

THE DEPUTY CHAIRMAN: The question is:

"That clause stand part of the Bill"

The question was put and the motion was adopted.

Clause 2 was added to the Bill.

THE DEPUTY CHAIRMAN: The question is that Clause 3 stand part of the Bill. There is one amendment by Mr. S. P. Malaviya.

Clause 3 (Amendment of section 23/1 of Act 41 of 1958)

श्री सत्यप्रकाश मालवीय : महोदया, मैं प्रस्ताव करता हूँ कि उच्च न्यायालय और उच्चतम न्यायालय (सेवा शर्त) संशोधन विधेयक, 1985 में निम्नलिखित प्रस्ताव किया जाए, अर्थात् :—

2. पृष्ठ 1 पर, पंक्तियाँ 8 से 10 के स्थान पर, निम्नलिखित प्रतिस्थापित किया जाए, अर्थात् :—

"3. उच्चतम न्यायालय न्यायाधीश (सेवा शर्त) अधिनियम, 1958 की धारा 23क में, "तीन सौ रुपए प्रति मास" शब्दों के स्थान पर "एक हजार रुपए प्रति मास और सरकारी खर्च पर कार चालक" शब्द प्रतिस्थापित किए जाएँ।"

The question was put and the motion was negatived-

THE DEPUTY CHAIRMAN: The question is:

"That Clause 3 stand part of the Bill."

The Question was put and the motion was adopted.

Clause 3 was added to the Bill.

C If use 1, the Enacting Formula and the Title were added to the Bill.

SHRI H. R. BHARDWAJ: I move that the Bill be passed.

The question was put and the motion was adopted.

**STATUTORY RESOLUTION
SEEKING APPROVAL OF THE
INCREASE IN THE EXPORT DUTY
LEVIABLE ON BLACK PEPPER**

THE DEPUTY CHAIRMAN: We shall now take up the Statutory Resolution.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): Madam. I beg to move the following Resolution:

"That in pursuance of sub-section (2) of section 8 read with sub-section (3) of section 7 of the Customs Tariff Act, 1975, this House approves the Notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 148/85-Customs, dated the 7th May, 1985, published in the Gazette of India under G.S.R. No. 403(E) dated the 7th May, 1985, increasing the export duty leviable on black pepper to Rs. 3 per kilogram from the date of issue of the Notification, laid on the Table of the Rajya Sabha on the 7th May, 1985."

Madam, black pepper is specified under Heading No. 2 of the Export Tariff and the rate of export duty prescribed, therefore, has been

Rs.

1.25 per kilogram. However, with effect from the 16th February, 1979, black pepper has been exempt from the whole of the customs duty leviable thereon. The FOB unitvalue realisation at that time was around Rs. 20 per kilogram.

International prices of pepper started going up by the end of 1983. The Government have been watching the trend of export prices for quite some time. The latest export value realisation of black pepper has been around Rs. 40 per kilogram. Accordingly, the exemption from export duty has been withdrawn and black pepper subjected to an export duty at the rate of Rs. 3 per kilogram. This measure is expected to bring an additional revenue of Rs. 7.5 crores in a year.

Madam, as you are aware, changes in export duties are made from time to time. As part of the current year's Budget proposals, the rate of export duty on as many as 12 items was abolished, leaving only four items subjected to export duty. Out of these four items, the rate of export duty on coffee was also reduced from 29th April, 1985 from Rs. 720 per quintal to Rs. 570 per quintal. The present one is yet another proposal to revise the export duty on our traditional items of export. In this revival of export duty, care has also been taken to ensure that only a part of the gain arising from the rise in international prices is mopped up and that the levy does not adversely affect our exports.

Madam. I commend this Resolution for consideration and passing.

The question was proposed.

SHRI NIRMAL CHATTERJEE (West Bengal): Madam Deputy Chairman, really there is very little comment on this Bill.

