

those old and classic films like Mughal-e-Azam, Sholay and many other films were made. The purpose of this centre would be not only to perpetuate the memory of our great artistes of yesteryears like Dada Saheb Phalke, Raj Kapoor, Ashok Kumar, Satyajit Ray and many others but also to expose our new generations to the great veterans who had contributed immensely in the building up of our film industry in India. To conceptualise and realise this glorious dream, may I request the Government to allot a piece of land in Mumbai for setting up this project and provide sufficient funds? I do assure the Government of my voluntary association with the project along with colleagues and co-artistes belonging to the film industry. Initially, the project may be involving some funding from the Government. But the project ultimately would become self-sustaining while it would become a popular tourists attraction drawing scores of people from all over India as well as foreign tourists. The entire project would become cost-effective and each unit a profit centre by itself, a domestic entertainment centre and a foreign exchange earner. These are some of my thoughts that come to my mind now which I have taken the liberty of placing before the august House. As I begin to proceed in this direction, I would definitely look for advice and counsel from all the Members of the House. Thank you.

SHRI S.S. AHLUWALIA (Jharkhand): I Support the dreams of dream girl.

THE DEPUTY CHAIRMAN: The entire House supports it.

श्री बालकवि बैरागी: महोदया, मुझे नारायणसामी की तरफ से एक बात कहनी है—'हाय हम हेमा मालिनी नहीं हुए।'

उपसभापति: अमजद खान भी नहीं हुए।

### **CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**The plight of tea garden workers due to sickness and closure of a large number of tea gardens leading to starvation deaths**

SHRI PRANAB MUKHERJEE (West Bengal): Madam, with your permission, I call the attention of the Minister of Commerce and Industry to the plight of tea garden workers due to sickness and closure of a large number of tea gardens leading to starvation deaths.

**THE MINISTER OF LAW AND JUSTICE AND THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY):** Madam Deputy Chairperson, the domestic tea industry is faced with a situation of continuously falling tea prices at auctions for the last four years. The average auction prices of tea were about Rs. 76 per kilogram in 1998. They started declining from mid-1999 onwards. Presently, they have reached about Rs. 55 per kilogram. Domestic prices of tea move more or less in tandem with the international prices. These prices have remained depressed over the last few years due to the over supply of tea in the global market. They declined from about US\$ 1.88 per kilogram in 1998 to US\$ 1.32 per kilogram in 2002. This decline in international prices coupled with problems like decreasing exports, sluggish rate of growth of domestic demand, and higher cost of production has adversely affected the domestic tea industry.

Individual tea gardens, particularly the medium sized ones and those financially weak, have been severely affected by the decline in prices, especially because the cost of production continues to be high. Some tea gardens are sick and some have closed down in the States of West Bengal, Kerala, Assam and Tripura. As per information available, 43 tea gardens are presently closed. Of these, 25 are in West Bengal, 12 in Kerala and 3 each in Assam and Tripura. More than, 35,000 workers are affected by the closure. Recently, 36 closed gardens were got studied by Expert Committees appointed by the Government of India. The reports of these Committees indicate that these gardens have been inherently weak, which have suffered from chronic low yields and poor garden management and, in many cases, strained industrial relations. The fall in the prices of tea hastened their closure. From the information made available by the State Governments of West Bengal and Kerala, where most of these closed gardens are located, there has been no starvation death due to their closure.

The Plantation Labour Act, 1951 provides for the welfare of plantation labour and regulates the conditions of work in plantations. This Act specifies the facilities to be provided to the workers, including drinking water, housing, educational and medical facilities. The State Governments are responsible for the administration and implementation of the Plantation Labour Act. The Government of India have already taken up this matter with the concerned State Governments for intervention and providing

necessary relief. Some State Governments like West Bengal and Kerala have taken steps to provide relief to the affected plantation workers. Steps taken include creation of employment opportunities from various schemes such as the Sampoorna Grameena Rozgar Yojana, extended health care, implementing nutritional programmes for the children, distribution of foodgrains, augmenting drinking water facilities and distribution of cash to the most needy. The Government of India is fully alive to the problems confronting the tea industry. Several steps have been taken to support the tea industry. As already mentioned, Expert Committees were constituted to study in depth 36 closed gardens. According to the Reports of these Committees, all these estates are required to invest both in the plantations as well as in the factory and other infrastructure to achieve better results in terms of quantity, quality and price realisation of their teas. However, bulk of the investment is required in the plantation itself. The Government has facilitated discussions by the managements of these gardens with their bankers to work out a revival package. This package would include promoters' contribution, further loans from concerned banks with restructuring of the accounts and also assistance from the Central Government. The assistance would be in the form of an interest subsidy up to a maximum of 5 per cent for those gardens which are considered financially viable by the concerned banks.

