

**RAJYA SABHA**

*Tuesday, the 21st November, 1972 Ithe 30ih  
Karlika, 1894 [Saka)*

The House met at eleven of tlie clock,  
MR. CHAIRRMAN in the Chaie.

**OBITUARY REFERENCE**

MR. CHAIRMAN : Before we take up the agenda, I have to refer to the passing away of Shri S. R. Vasavada, a sitting Member of the Rajya Sabha,

Shri Vasavada was born in 190 i at Junagarh and was educated there. A trade unionist and a veteran labour leader, W: was the President of the Indian National Trade Union Congress in 1954 and its General Secretary for several years. He was a member of the Bombay Legislature from 1946 to 1957. As a true Gandhian, he advocaied elimination of untouchability and strongly campaigned in support of the movement of prohibition. He was awarded padma Bhushan for his meritorious services to the nation in the year 1968.

He was first elected to the Rajya Sabha in the year 1968 and was re-elected to the House in April 1970. Whenever he took part in the discussions of the House, he spoke with conviction. In his death the working class has lost a great friend and the country a sincere worker.

We deeply mourn the passing away of Shri Vasavada and I would request the honourable Members to stand and observe a minute's silence as a mark of respect to the memory of the deceased.

(Hon. Members then stood in silence for one miniate.)

MR. CHAIRMAN : Secretary will convey to the members of the bereaved family our sense of grief and profound soi row.

**ORAL ANSWER TO QUESTIONS**

DECLINE IN EXPORT OF SOUTH INDIAN TEA

\* 151. SARDAR AMJAD ALI :  
SHRI N. R. CHOUDHURY :f DR.  
R. K. CHAJCRABARTI : SHRI  
PRANAB KUMAR  
MUKHERJEE :  
SHRI KALYAN ROY :  
SHRI K. B. CHETTRI :

Will ihe Minister of FOREIGN TRADE be pleased to state :

(a) Whether il is a fact that exports of the South Indian tea had gone down during the year 1971 72 in comparison with th« Nourth Indian lea;

(b) if so, the reasons therefor; and

(c) what steps Government have taken to boost export of South Indian tea ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE) : (a) to (c) A statement is laid on the Table of the House.

**STATEMENT**

(a) No, Sir. Exports of South Indian tea had increased by about 25% in the year, 1971-72 over the exports during the previous year, while exports of North Indian tea had recorded a rise of about 6% during the same period.

(b) Does not arise.

(c) Tea promotion abroad is carried on by Tea Board through its uninationl programmes in different markets which include promotion of teas of different regions of India e.g. Nilgiris.

SHRI N.R. CHOUDHURY : Sir, is it a fact that ihe first quarter of this year showed a setback in the prices of leave tea auctioned at Cochin because of the absence of the US bias in the market who usually dominated the market for quality tea ?

•f The question was actually asked on the floor of the House by Shri N. R. Choudhury.

SHRI A. C. GEORGE : Sir, it is true that in the auctions during the first quarter of the year there was a setback in the prices to the tune of 1.4%. But, subsequently, during the subsequent quarters the prices have picked up.

SHRI N. R. CHOUDHURY : Sir, is it also a fact that export of such tea to the UK dropped from 8.8 million kgs. in 1970 to 4.9 million kgs. in 1971 and, if that is so, what steps the Government is taking to revitalise the export market ?

SHRI A. C. GEORGE : Sir, the United Kingdom, which provides the important traditional market for tea, has reported that there is a change in the drinking habits of the people. It is seen from the market survey reports that the tea-drinking habit is slowly reducing and there is a preference among the people for coffee or other beverages. So, sir to that extent our tea exports to the UK have gone down. But, Sir, the overall picture is much brighter. In 1971-72, our export of tea has been up by 9.5% over 1970-71 though there has been a reduction in consumption in the UK ; and there has been an overall increase in our exports

MR. CHAIRMAN : Yes, Dr. Chakra-barti.

DR. R. K. CHAKRABARTI : Sir, the statement laid down by the hon. Minister says that the export of South Indian tea has increased by 25% in 1971-72, But, Sir, the "Economic Times" of 28.8.72 says that South India has harvested a record crop of 101.8 million kgs. in 1971 and there is an increase of 1.1 million kgs. over the previous year. May I know from the hon. Minister why in spite of this the volume of tea through Cochin auctions declined to 65.6 million kgs. as against 67.9 kgs. as compared to the previous year ?

SHRI A. C. GEORGE : I am rather surprised to hear these figures. The only relevant point in this context is that during the three quarters of this year, in South India there was a slight shortfall of production due to labour trouble in the Anamalai Tea Estate and drought in the Nilgiris. All the same the export figure is up. In fact during 1971-72 when the overall increase in 1971-72 is 9.54 per cent the increase in South

India is 21.91 per cent. Therefore, I do not think that the hon. Member is perfectly correct.