THE DEPUTY CHAIRMAN: I am very happy to hear that once you are saying that there is very little to comment.

SHRI NIRMAL CHATTERJEE: Madam Deputy Chairman, you will excuse me I am afraid, your happiness may not be maintained.

Madam, the fact about black pepper is something like this. At one time, we were almost the sole exporters in international markets. That was around our independence. Gradually the situation has come to such a pass, to such an extent that we are only exporting 25 per cent of the total international trade volume. Now it is this that really worries. At present, there are four countries in the world which monopolise the international trade. These countries are: India, Malaysia, Brazil and Indonesia. Now only these four countries together export almost 85 per cent of the total

internationally traded volume of black pepper. Now, the question that I want the Minister is that why is it that we fall back from 80 per cent to only 20 per cent or 25 per cent in the share of export market. One reason that our growers say is that the productivity of black pepper in India is only 250 kg. while that of Malaysia and other countries is approximately 2,000 kg. per hectare. It is in terms of this kind of low productivity in our country that we are receding from the international market. As you know, Madam—and you may be consuming black pepper—a bulk of the population of our country are not the eaters of black pepper. In fact, 80 per cent of our output is exported even today. Now, I would like to say in Sabha. It is his contention that in Kerala black pepper is grown by very small producers and, therefore, it is being exploited by unscrupulous traders. That is one point. Secondly, because it is produced by small producers, basically there is no R & D attention to the cultivation of black pepper. And if this export duty that is being levied, is utilised for some kind of improvement—recently, a Black Pepper Board and Spices Board have been formed—and I want the Minister to earmark a part of this extra duty earnings for the Boards for the purposes of research and development in the production of black pepper. I think we can increase the production. Secondly, in Kerala, there is a strong agricultural labourers movement as well as a strong peasants movement, and if the problem of peasantry is such that they cannot draw the attention of the powers that be, then if necessary, to the extent desirable, will there be adequate land reforms for the growers of black pepper? It is all right that you try to have some additional amount. A slice from the additional profits that may be earned in our export trade; but while supporting it, I want that the Minister should give this much of consideration that this additional

[Shri Nirmal Chatterjee]

income should be utilised for the development of productivity in black pepper and for the development of those who are behind this production of black pepper. Thank you.

SHRI M. M. JACOB (Kerala): While supporting the Resolution moved by my esteemed friend, the Finance Minister, Mr. Poojari, I would like to draw his attention to some of the points which I consider very important. Export duty on black pepper which was reduced to practically zero level in 1979, is now re-introduced at the rate of Rs. 3000 per metric tonne from 7th of May 1985. The reason is justifiable because the international market suddenly showed a spurt and there is improvement in the New York market from about 70 cents per pound to 111 cents per pound. So, to mop up the difference, the Government has done well in coming to the scene. But at the same time, he must also consider the point that black pepper was known as the pioneer of the Indian spices at one stage and the Malabar pepper was known all over the world for its qualities. Many of the traders from other countries came to India, especially for purchasing black pepper and at the time of independence, we were controlling 80 per cent of the world market and today unfortunately, we control only 20 per cent of the world market, or even less than 20 per cent. Why has there been a decrease and why this stagnation? Brazil, about which my esteemed friend just now mentioned, produced in 1978 about 27,937 tonnes whereas in 1981, they almost doubled it, with a production of 46,137 tonnes and against the world export total of 1,31,630 metric tonnes, our share now is only 27,937 metric tonnes. I mention three figures because I want to show that Brazil could double its production within a period of 3 or 4 years but we could not increase our production of black pepper, which is in so much demand in the world. The price of black pepper over the last 10 to 11 years was stagnant, only