Other measures taken by the Government to provide necessary support to the tea industry, include the following:

(a) The excise duty of Re. 1/- per kilogram on tea has been replaced by an additional duty of excise of Re. 1/- per kilogram as a surcharge, which would form a fund for the development, modernisation and rehabilitation of the tea plantation sector. Assistance, through this fund, would be extended for providing interest subsidy to closed gardens which are potentially viable, increasing production of orthodox tea, generic promotion of tea and research and development. The schemes are being finalised for implementation.

(b) Implementation of a number of developmental schemes during the Tenth Five Year Plan by the Tea Board for enhancing productivity, quality and marketability of tea produced in the country. Financial and technical assistance is being provided for various plantation development

activities like replanting, rejuvenation, creation of irrigation facilities, etc. An outlay of Rs. 350 crores has been provided in the Tenth Plan for Tea Board for this purpose.

(c) A Price Stabilisation Fund with an initial corpus of Rs. 500 crores has been established for providing relief to the small growers of plantation commodities such as tea, coffee, rubber and tobacco.

(d) Government has moved the RBI and the Indian Banks Association for providing an effective credit relief package for the tea industry from the banking sector.

(e) Tea Board is in the process of implementing an IT based Information Dissemination Plan for the tea industry, including electronisation of auction centres. This would improve the efficiency of the tea purchase systems and reduce transaction time and costs.

(f) In order to promote exports of tea, financial assistance is provided to tea exporters to meet part of the cost of handling, packaging, transport/freight and value addition, even as efforts are being made to improve the quality of teas produced in the country through a quality upgradation programme being implemented by the Tea Board.

(g) Promotional support is being lent to Indian exporters in their promotion and marketing of tea brands.

(h) The import duty on items of machinery used to improve productivity and quality of tea, including value addition, has been reduced to an all inclusive rate of 5 per cent.

(i) An Inter-Ministerial Committee, set up by the Ministry of Labour, has also studied the issues relating to the plantation sector, particularly the social costs, provident fund dues of the plantation workers and taxation structures. The recommendations of this Committee are under consideration.

Besides these measures, the Government has also got a study conducted on the primary marketing system for tea, including the auction system. Based on the study, Government has notified the Tea Marketing Control Order, 2003 and modified the auction rules in order to bring about greater transparency in the price discovery mechanism for tea. Due to these changes, there has been a saving in transaction time and cost in

selling teas through the auctions resulting in larger volumes of tea being sold in a shorter periods of time.

I am happy to inform the House that there has been greater absorption of tea in the domestic market and the overall supply and demands imbalance has been greatly reduced. In fact, sales in the North Indian auctions, since November, 2003, have started showing better price trends particularly for the good quality teas. Overall improvement in productivity, cost reduction, a conscious effort towards the production of quality teas and better management practices would go a long way in reviving the tea industry and ensuring welfare of the workers.

THE DEPUTY CHAIRMAN: Pranabji, if you remember, you were the Commerce Minister at that time, and, I had put this question to you. It was 24 years ago, and we are still grappling with the situation. I remember, we had also the Consultative Committee Meeting.

SHRI PRANAB MUKHERJEE: At the outset, Madam, I agree that the problem is there, and, I thank the Minister for making a very comprehensive statement. Infact, while identifying the areas of problem and the reasons, which are primarily responsible for the downward trend of the tea industry, I think there is no scope of disagreement.

But, apart from that, one new factor has developed specially in Dooars, and, North Bengal Tea Gardens, partly in Assam and also in other areas, that the small planters are selling the green leaves, and, those are being processed and which are popularly known as bought leaf factories. There have been some factories, if I remember correctly. The Minister can correct the figure. There are 62 bought leaf factories. They do not maintain any gardens, and, they do not have any statutory responsibilities to the workers or to the labourers. Simply, they buy leaves from the producers. Their cost of production is cheap, and, as a result they are also causing problem in addition to the international price declining, our lack of competitiveness. I have some figures—and, surely, the hon. Minister has more—from where I find that while the cost of production per unit in India is US \$ 1.62, in one of the major countries from where we are facing competition, Kenya, the cost is US\$ 1.16. Even in Sri Lanka, the cost of production is US\$ 1.23. This is one aspect.

