading on that controversial ground, but certainly these recommendations do put before Government a line which, if followed, will help to break this monopoly at either one stage or another, and if this monopoly is broken, the process by which today British capital in the tea industry is squeezing out the younger Indian capital that is coming into it can be checked, and Indian capital and Indian owners will have an opportunity to compete fairly with the British.

15.33 hrs.

[SHRI BARMAN in the Chair]

That is why the recommendations are—apart from the abolition of the managing agencies—that blending should be taken over by a neutral body, that is, the Central Tea Board, that the auctions should be conducted in Calcutta by the State Trading Corporation or by any neutral body, whomsoever Government may think fit, that packing and retailing should be done by the Tea Board.

Now Government just brush aside this question of retail distribution saying that they do not think it is proper or it is time for the Tea Board to do it. How is it that when the Coffee Board could take up retail sales of coffee, in tea they are so chary of treading on the tender corns of the foreign monopolists who exist in the tea industry? The reason why these recommendations have been made, as I said earlier, is to break this monopoly grip, and as the Commission have said:

“These recommendations are made in order to provide a machinery which would avoid excessive concentration of power in the hands of a particular section to the possible detriment of other sections in the industry.

Now, take exports. Here again, you find that it is the same companies under another name or the same agencies, that operate and dominate. In 1952, Indian firms were forced to do their exports through U.K. banks to the extent of 88.6 per cent., and British firms did 99.1 per cent. of their total exports through U.K.—dominated firms. In 1953-54, non-Indian banks advanced Rs. 33.2 crores to producers and realised as much as Rs. 64 odd crores, whereas Indian banks advanced only Rs. 6 crores and realised only Rs. 11.1 odd crores. In the sphere of banks also, in this industry it is once again the foreign banks dominating; Indian banks do not have the same possibilities as the foreign banks have.

Then I would like to come to the high costs of tea prevailing today. The Commission have gone in a very detailed manner into the various items which go to calculating the cost of tea and have made various suggestions. Here again you find that the main suggestion is directed to the manner in which in calculating the cost of tea, the large amounts that are paid as managers' commissions and the large amounts that are sent out as overseas pension are also added on. This is what sends up the cost of production of tea.

We find that the plantation owners, both in the south and in the north are shouting loud how the cost of production of tea has gone up because labour has got out of hand, Government is unable to handle labour, labour is demanding higher wages and being paid higher wages and so on so forth. But this body, which was set up by Government, a neutral body has come to these conclusions, that today the high costs are due to what is known as general charges, that is, managing agency commission, increase in salaries and allowances, increased employment of extra European assistants and the extraneous payments in the name of technical consultants and additional assistants as also increase

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in overseas pensions. It is with this in view that the Commission remark:

"The possibility of any reduction in production costs lies partly in bringing down the administrative costs incurred on non-Indian managerial staff and managerial agencies."

and then they go on to make suggestions that the commission paid to managers should be decreased, there should be an increase in the Indianisation of the managerial personnel and rationalisation of the salary structure of the managerial cadre.

These are, again, very important because here you find that the screen has been lifted by the Plantation Enquiry Commission over the usual excuses that are put forward by the European managements and by the Government who, unfortunately and unhappily day in and day out on the floor of this House, tend to be His Master's Voice and echo the same thing, because perhaps the Ministers who are there in that Ministry seem to be particularly allergic to the needs of labour in whatever sphere of industry they may be in the country today.

Another most important and very serious matter is the question of replanting. Here we find that the planters, the Indian Tea Association and the UPASI—United Planters' Association of South India—have come forward challenging the very figures of the Plantation Enquiry Commission. They now claim that replanting is not such a serious issue as is made out by the Commission in their report. It is very strange that immediately after the report comes out, immediately after the recommendations are out, we find these people gathering together and coming forward with a new set of figures. We have experience of this in the trade union movement; when there was a special industrial tribunal for plantations in the south, one set of figures was given before the tribunal. When the Judge said that these were not correctly assessed they brought forth another set of

of figures was given before the where the figures that were given before the tribunal and the figures that were given in answer to the questionnaire of the Plantation Enquiry Commission do not tally.

So these owners seem to be in a position to play around with figures and dictate whatever they like and question even the figures that they themselves had given to a responsible body set up, I hope, by a responsible Government. It is in connection with this replanting that the Commission have said that the 'larger proportion of old plants, those plants planted before 1900, are in gardens in non-Indian ownership ranging from 43.4 per cent. in the case of non-Indian rupee companies to 29.4 per cent. in the case of sterling companies. The percentage of tea plants planted before 1900 in the Darjeeling region amounts to 79.16. During the ten years ending 1953 the extent of replanting has been less than 1 per cent. per year. In spite of the need for a programme of replanting for the very existence of the industry in the long run, we have observed that the progress has been very tardy.'