SHRI KALYAN ROY : That there is a decline in tea production is very much known to the Minister of Foreign Trade and the West Bengal Labour Minister Dr. Gopal Das Nag met him last week and suggested the setting up of a Tea Garden Reconstruction Company to prevent further deterioration of the situation because of growing unemployment as a result of closure of several tea gardens in the State. I would like to know the hon. Minister's reaction to the proposal of the State Government to set up a Tea Garden Reconstruction Company.

SHRI L. N. MISHRA : We have received the recommendation from the West Bengal Government to take over a number of tea gardens in North Bengal. Tentatively we had decided that those gardens which had been closed or which are not run well should be taken over for which financial assistance will be given to the West Bengal State Government from the Tea Development Fund.

SHRI U. K. LAKSHMANA GOWDA : One of the contributory causes for the decline of export of tea is that the rebate on excise duty is not paid. The rebate on excise duty on tea exported since May 1972 has been withheld. What action the hon. Minister is taking to expedite the payment of rebate on excise duty on tea exported ?

SHRI A. C. GEORGE : At the very outset I would like to clarify that there is no decline in the export of tea. I have already said so twice. The export figures are going up. The other point referred to by the hon. Minister is the rebate on excise duty. To give more impetus to our exports, we are giving excise duty rebate. One of the producers filed a suit in the Calcutta High Court regarding the difference of rebate from zone to zone. Because of the court case, nowadays the excise duty is not being paid. Naturally the Central Board of Revenue has some difficulty in paying back the rebate when the excise duty itself is not paid.

SHRI BHUPESH GUPTA : In view of the fact that tea is one of our major export earners and that it is also used for lots of

malpractices in the external trade such as under-invoicing. . .

SHRI BABUBHAI M. CHINAI : Why not nationalise it ?

SHRI BHUPESH GUPTA : What is wrong with that ? Is it wrong to utter that word ? Why is not the Government taking over the export trade of tea ? Why should it not be fully nationalised so that we can explore other markets apart from Britain ?

SHRI A. C. GEORGE : I agree with the first part of the question, namely, tea represents more than 10 per cent of our total export earning. Since tea is a very delicate field, we have no proposal to nationalise it.

SHRI BHUPESH GUPTA : I take it that my friend, Shri Babubhai Chinai, is satisfied with the reply.

SHRI BABUBHAI M. CHINAI : I am very happy.

#### ECONOMIC OFFENCES

\*15>. SHRI KALYAN ROY : f DR.  
Z. A. AHMAD :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to amend relevant Acts to deal with economic offences more severely; and

(b) if so, what are the Acts proposed to be amended and when ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) and (b) The recommendations of the Direct Taxes Enquiry Committee and of the Law Commission for amendment of the relevant Acts to deal with economic offences more severely are under consideration. Legislation to amend the Customs Act, 1962, the Gold (Control) Act, 1968, the Central Excises & Salt Act, 1944 and the laws relating to Direct Taxes will be introduced shortly.

SHRI KALYAN ROY : Is it not a fact that the Law Commission made a very

†The question was actually asked on the floor of the Hojse by Shri Kalyan Roy.

categorical recommendation that if preventive detention were ever justified, it should be used to prevent some of the economic offences against the Regulation of Foreign Exchange and Customs Rules ? In view of the fact that Rs 100 crores are being misappropriated because of violation of foreign exchange regulations, how long will the Government take to implement the recommendations of the Law Commission and bring forward a measure to deal with economic crimes under the Cr. P. C?

SHRI K. R. GANESH : As I indicated in my reply, the recommendations of the Law Commission are under the consideration of the Government. There is already a Bill before the House, namely, the Foreign Exchange Regulation Bill which embodies many of the major recommendations of the Law Commission. It is now before the Select Committee. The other Bills such as the Gold Control Amendment Bill, the Customs Amendment Bill, and the Central Excises & Salt Amendment Bill are in the final stages of preparation.

SHRI KALYAN ROY : My question was how long will it take for the Government to consider the suggestions of the Law Commission ?

SHRI K. R. GANESH : It is very difficult to indicate the time. The one Bill which is before the House embodies some of the recommendations and the other three Bills are in the final stage of preparation. The Law Commission's recommendations relate to about 16 enactments out of which seven are concerning the Finance Ministry. There are other Ministries such as the Home Ministry and External Affairs Ministry which are concerned with other recommendations. They are at the consideration stage.

SHRI KALYAN ROY : Is it not a fact that there is violation of the Foreign Exchange Regulation Act by the Hindustan Motors to the extent of one million pounds ? Is it not a fact that the inquiry is hushed up and the special cell of Direct Taxes which was set up is headed by Shri Rana who is a man of Birlas ?

SHRI Y. B. CHAVAN : I think that only recently I have sent reply to the hon.