recently, there has been a slight improvement, or a spurt in the market. Now for development and production of pepper, the World Bank came to the rescue and to the support of the Government and a project was approved; a tree crop project was approved. This new scheme is now under way and the Government is giving financial assistance to the farmers. In spite of that, in spite of the World Bank's assistance and several other activities, I do not find any change in productivity and production. This has to be examined why. Now, I hear from newspaper reports and other reports that a Board is going to be constituted for the spices. When I talk about this, I would like to mention that black pepper is an important spice. There are at least 40 spices in India, which are produced in different parts of the country. Spices require development, improved productivity and production. That is why, I would suggest that there should be a pepper and other spices Board, giving importance to pepper, for increased production and productivity. There is a move to include pepper in the already existing Cardamom Board. Cardamom Board is a separate Board. This Board is doing very good work. If you include pepper with the Cardamom Board, you will not be able to increase the productivity and production of pepper. Therefore, it would be better to leave the Cardamom Board alone, as a separate Cardamom Board and not to touch it at the moment. Let them improve their work, as they are doing at the moment, at a very rapid pace. On the same line, as I said, a separate Board should be constituted for pepper and other spices. I feel this will be one of the ways in which we can increase the productivity and production of pepper. In such a case, we will be able to export and compete in the international market and set back our share from 20 per cent to the share of 80 per cent which we had earlier. The second point which I would like to mention is about the reconsideration of the export duty of Rs. 3,000

per MT which has now been imposed. As the price is on the higher side, is some justification because the growers have completed their planting operations, the crop has come into the market in April and it is with the traders. The traders have a profit margin. The Government has, therefore, done well in taking away some portion of the traders' profit margin. But I would suggest that you should keep a watch over this and if, at any moment, you find that the growers are finding it difficult finding it difficult to survive, you should see to it that the export duty which has been now-imposed is withdrawn, without any hesitation. I know, the Finance Minister will certainly consider this suggestion and do justice to the growers.

The third point which I would like to mention is, a lot of growers have taken loans from the banks during the last two years, because there was severe drought in Kerala. This was followed by floods. Because of this, the cultivators lost a substantial amount of the crop. That is why, there was less production of pepper in 1983. This has contributed to the increase in prices. Therefore, this year, the cultivators do not have much money; they are not in a position to pay back the loans which they have taken from the banks. Therefore, I would suggest that a moratorium should be declared on the loans which they have taken from the banks or they should be enabled to pay back the money in instalments.

My last point is, Kerala is much affected by this export duty. It is concerned with this. Therefore I would request the Central Government to include the Kerala Government also in the process of discussions on this matter and with regard also to the creation of a Spices Board. This will be advantageous to the Government of India as well as the growers of Ke-

erala, that a combined Committee on this issue and discusses many things.

Madam, with these words, I support the Resolution, with the request that the Government should keep a watch over this and withdraw the duty at the appropriate time, otherwise, it would cause heart-burning among the growers.

THE DEPUTY CHAIRMAN; Shri Balaram. He is not here. Shri Thomas Kuthiravattom.

*SHRI THOMAS KUTHIRAVATTOM (Keraia); Madam, Deputy Chairman, first of all let me express my thanks to you for providing me this opportunity to participate in this discussion. Madam, represent the State of Kerala. In Kerala my party is a constituent of the United Democratic Front Government headed by the Congress Party. Normally, I should have spoken in support of this Resolution. But I am sorry that I have to oppose this Resolution. I never thought that I would have to oppose a measure taken by the Government in my maiden speech itself. Being a representative of the Kerala Congress party which is known for its commitment to the cause of the farmers. I cannot help opposing it rather strongly. I cannot certainly support a measure which is determined to the interests of the farmers.

Madam, the Government has through this Resolution imposed an export duty of Rs. 3 per kg- on black pepper. This decision of the Government is going to cause serious damage to the economy of Kerala, Madam, Keraia is known as the spice garden of India and Kerala practically holds the mono, poly in cultivation and production of pepper. As you know 90 per cent of the pepper produced in India is from Kerala and by and large the entire cultivation of pepper is done by small

†English translation of original speech delivered in Malayalam.