What really are the facts, as the figures reveal them? Out of 5,12,000 acres owned by the British plantations, bushes in over 2,28,000 acres have been planted before 1900. According to the generally accepted calculation—of course recently the planters are busy with their acrobatics and their somersaults—the average life of a tea bush is somewhere between 50 and 60 years. The period within which a tea bush will yield a reasonable amount is 5 to 6 years. Therefore, it is to be planned and the replanting has to be phased in such a way that, as far as possible, the yield is not affected and the quality also is not affected. That was why the Plantation Enquiry Commission, regarding this as a very serious matter, has suggested that Government should take steps to ensure that a replanting fund is set aside by the companies to the extent of about Rs. 50 an acre in order to ensure that replanting is done,

in order to ensure that the interests of the industry are not neglected by the plantation owners

These are really the main recommendations that I would like to put before the House. And, I would like to appeal to Government that they do reconsider the position and not, out of hand, just reject the major recommendations of a responsible Commission that they have themselves set up.

Labour amenities are today very low in the plantations. The Plantation Labour Act was passed and various amenities are supposed to be given under the provisions of this Act. I can see hon. Shri Kanungo, who has often said it to me outside this House, waiting to say, 'Oh! you see it is the British owners who are very good. They have been brought up under old standards of living up to the Holy Bible and all that sort of thing and it is the Indian owners who are really the villains of the piece and why don't you carry the guns against the Indian owners and leave the British owners alone in the matter of labour amenities.' What is really the fact? The fact is that today the amenities are not really even up to the mark in the British plantations. And, if in the Indian plantations there are certain problems, they are there. We are confident that the Indian owners, given the capacity to progress, given the safeguarding that is necessary to them when they are new in the field, will certainly, not be lagging in dealing with labour when it is necessary.

It is only recently after freedom that the labour movement has become possible in the plantation areas and we see these plantation owners infuriated by the fact that the labour has grown strong enough to have the Plantation Labour Act passed. We see these people absolutely impotent in their fury; so impotent are they that they go even beyond the bounds of decorum. The Chairman of the UPASI in a Conference which the hon. Commerce Minister was supposed to attend, makes a bold and daring attack on the Communist Government

of Kerala. He has the cheek, the audacity to question the wisdom of the electorate in our country. This man who still lives in pre-histories medieval times, who still thinks that in the plantations he can continue to be the monarch of all he surveys, comes forward with statements like this. We find that the Ministry continues to be like the 3 monkeys, seeing no evil, hearing no evil and—of course, I am doubtful about the speaking part of it—speaking no evil.

In this industry we find the squeezing out process taking place. It is not only the Plantation Enquiry Commission but it is also the Government itself that agrees that such squeezing out process is there. I will show later how they do agree. Here, it is very necessary that these issues be taken up in the interests of the industry, in the interests of national economy, in the interests of our labour movement, in the interests of the amenities for our workers and the future of the socialist society, the socialist pattern which our Ministers and our Government still seem to be dreaming of and do not wish to try. In all these interests it is necessary because the odds are very great against the Indian owners in the tea industry. We find that the British owners dictate the policy of the Government. The stock argument has been, 'Do you believe in the figures or do you believe in the industry; do you believe in the honesty and truth of the British owners; we are all living as brothers; we are all living in the happy family of the Commonwealth; or do you believe in the other argument? If you do stand in their way, the British, the United Kingdom will stop buying tea.' This is the main argument. The British do by a good amount of tea but there are several other countries also buying our tea and certainly we can follow these avenues without the help of the British owners.

We are a free country; we are a strong country and we are a proud country. And, as for the British stopping drinking tea, it is almost like

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asking our people to give up chewing pan. That is an impossibility and you will find that the British worker, the average Britisher, whatever class he may belong to, must have his bed tea in the morning; he must have his cup of tea at 4 o'clock in the afternoon and if ever there is any danger just because we are bold enough to break the monopoly created in our country in order to safeguard the interests of our country financially and economically of the Britishers giving up the drinking of tea, it is for them to worry. Why worry? The Government itself realises that it is necessary to have an independent agency to develop Indian tea in foreign markets. You find Tea Council set up, you find Rs. 40 lakhs foreign exchange being spent on propaganda in countries other than the United Kingdom

We know that in the socialist countries there is a demand for Indian tea. Indian tea is supposed to be the best tea in the world. There is a demand for that tea in Rumania and Czechoslovakia; today, Indian tea is being sold at a scarcity price subsidised by the Government. A pound of Indian tea costs the equivalent of Rs. 25 in Rumania. There are all these markets that can be pursued, that can be uncovered; and, certainly, we need not be dependent on British alone nor on the good sense or the good taste of the Britisher who, today, is trying to blackmail us in this manner.