The second aspect is that with the removal of quantitative restrictions on import, despite the fact that in two years the import duty has increased

substantially, one hundred per cent, still a substantial quantum of tea is now being imported, specially, from Indonesia and Vietnam, and, this is also posing problem to the domestic market, and, as we are party to the WTO, and, the quantitative restrictions on import are not possible, because we are not covered by balance of payment criteria, this problem is adding to the already deteriorating situation.

The third problem which is emerging in addition to these two which we have already referred to, is that practically there is a total chaos ...*(Interruptions)* You can finish your consultation.

THE DEPUTY CHAIRMAN: Pranabji, now, since the interruption has come, I will request the hon. Members who are speaking that as we have less than one hour, if we can complete it in the stipulated time, it will be good.

SHRI PRANAB MUKHERJEE: Certainly, we will be able to complete it.

SHRI A. VIJAYARAGHAVAN (Kerala): Madam, it is a serious issue.

THE DEPUTY CHAIRMAN: Yes, but serious issues can be raised very crisply.

SHRI PRANAB MUKHERJEE: There is some sort of total anarchy in those areas because the owners of the tea gardens have simply deserted it. There is nobody to look after it. Apart from closure and sickness, there has been another dimension, desertion by the owners, and, there is a consequence to that. It is posing serious law and order problems in those areas. For quite sometime, I am drawing the attention of the hon. Minister to these aspects. I, myself, have visited those areas two times in the last six months. And, I understand, a Sub-Committee of the Parliamentary Standing Committee, dealing with Commerce, also visited the areas last year, and, they had very wide interaction with the representatives of the trade, with the representatives of the labour and also with the representatives of the local Government. They also made some recommendations. What is called for, to my mind, is a concerted action. The hon. Minister has indicated some steps to be taken. He has also indicated some allocations, roughly about Rs. 350 crores, for the Tenth Plan period. I would like to know what has been the actual allocation during the first two years, that is, last year and the current year, of the

Plan period for this developmental aspect. But, it is not merely a uni-dimensional problem. As the problem is multi-dimensional, some of the State Governments will also have to be involved fully, because one of the reasons of our high cost of production is multiplicity of taxes. For example, there are three types of taxes. For per kilogram tea, which you are producing, you have to pay eight paise cess for the rural employment generation, as per the Act; the Act was passed, I think, in 1976. In addition to that, another rate has been fixed for infrastructural development. Whenever there is a transfer of a Tea estate you have to pay a salami of rupees 15,000 per hectare. Various legal interpretations created complications, and, as a consequence to that, sometimes these salamis demanded are more than the original prices at which the tea gardens were bought, when the actual transfer took place, even 25 or 30 years ago. These problems are to be looked into. When I went there, I found that there had been a number of starvation cases mainly because simply the ration was not available. The practice which evolved over the years in those areas was that the tea gardens used to collect rice and wheat and through their agencies they used to distribute it. Therefore, the regular Public Distribution System, which is otherwise effective in other parts of West Bengal, could not be built up in the tea areas. Therefore, simply ration was not available. Same is the story with the medicines. And, as there is nobody to look after the gardens, all sorts of anti-social elements are taking control over the gardens and causing serious law and order problem in those areas. But, that is a different issue. It has nothing to deal with the development of the tea industry as such. Therefore, I am not making any comment on it. My most respectful submission to the hon. Minister would be, through you, Madam, so far as the international market is concerned, we cannot control that international market totally. We do not have all the leverage. The only leverage which is available to us is to see that how best we could be competitive by taking measures, by which our cost of production would be reduced. And, if we want to reduce the cost of production—that is why, I gave some instances, instances could be multiplied but I would not like to repeat that—what is needed is concerted action and a medium-term Plan involving the State Governments, because plantation is an industry where a large number of people are involved. If you go to any tea gardens, especially Dooars in Assam, and in other parts, you will find a mini replica of India in each tea garden. People from different parts of the country are staying together

and living in perfect peace and harmony, representing our national integration in a very effective way. Therefore, this industry has its own impact, apart from its age and tradition. What I am suggesting to the hon. Minister is to please take a comprehensive view. And, it would be desirable to have a high level conference, inviting the Ministers concerned from the States. If we can take the initiatives right now, the recent improvement which the hon. Minister has referred to in his statement that there has been some improvement in prices from the month of November, you can take that advantage. We shall have to reduce our cost of production. But we cannot reduce our cost of production unless we have massive investment in the replantation of the bushes, modernisation of our factory, updating our technology and also, to some extent, improving the marketability. Even the Darjeeling tea, which has a good market, it had a good market earlier also, but because of the lack of aggressive market technology and aggressive marketing policy, we are failing there. And the realisation of the Darjeeling tea, which is a high-cost quality tea, has also gone down over the years, particularly from 1998 to 2000. Therefore, we shall also have to look into it very seriously. Small is beautiful, no doubt, but everywhere small is not beautiful. The mushrooming growth of small plantations, without having any social responsibility to workers, is practically creating havoc. These are having one hectare or two hectares of land, and sometimes, some of the gardens, which I visited, were spread over just a few acres of land. They have nothing to do but simply plucking the leaves and selling them to middlemen, and these middlemen then selling it to the bought leaf factory and just making quick money. It may help some people for some time, but it will cause a permanent damage to the traditional industry, and there should be certain regulations. Therefore, my suggestion to the hon. Minister is, you call a high-level meeting, and, of course, Tea Board is also looking into it.