[Shri Thomas Kuthiravattom]

farmers. The remaining 10 per cent is produced in Karnataka and Tamil Nadu. Most of the proper growers in Kerala own less than two hectares of land and any fluctuation in the price of pepper will have an adverse effect on the economic condition of growers who were either beneficiaries of surplus land distribution or patta holders. Therefore, it is but natural that this measure would affect the small cultivators.

Madam, before independence, as was pointed out here, India's share in the world pepper market was 80 per cent. Over the years it has come down to just 20 per cent and this downward trend still continues. India has to face stiff competition in international market from Indonesia, Malaysia and Brazil.

Madam, production of pepper has gone down considerably. It may perhaps be a reason for the recent rise in price. The severe drought in 1983 had caused considerable damage to pepper cultivation and production was affected seriously. In addition to this, a disease called pepper-wilt also affected the production to a considerable extent. Madam, not only that, pepper cultivation is affected by seasonal fluctuations. Even during this year pepper production has been adversely affected due to the unfavourable seasonal conditions in Idukki District and North Malabar, the predominantly pepper growing areas. I am sure the Hon'ble Minister Shri Janardhan Poo-jary is quite aware of these facts as he himself hails from Karnataka.

Madam, numerous representations and suggestions on various occasions have been made by the growers for improving the cultivation of pepper. The Government claims that it has initiated steps to boost production of pepper. But the growers feel that all efforts made by the Government in this regard are totally inadequate. Moreover, I understand that the sub-

sidy, which was being given by Government in the past, has also been discontinued. On the one hand the subsidy is being withdrawn and on the other new duty is being imposed. This is bound to create hardship for the cultivators.

After the drought in 1983, the Government of Kerala and all the political parties in Kerala jointly requested that the Central Government should come forward to, help the growers. Unfortunately nothing much has been done. Now the Government has decided to impose export duty on pepper. Madam, I strongly protest against it. In 1950 the price of pepper was Rs. 15 per kg. only a few months ago the price has gone up to Rs. 40 per kg. which was mainly due to the drought and the decline in production. During the last 35 years there has been a manifold increase in the land price and the prices of all agricultural inputs. But the price of pepper has risen only marginally and in any case not commensurate with the cost of production. Thus, compared to other crops, we can find that far from getting a reasonable return from pepper cultivation, the farmers are actually incurring losses.

It is in such a situation that the Government has decided to impose export duty on pepper. This is quite unfair and it will ruin thousands of small pepper growers in Kerala and elsewhere.

Madam, the policies of this Government often appear to be harsh to the farmers of Kerala. When the rubber prices slightly go up the Government gives licence for import of rubber. As a result of this the price of rubber would fall and the cultivators would suffer.

Madam, the price of a coconut last year was Rs. 4. Now it has gone down below Rs. 2. This was caused by the Central Government's policy of issuing licences for import of coconut and vegetable oils.

Madam, during 1977 to 79 when the Janata Government was in power a duty was imposed on Kolinchi a variety of ginger. As a result of the imposition of this duty alone, the Kolinchi cultivation has totally disappeared from Kerala. Now the pepper Cultivators have become the latest victims of the Government policy. This would ruin the small pepper cultivators of Kerala. Madam, we have been neglected for the last 37 years. We expected much from this Government. But this Government has allotted only a meagre amount for the next plan. The Government of Kerala and all the political parties in the State feel very strongly against the policies of this Government. Therefore, I request the Hon'ble Minister to withdraw the resolution and do justice to the poor pepper cultivators of Kerala. Otherwise I urge upon the Government to utilize the money earned on account of the new levy for the development of pepper cultivation. With these words I conclude.

Thank you,

SHRI JANARDHAN POOJARI: Madam, three honourable Members took part in this debate. The scope of the debate is limited. The honourable Member, Shri Nirmal Chatterjee, raised pertinent points and the honourable Member, Shri Jacob joined him in giving some constructive suggestions. Definitely I am going to convey the suggestions to the Ministry of Agriculture which is the administrative Ministry so far as cultivation and production of black pepper is concerned.