Then, as far as the rejection of these recommendations is concerned, there is one disturbing factor about it. It has not been very clear either from the statement given or in the answer that the hon. Minister gave us on the floor of this House, whether a major policy matter like this was discussed in the Cabinet or not. This is one matter on which we would really like to have clarification because there have been indications that the report was handed over to one particular official to consider and his recommendations were then put before the

Ministry and then there was a formality but not a really detailed discussion in the Cabinet on a very serious matter like this. If that is the fact, if that is true, it is very disturbing because, as was pointed out, the tea industry is not a very small or a very ordinary industry. It is necessary to safeguard that industry if you are to go forward with your Second Five Year Plan and if you want your country to go forward in economic prosperity. If that is really true, it is a very serious matter and I would put it before Government that certainly the matter should be reconsidered. The Cabinet should take it up and they should consider frankly one and all of these important suggestions and recommendations made by the Plantation Enquiry Commission once again and not reject out of hand just because some official has gone into it and has come forth with his own views, because we all know that India produces nearly half of the total world tea production. The acreage in our country has gone up since 1947. You will, at the same time, find that the labour has gone down. The managing agencies' commissions have gone up. The money that is going into the treasury in Great Britain is far larger in proportion than the money that accrues to our Exchequer from this very important industry.

Tea is not an industry all by itself. Many of us are not aware that the plywood industry depends very largely on tea industry. Fertiliser industry also depends on tea. Various fields of transport industry depend on tea for their existence. Transport gets quite a good amount of revenue from tea. The development of plantations in our country means the development of the various regions. For instance, in 1954, 82 per cent. of the production of the plywood chests in our country was produced for the tea industry itself. Similarly, 82,000 tons of fertiliser worth Rs. 2.86 crores were consumed by that industry of which fertiliser worth Rs. 2.54 crores was of Indian manufacture. This is no

small sum. Thus, you have to visualise the number of people who will be involved if there is a loss in the tea industry. If the tea industry suffers, the fertiliser, plywood and other dependent industries would suffer.

If our Railway Minister was here, he would agree that the railways earned as much as Rs. 2 crores in 1954 from the tea industry and our river transport earned Rs. 1.62 crores and our road transport, Rs 20.24 crores. So, it is not only that some amounts are being lost to our Exchequer through these foreign agencies making so much money through foreign business handling the money involved in the tea industry. Through various other means these planters find, they cheat the Government of the money that is due to them. It is not a small sum that is at stake.

At the same time, let us remember the large number of workers who are employed in the plantations. It is necessary to safeguard those interests also in a country where unemployment does not seem to be decreasing but seems to be growing. Today, nearly ten lakhs are there according to the figures given by the plantation owners which themselves are very difficult to check up because of the system in which the books and registers are kept and payments are made in the plantations.

I would, therefore, request the Government to reconsider seriously and deeply the issues that have been raised by the Plantation Enquiry Commission and particularly those recommendations that refer to planting, warehousing, packaging and the conducting of auctions and replanting and see that steps are taken in order to break the monopoly grip that exists of the foreign capital in the tea industry which is so important to our economy.

There is a story that in 1946 when Lord Halifax said farewell when he was going to Washington as ambassador, the station master of Delhi, whom he had thanked for his good work during the viceregal

journeys, answered gravely and seriously that it was always such a pleasure to see His Excellency off! Therefore, I think that the Indian Government, which is always drawing inspiration from the past and the present, of the great leaders of the United Kingdom, would do well to learn from Lord Halifax..... (An Hon. Member: Station Master)—I am sorry—from the Station Master and see that these plantation magnates from overseas, who tell us so often that the foreign exchange earnings are their contribution to India, are told: "It is a great pleasure to see you off also."

Mr. Chairman: Motion moved:

"That the decisions of the Government of India on the recommendations of the Plantation Enquiry Commission Report, Part I—Tea, be taken into consideration."

The hon Minister of Parliamentary Affairs wants to make a statement, before we proceed further.

BUSINESS OF THE HOUSE

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): Sir, in view of the cancellation of the sitting of this House on 14th September, 1957 and the shifting of the Private Members' business to 12th September, I would like to announce that the business for the 11th, 12th and 13th September will consist of the following items:

Any part-discussed item of business carried over from today's Order Paper;

Consideration and passing of the Essential Commodities (Second Amendment) Bill;

Government Resolution regarding the ratification of Universal Copyright Convention, 1952.

The remaining items included for the list for 10th and 11th September will be taken up in the order in which they have been put down.

The Forward Contracts Regulation (Amendment) Bill, 1957, as passed by