Another thing, which I would like to know from the hon. Minister is — it was highlighted when I visited those plantations that the Expert Committee which the Labour Ministry appointed had made a series of recommendations — what would be the time-frame by which the Government would be able to come to a conclusion because some of these issues are to be tackled by the State Governments also. Therefore, their involvement and that of certain tea plantations is important. In that you can involve coffee plantations also, though coffee is not doing badly so far as my knowledge is concerned. But tea is doing extremely badly and we have to take corrective measures right now.



The last point on which I would like to seek clarifications from the hon. Minister is that we had some advantage when Dr. Manmohan Singh entered into the revised Rupee-Rouble Agreement in early 90's with Russia. We were paying our debts to them, apart from cash, by selling certain identified commodities, especially three commodities. These were important, namely, tea, tobacco and certain pharmaceutical products. Whether that component of buying goods from India has been exhausted because that was a traditional market. And I have no latest information about that. But now I am told that they are looking for orthodox tea. Whether that market could be revived which, to a considerable extent, will solve the problem of the tobacco growers of Andhra and Karnataka, because that is also a constant headache. Whether something could be done in that direction. These are my small submission to the hon. Minister for his consideration, through you, Madam. Thank you.

THE DEPUTY CHAIRMAN: Now, there are seven more speakers. The procedure of the Calling Attention is that the first Mover makes his speech and others put questions. For we have to complete it within the stipulated time, I would request Shri Jayanta Bhattacharya to put questions only.

SHRI JAYANTA BHATTACHARYA (West Bengal): Madam, it is my statement.

THE DEPUTY CHAIRMAN: It is Calling Attention. Otherwise, we will never be able to finish it within the stipulated time.

SHRI PRANAB MUKHERJEE: I think, today is his maiden day.

THE DEPUTY CHAIRMAN: Even in your maiden day, you can put questions.

SHRI JAYANTA BHATTACHARYA: I have no questions. *(Interruptions)*

THE DEPUTY CHAIRMAN: Let him speak.

SHRI JAYANTA BHATTACHARYA: Thank you Madam, for giving me an opportunity. My Calling Attention notice is on the sad plight of tea garden workers in Dooars, Jalpaiguri area, in West Bengal, due to sickness and closure of a large number of tea gardens, leading to starvation and deaths of a large number of workers. Madam, I come from Dooars area. I used to visit tea gardens frequently. The recent situation of Dooars,

[19 December, 2003]

RAJYA SABHA

mainly in Jalpaiguri in West Bengal, is very grave. More than 25 tea gardens have been closed; another 50 to 60 tea gardens are on the brink of collapse. In these gardens, workers are getting 50 per cent salary. They are being deprived of the basic necessities of life. Over the last two years, more than 150 workers have died. The law and order situation is not up to the mark.

[THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) in the Chair.] 65 per cent workers are from the tribal area. The incidents of culpable homicide, involving the life of 19 tea garden workers, have also taken place. Such a situation might also affect the climate of investment in the State. I am in full agreement with the hon. Member, Shri Pranab Mukherjee, on the issue, and hence, I will not prolong the discussion. So, I request the Government to look into the matter seriously and save the poor workers from starvation and deaths. Thank you.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Tarini Kanta Roy. Just questions, please. Everybody cannot make a speech. Are you making a maiden speech?

SHRI TARINI KANTA ROY (West Bengal): No, Sir.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): This is a ruling from the Chairperson. You are allowed two minutes.

SHRI JIBON ROY (West Bengal): Sir, he will put questions in the form of a small speech.

SHRI TARINI KANTA ROY: Sir, please allow five minutes to me.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): All right. Go ahead.