Madam, it is true, as pointed out by Mr. Nirmal Chatterjee, that there are some other countries which are also in the field of export of black pepper. They are Indonesia, Brazil and Malaysia. The world demand for black pepper is 1.30 lakh tonnes. The total production is 1.8 lakh tonnes and out of this India is producing 50,000 tonnes. Out of these 50,000 tonnes, the nation requires 50 per cent of it for internal

consumption. Madam, here, the honourable Member, Shri Nirmal Chatterjee, brought to the notice of the Government the low productivity level. It is true that we have to improve the productivity and we have to show that we are looking after the cultivators of this pepper. Madam, we have to keep it in mind that this production, cultivation, is done in Kerala and some other places in the country as a backyard crop, and hence the production level has also gone down. So far as the Spices Board is concerned, it is looking after the export aspect of these spices including black pepper. So far as the Cardamom Board is concerned, it looks after the production as well as export aspect of it. Today we have to convey the feeling of the hon. Members to the -Agriculture Ministry which is looking after the production and cultivation.

Madam, the Hon. Member from Kerala, Mr. Thomas, has stated that he was here for opposing this Resolution. We have to take into consideration, when imposing the duty, the real price situation. It is true that we should not harm the interest of the cultivators, by preventing or harming their production or cultivation. Madam the price had gone down in 1979 to such a level that the producers or the cultivators of this country were not in a position to meet the challenge. Then the Government of India took into consideration the price situation and exempted black pepper from duty. And when the price started picking up in 1983, by the end of 1983, and when it rose to Rs. 40 per kg., then, the Government thought that it should go in for imposing the duty, and hence the duty has been imposed, that is Rs. 3 per kg. The hon. Member, Shri Jacob, while welcoming this measure, has stated that the Government should not be complacent, that the Government should be very careful and cautious in observing the price situation. I can assure the hon. Member, the Government definitely will take cautious steps. Not only that, we are watch-

SHRI JANARDHAN POOJARI:

ing the price situation, and if the price is going down, in future definitely we will take that into consideration.

[The Vice-Chairman (Shri Santosh Kumar Sahu) in the Chair.]

But I can tell the hon. Member that the prices are going up. The total demand, as I stated earlier, is 1.30 lakh tonnes, and the total shortage is 22,000 tonnes, so the price is not likely to come down. On the contrary, when there is the shortage of 22,000 tonnes, the price may go up further. If the Price is likely to come down, definitely the Government will take note of it, and we will see that the producers or cultivators are not affected.

Another suggestion that has been brought to the notice of the Government is that at one time these cultivators of pepper had faced some difficulties. There was a calamity, and the loans that have been taken by these cultivators have become sticky. I would like to, assure the hon. Member that definitely the banks will take cognizance of this plight. There is a general rule, and that is the standing rule, that when there is a calamity or there are floods whereby the production is affected and the cultivators are affected, definitely the banks should take cognizance and they should reschedule it and rephase the loan instalments. It is subject to the condition, the State Governments should notify that there was

a calamity on account of which the cultivators have suffered. Unless there is a notification from the State Governments, the banks cannot take cognizance of it. It is the duty of the State Governments to notify it. If there is already a notification, I will look into it and would advise the banks to help the cultivators.

As said earlier the scope of the debate is limited and as far as possible

I will try to meet the points raised by hon. Members.

Thank you.

PROF. (MRS.) ASIMA CHATTERJEE (Nominated): Mr. Vice-Chairman Sir, I will take only a minute. I would like to say that by increasing the export duty leviable on black pepper to Rs. 3 per kilogram, it will encourage adulteration, because at present the black pepper is being adulterated with the seeds of ripe papaya fruit. So, the Honourable Minister should take note of this fact so that our export may not suffer.

