

should create the rupee counterpart here and place it at the disposal of the T.C.A. for being used in community projects with their approval.

SHRI S. MAHANTY: No, Sir. I could not follow that exactly. The programme has got two funds, A and B. I could understand that our tractors should be debited to Fund A, namely, the Dollar Fund. My question is: How are you going to utilise the rupee part of it?

SHRI T. T. KRISHNAMACHARI: Sir, as I have already said, we have to create the rupee fund for expenditure on projects which are approved by the T.C.A.

DESTRUCTION OF TEA IN ASSAM TEA GARDENS

*284. SHRI B. V. KAKKILAYA: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the owners of most of the tea gardens at Tezpur, Assam are destroying the lowest grades of tea in order to bolster up the prices; and

(b) if so, what steps Government have taken or propose to take in the matter?

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): (a) and (b). There are instances where tea waste and residue grades of tea which are unfit for sale are destroyed, in order to maintain the quality of tea sold and to prevent adulteration. No tea is destroyed in order to bolster up prices.

SHRI B. V. KAKKILAYA: May I draw the attention of the hon. Minister to the Press report from Tezpur which says that "the European gardens whose lowest grade teas had the qualities requisite in tea sold for human consumption, are reported to have been burning up those grades"? May I therefore ask the hon. Minister what he means by saying that the tea

that is destroyed is not suitable for human consumption?

SHRI D. P. KARMARKAR: I exactly meant what I said.

SHRI B. V. KAKKILAYA: What steps have the Government taken to prevent destruction of tea?

SHRI D. P. KARMARKAR: According to us, no good tea is destroyed. As I have said, the waste and lowest grade tea is destroyed and that also to good purpose.

SHRI B. V. KAKKILAYA: In the papers we read reports that the tea that was destroyed was suitable for human consumption. What steps have the Government taken in this direction?

SHRI D. P. KARMARKAR: I should think that the hon. Member should trust us better than trusting others.

SHRIMATI MAYA DEVI CHETTRY: May I know, Sir, whether the same practice of destroying the lowest grades of tea has been followed in the North Bengal tea gardens?

SHRI D. P. KARMARKAR: I have no exact information about the particular region of the gardens. But so far as I could see, I wish it were so.

SHRIMATI SAVITRY NIGAM: May I know, Sir, whether there is any control over the grading system of tea in order to save the consumer from the capitalist exploitation?

MR. CHAIRMAN: From the capitalist exploitation! Hear, hear, Opposition Benches.

SHRI T. T. KRISHNAMACHARI: Sir, there is no question of grading of tea. So far as the Government are concerned, I would like to elaborate the point my colleague made and that is this. No tea can be destroyed without the permission of the Excise Department of the

Government and they do levy a duty on tea before destruction. And our information is fairly categorical—from the Excise Department—that no tea is destroyed.

DR. P. C. MITRA: I want to know whether the owners themselves destroy the tea or is it done by an order of the Government.

SHRI T. T. KRISHNAMACHARI: Any tea can be destroyed after the payment of excise duty. It is their property and they can do what they like with it. What Government can do and is doing is to insist upon the excise duty being paid first. It stands to reason that nobody will destroy any tea on which they pay excise duty unless it becomes unfit for human consumption.

KHWAJA INAIT ULLAH: What is the method adopted to satisfy Government that the tea that is destroyed is not fit for human consumption?

SHRI T. T. KRISHNAMACHARI: It is not a question of Government being satisfied whether it is fit for human consumption or not. All that they can do is to insist on the payment of the excise duty before any tea is destroyed, and I am assured by the Excise Department that there has been no destruction of tea.

KHWAJA INAIT ULLAH: Government may get the duty, but when the tea is destroyed, the price of tea will become higher.

SHRI T. T. KRISHNAMACHARI: All that we can say in a matter like this is that nobody will destroy tea for which they can get something unless there is concerted action on the part of the tea growers. We do have a very limited restriction on *production by agreement merely* because the quantity of tea available in India is so much that prices are being depressed, but then there is no question of destruction of tea, and in this case Government have no knowledge of any destruction taking place.

SHRI B. V. KAKKILAYA: If it is brought to the notice of the Government that tea is being destroyed in Assam gardens, will Government take necessary steps to prevent any further destruction?

MR. CHAIRMAN: It is a hypothetical question. If it is brought to your notice, will you take action?

SHRI D. P. KARMARKAR: I will be thankful to the hon. Member. If you will permit me to say that, the Government of Assam have definitely told us that no tea is being destroyed.

SHRI S. C. KARAYALAR: May I know whether the duty is levied on consumption or on production of tea?

SHRI T. T. KRISHNAMACHARI: Initially on production.

SHRI M. VALIULLA: Is it not a fact that the quality of Indian tea has got to be maintained in order to be able to meet competition in foreign markets?

SHRI D. P. KARMARKAR: Exactly, yes.

SHRI B. K. P. SINHA: If there is any prohibition against the destruction of tea unfit for human consumption, will not the Government be charged by hon. Members with allowing the sale of tea not fit for human consumption and with callousness to the interests of the people?

(No reply.)

TRADE AGREEMENT WITH CEYLON

*285. SHRI B. V. KAKKILAYA: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether any trade agreement has been concluded with the Government of Ceylon recently; if so, will the Government place a copy of the said agreement on the Table of the Council; and