SHRI TARINI KANTA ROY: Thank you, Sir. I want to draw the attention of the Government to the sad and pitiable conditions of tea garden workers of India, especially, the tea garden workers of West Bengal. The tea garden workers of India are facing serious problems, like non-payment of wages, curtailment of welfare benefits, non-payment of bonus, closure and abandoning the gardens by the management etc. Attempts are being made to curtail the existing benefits provided to the workers under the Plantation Labour Act, 1951. The Inter-Ministerial Committee, set up by the Ministry of Labour, concluded that as the statutory provisions

demanding strict implementation of the Plantation Labour Act, 1951 were working against the plantation industry, there might not be any justification for the continuation of the relevant provisions of the Plantation Labour Act, 1951. They came to the conclusion that in spite of the fact that the welfare provisions under this Act are not being properly implemented by the management of most of the tea gardens, so, both the Government of India and the private entrepreneurs prefer to blame the workers for the present sorry state of the industry, and due to this sorry state of the tea industry, more than 20 tea gardens have already been closed and abandoned in Dooars area. In other tea-growing States, more than 27 gardens have been closed, affecting 10,000 people. The tea gardens of the Tea Trading Corporation had been abandoned long ago. The workers of the closed or abandoned tea gardens are facing acute financial problems. Twenty thousand workers have become jobless in Dooars area alone. In Assam also, the management resorted to firing on the workers since they claimed legitimate bonus. Even the Ministry of Commerce denied to pay the statutory dues of the workers of the abandoned tea gardens. Sir, I would like to mention the condition of workers in Tripura. There, as many as twelve tea gardens have been closed, and that has affected 3,000 workers. The State Government has been providing temporary jobs. But this is not sufficient, and this is not the solution also. The West Bengal Government has also come forward to help the distressed people in the Dooars area where, as we know, more than 500 workers and family members suffered the effects of this crisis, *i.e.* malnutrition, malaria and falciperum diseases. But, unfortunately, no assistance from the Union Government has come. The management, on the other hand, is putting the blame for the crisis in tea plantation on the decline in exports. But they are concealing that in Kerala, 71 per cent of the tea bushes are 50 years old. In West Bengal, 46 per cent of the bushes are more than 50 years old and in Darjeeling, around 77 per cent of the tea bushes are over 50 years of age. Therefore, the workers are in no way responsible for the crisis. The profit earning trend of the garden owners, most of whom are private entrepreneurs, is solely responsible for this condition as a whole. It may be pointed out here that the workers of West Bengal and the Northern-East States are mostly dominated by tribals, and are of Nepalese origin. I demand adequate financial assistance from the Government of India to provide all help to the workers of tea gardens. I also demand that all the statutory dues of the abandoned tea gardens

of TTCl should be cleared. I want to put it on record that the workers' interests can only be protected if the industry is saved. As such, I suggest to the Union Government to ensure that 100 per cent of the tea produced is sold through auction in a transparent manner. There must be stringent punishment for those who try to manipulate the auction process in any way. It has to ensure that the tea producers get a minimum profit over the cost prices. It should also be ensured that a floor price is fixed at the garden level for green leaves and the auction houses for tea. Similarly, the floor prices for both orthodox tea and CTC tea should also be mandatory. The Government should also increase the taxes on the tea imported from abroad in such a manner that in no case, the imported tea becomes cheaper than the tea produced in our country.

If the present conditions run unabated, there would be a socio economic disaster in large-scale in the near future. The Government must ensure that no such crisis ever occurs.

**श्री कैलाश जोशी (मध्य प्रदेश):** माननीय उपसभाध्यक्ष महोदय, चाय उद्योग भारत का बहुत पुराना और महत्वपूर्ण उद्योग है। हमारे देश में भी इसका बहुत बड़ा बाजार उपलब्ध है और इस समय संसार के अन्य देशों में चाय के निर्यात की प्रबल संभावनाएं हैं।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया):** आप सवाल पूछें तो अच्छा होगा, नहीं तो पूरे समय में कम्प्लीट नहीं हो पाएगा।

**श्री कैलाश जोशी:** उपसभाध्यक्ष महोदय, मैं एक-दो पंक्तियां बोलने के बाद अपने प्रश्न उठाऊंगा। इसलिए जरूरत इस बात की है कि चाय उद्योग की जो कठिनाइयां हमारे देश में पैदा हुई हैं, उनको हल करने की दिशा में तेजी से कदम उठाए जाएं, जिसके कारण हमारा उद्योग तो पनपे ही, किंतु आज जो हम अनेक देशों से कच्चे चाय के पत्तों का आयात कर रहे हैं वह भी रोका जाए। इसलिए इसे ध्यान में रख कर इस दिशा में सरकार को अपनी नई योजना बनानी होगी। यद्यपि वर्तमान सरकार ने इस दिशा में कुछ ठोस कदम उठाए हैं, उनके परिणाम निश्चित समय सीमा में आ जाएं, यह मेरी सरकार से अपेक्षा है।