SHRI NIRMAL CHATTERJEE: The international market can bear this. But we . . .

SHRI JANARDHAN POOJARI: About Shri Nirmal Chatterjee's suggestion made earlier we will definitely take that into account. For producing quality material progeny, gardens of the hybrid variety Panniyur I, were established in Kerala and Goa. Besides Kerala, Goa, Karnataka and Tamil Nadu, central nursery programme has been extended to Andhra Pradesh, Orissa, Maharashtra and Andaman and Nicobar Islands. A package programme for rejuvenation of 30,000 hectares of existing pepper gardens in Kerala was also launched as a centrally sponsored scheme. Research on pepper is also carried out by the Central Plantation Crops Research Institute, Kasargod.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): The question is:

"That in pursuance of sub-section (2) of section 8 read with sub-section (3) of section 7 of the Customs Tariff Act, 1975, this House approves the Notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 148/ 85-Customs dated the 7th May, 1985, published in the Gazette of India under G.S.R. No. 403(E) dated the

7th May, 1985, increasing the export duty leviable on black pepper to Rs. 3 per kilogram from the date of issue of the Notification laid on the Table of the Rajya Sabha on the 7th May, 1985."

The Resolution was adopted.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Now, Shri Veerendra Patil.

THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES (AMENDMENT) BILL, 1985

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL): Sir, I beg to move;

-That the Bill further to amend the Monopolies and Restrictive Trade Practices Act, 1969, as passed by the Lok Sabha, be taken into consideration."

Mr. Vice-Chairman, Sir, the Monopolies and Restrictive Trade Practices (Amendment) Bill, 1985 provides for the upward revision of the value of assets from Rs. 20 crores to Rs. 100 crores in section 20(a) of the Monopolies and Restrictive Trade Practices Act, 1969. The amendment proposed in the Bill is most timely and appropriate. The nation is standing on the threshold of technological revolution which the 21st century is likely to usher in. We must, therefore, take stock of the economic development achieved so far and prepare ourselves to seize challenging opportunities of the future.

Although the Monopolies and Restrictive Trade Practices Act, 1969, which is in operation for the last over 14 years, has succeeded in containing the concentration of economic power in the hands of a few, the view is almost universally shared, especially by the new entrepreneur that the present limit of Rs. 20 crores for bringing an undertaking within the pur-

view of the regulatory measures in Chapter III of the MRTP Act gives an unfair advantage to the monopoly houses with larger assets if the new entrepreneur is treated at par with such monopoly houses with larger assets against whom he wants to offer competition. It has been argued with considerable force that competition would be encouraged and concentration in the hands of the monopoly houses curbed if independent new entrepreneurs with reasonably large investments are permitted without the restriction of the MRTP Act to enter the field hitherto monopolised by these houses.

When the original MRTP Act was passed in 1969, the asset limit of Rs. 20 crores was introduced in section 20(a) of that Act rather tentatively and the then Minister of Company Affairs had stated in Parliament that it was merely as a working arrangement. Ever since the MRTP Act came into force, Government have been receiving representations from different sources that the asset limit of Rs. 20 crores to bring an undertaking within the purview of the MRTP Act is rather unrealistic and should be revised upwards. As the economy grows, the resources of the nation increase and as the wealth of the nation expands, the monetary limit has to undergo upward revision relative to the growth of the economy. Such a revision is inherent in the very dynamism of the economy. To retain the asset limit of Rs. 20 crores in section 20 (a) of the Monopolies and Restrictive Trade Practices Act as an index of the concentration of economic power for all time to come would obviously seem to suggest as if there had been no economic development since the Act had come into force. In view of this, and particularly taking into account the increase in the prices and the growth in the industrial base, Government feels that it is only reasonable that the value of assets for the purpose of applicability of the regulatory provisions and restrictibility of undertakings in terms of clause (a) of section 20 of the Act