महोदय, देश में इस समय चाय-बागानों में तीन प्रकार की स्थिति है। एक तो जो बहुत पुराने हो गए हैं, उनमें सरकार को चाहिए कि उन चाय बागानों में फिर से नई पत्तियां उगाने के लिए काम शुरू कराया जाए और उस दिशा में चाय-बागान मालिकों को जो कठिनाइयां आ रही हैं उन कठिनाइयों को दूर करने की दिशा में सरकार प्रयत्न करे। दूसरे ऐसे चाय-बागान हैं जो विभिन्न कारणों से बंद पड़े हैं। इनमें कुछ चाय-बागान मालिकों ने तो श्रमिकों के हितों की जो सुरक्षा करनी

चाहिए थी वह भी नहीं की है, उनके प्रोवीडेंट फंड नहीं दिए हैं या कई जगह तो वेतन तक भी नहीं दिए हैं। अब ऐसे श्रमिकों की आज दो स्थिति हैं, एक तो कुछ जगह मजदूर पत्नियां तोड़कर और उन्हें बाजार में बेचकर अपना गुजारा कर रहे हैं, जिससे उनको पूरी मजदूरी भी प्राप्त नहीं होती और दूसरे ऐसे भी हैं, जिनके काम बंद पड़े हैं और उन्हें घर पर बैठा दिया गया है, जो कोई काम नहीं करने पा रहे हैं।

महोदय, तीसरी बात मैं शासन के समक्ष यह रखना चाहता हूँ कि चाय-बागान के कई मामलों के केन्द्र सरकार के अतिरिक्त राज्य सरकार भी जुड़ी हुई है, जैसे कई जगह राज्य सरकारों ने इस प्रकार के कर आरोपित कर रखे हैं, जिन करों, में से कुछ कर केन्द्र सरकार भी वसूलती है। इन करों को राज्य सरकार फिर से दुबारा वसूल कर रही है, कुछ जगह इसे एग्रीकल्चर टैक्स के नाम से लिया जाता है, लोकल टैक्स के नाम पर लिया जाता है, जिसके कारण कठिनाई यह हो रही है कि चाय की कीमत में अकारण वृद्धि हो रही है। इसलिए इस ओर भी सरकार को विचार करना चाहिए।

महोदय, चौथी बात मैं सरकार के ध्यान में यह लाना चाहता हूँ।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया): हो गया आपका। आपने बहुत अच्छे प्रश्न किए हैं।

श्री कैलाश जोशी: सर, एक प्रश्न और करना चाहता हूँ। जो पुराने चाय-बागान हैं और उनको चाय-बागान मालिक फिर से चलाने के लिए प्रयत्नशील हैं तो उनके प्रयत्नों में राज्य सरकार की ओर से और केन्द्र सरकार की ओर से भी जो सहयोग दिया जा सकता है वह सहयोग देने की जल्दी ही कोशिश की जाए ताकि वहां काम शुरू हो सके और जो मजदूर हटाए गए हैं उन मजदूरों को फिर से रोजगार मिल सके। धन्यवाद।

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Shri Drupad Borgohain. You put only questions.

SHRI DRUPAD BORGOHAIN (Assam): Sir, I will try. My first question is this. Actually, our tea export cannot compete with other countries. I think it is due to the WTO position. We are supposed to have the system of free trade and because of free trade we cannot compete. What is the position? What does the Government think about it?

My second question is this. During the last Pooja festival, the tea garden workers demanded 20 per cent bonus. But instead of getting 20 per cent bonus, they got bullets in upper Assam tea gardens. What is the viewpoint of the Central Government on this?

Thirdly, the hon. Commerce Minister fought very boldly for the cause of the developing countries at the Cancun meeting. That is good. But to save the tea industry, will he fight again?

In Assam, there are 700 tea gardens and some small tea-growers. The small tea-growers are unemployed Assamese youths. For the last ten years, they are developing small tea gardens. They are not producing the final product. But they are producing green leaves. Previously, they were getting Rs.12-13 per kilogram of tea-leaves, But after this sickness in the tea industry, they get only Rs.4-5 per kilogram. How do we solve this problem? The Minister should answer this question also. Thank you.

SHRI S.P.M. SYED KHAN (Tamil Nadu): Mr. Vice-Chairman, Sir, I want to put only three questions. In Tamil Nadu, our Chief Minister, Dr. Puratchi Thalaivi, has allowed tea to be sold through the civil supplies system. I would request the Central Government to allow it in other States also. Earlier, the Government was giving subsidy of Rs.2/- which has been stopped. I would request you to again start this subsidy and increase it to Rs.10/-. Lastly, price of tea should be fixed at Rs.15/- per kilogram.

SHRI BIMAL JALAN (Nominated): Mr. Vice-Chairman, Sir, in her introductory remarks, the Deputy Chairperson, had made a very significant observation which was that she had put a similar question 25 years ago to the then Commerce Minister who was none other than hon. Shri Pranab Mukherjee. It is very significant because we are putting the same question 25 years later on the same industry. I have a feeling that when this question was put 25 years ago, probably the debate would have been more or less similar; otherwise, we would not have been in the same condition as we are now. If we want to avoid putting the same question 25 years later, it seems to me that we need to apply our minds very conscientiously and in a very deliberate way to find out a lasting solution to the problem which I think is of great importance. It is not a seasonal problem. It is a problem of great importance affecting some very important States. A similar kind of problem with much greater intensity applies to jute also. We need to apply our minds. My question or suggestion is whether this particular Calling Attention Motion, if time permits, can be turned into a Short Duration Discussion. If it could be, we can do it if not now, either on Monday or sometime later, Perhaps, then we can have a substantive discussion because I have certain observations to make but I do not want to take the time of the House because while speaking on the Calling Attention Motion we must abide by the rules which apply to it. The issue is of great importance. The remarks made by the Deputy

Chairperson are of extreme significance for us to pay attention to this whole issue in a very constructive and substantive way. Thank you.

श्री कृपाल परमार (हिमाचल प्रदेश): उपसभाध्यक्ष महोदय, हिमाचल प्रदेश के कांगड़ा जिले के पालमपुर क्षेत्र में लगभग 4,000 हैक्टेयर पर चाय के बागान हैं, लेकिन पिछले दिनों अंतर्राष्ट्रीय स्पर्धा के कारण ये बागान बंद होने के कगार पर हैं। मैं माननीय मंत्री महोदय से मात्र यह जानना चाहता हूँ कि जिस आधार पर नार्थ-ईस्टर्न राज्यों को ट्रांसपोर्ट सब्सिडी दी जाती है, कोलकाता के मार्किट तक पहुंचने के लिए, क्या हिमाचल प्रदेश के बागबानों को बचाने के लिए आप ऐसा कोई प्रावधान करेंगे या अंतर्राष्ट्रीय स्पर्धा में कम्पीट करने के लिए कोई ऐसा पैकेज देंगे जिससे कि जो चाय के बागान बर्बादी के कगार पर हैं, उनको बचाया जा सके?

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Minister, before you start, I would like to bring to your notice one issue because nobody has raised this issue. Pakistan needs 140 million kilogram of tea. When you are trying to develop good relations with Pakistan, if this market can be tapped, the problem of the tea industry could be solved in a big way. That is a very big market. Pakistanis like Indian tea. Then this is the highest taxed industry.

SHRI ARUN JAITLEY: Mr. Vice-Chairman, sir, let me first of all express my gratitude to all the hon. Members who have spoken on this Calling Attention Motion because this is an issue which is of uniform concern to all of us. It is not an issue which is adversarial in any way...

SHRIMATI PREMA CARIAPPA (Karnataka): Sir, while the hon. Minister is replying, I would like him to give importance to the coffee growers also. Even though the subject is only on tea, the plight of coffee growers also needs to be addressed. Eighty per cent of coffee in India comes from Karnataka, and the coffee growers are not interested in the industry. I don't say that this Government has not done anything. Of course, the Government has decided to waive off one per cent interest on the loans that have been taken. But I would request the hon. Minister to waive interest and give interest-free loans so as to develop the coffee industry in Karnataka. This is my request.

SHRI ARUN JAITLEY: Sir, at some time, the entire plantation sector itself was in a very serious condition because of the fact that it is almost integrated with international prices. Shri Pranab Mukherjee mentioned about the other sectors of plantation. Rubber, for instance, particularly in

the context of Kerala, has substantially improved this year. Therefore, that is not such a big object of concern at the moment. Coffee, as the hon. Members said, has been facing severe challenges particularly in Karnataka, and these are issues which we have been trying to address over the last few years. Tobacco has its own problems. But we are struggling to get them out particularly in the two States of Karnataka and Andhra Pradesh. But I do conceive, and it is evident from the observations which every Member has made and also what the Deputy Chairman has said, that tea is under one of the most challenging conditions. A very large number of workmen are employed there. The pricing is almost integrated internationally. The answer to all the problems may not be available to us domestically because you have (i) the problem of overproduction; then, (ii) you have the problem of prices being linked almost with international prices; and, (iii) you also have the problem of issues relating to higher cost of production in India, and it is the higher cost of production in India which actually starts making your products more uncomparative as far as the global market is concerned. Before I deal with some of the issues which have been raised, prices, over the last five years, almost in every international market, uniformly came down. In India, from 1998-2003, the decline is from 1.85 dollars per kg. to 1.22 dollars per kg. Our competing market, Sri Lanka, had a decline from 2.08 dollars per kg. to 1.54 dollars per kg. In Kenya, it was 1.89 dollars per kg. to 1.53 dollars per kg. Their prices are slightly higher than us, but the decline of prices has almost been uniform as far as these markets are concerned. But, I think, one of the key points which was touched upon by Shri Pranab Mukherjee was, whether it is an issue relating to workers or the plantation owners or the State Governments or the Central Government, we need to sit together to find out this problem of excessive costs of production so far as India is concerned. If our costs are going to be higher, then, obviously, we start with an initial disadvantage as far as the global market is concerned. We have done a break up of what the costs in competing markets are going to be. I have the whole chart, and I can make it available to the hon. Member, since he has referred to some of the figures. For instance, our manufacturing costs are quite competitive. In fact, they are more competitive than Sri Lanka's, and quite close to what the Kenyan manufacturing costs are. Of course, when we look at the costs like State overheads and labour, we are one of the few economies in the world which, under the Plantation Labour Act



1.00 P.M.

administered by the State Governments, have taken up various social costs which are also built into the production cost; this is the historic responsibility which the State in India has owned up, as a result of which the costs have been loaded enough and, therefore, our final product, in terms of its pricing, has been suffering from some kinds of disadvantages. However, one of the two silver-linings that I see is that, of late, the international prices in the last few weeks have begun to move. In fact, I was reading one of the recent write-up on the subject. I will just read it since the Members are interested in knowing what the projected position over the new few months is likely to be. Two days ago, the Economic Times carried an international analysis of what the pricing seems to be. I will just read tow or three sentences. "The first signs of global demand of tea impacting the Indian trade are now beginning to show with tea prices in Kenya and Sri Lanka firming up on reports of lower global stocks; export enquiries in India are picking up. The forecasts say that the first three months of the New Year are likely to derive large volumes in international trade. International tea prices have firmed up over the last few years and have been substantially higher in December, 2003, when compared to the last year. Both Kenya and Sri Lanka constitute almost 50 per cent of the world's trade of exports". And in the last two weeks or so, this impact on our auctions is also beginning to show slightly.

Then, a question has been raised by the Chair with regard to Pakistan. I think it is a very valid point which the hon. Member, with his experience in trade, has made. Pakistan is a very high consumer of tea. The per capita consumption of tea in Pakistan is the highest in the world. And Pakistan has very little production of tea in their own country. A lot of tea from India has been going into Pakistan, even through the informal route. Some tea has been going through the Dubai route. But, substantially, the Indian tea was not being exported to Pakistan. Of late, they have been buying most of their tea from Kenya. A Pakistani delegation of tea traders was invited recently to India and they attended the annual conference of UPASI in the Nilgiri Hills about two months ago. I went there myself and I also had discussions with the Pakistani delegation. The Indian tea companies and the Pakistani tea traders had been discussing between themselves and exploring the possibility of opening official tea trade through the border route, or, otherwise between India and Pakistan. The suggestion which came from the honourable Chair is one area which is

already being looked into and, for the last two or three months, our industry has been quite active in exploring the market, as far as Pakistan is concerned, because, at the end of the day, as has been rightly observed by some of the Members,....(*Interruptions*)

SHRI BIMAL JALAN: I think, actually that is the problem. You get to an upsurge in prices over a period of time and then forget about the problems which are of structural nature. We then defer the kind of issues that you have mentioned for another five years, until the problem arises again; and, then, we will have another debate. In a couple of years, prices will rise again, and we will find some other solution and turn our eyes to something else. So, I believe that it is a silver lining in the temporary sense, but the effort to structurally reform this particular group of problems that you have talked about, would not be made. I wanted to just draw your attention to this.

SHRI ARUN JAITLEY: I completely agree with the hon. Member for his observation that if there is some spurt in the international prices we cannot really assume that that problem is over because we need a lot of structural changes, as far as the management of our tea economy is concerned. As has been rightly observed by Members, there is a problem of over-supply. Therefore, we need to increase domestic demand; we need to increase international demand; we need to explore our export market; we need to cut down our cost and become more competitive. Now, these are not the issues which can be dealt with only either by the State Governments or by the Central Government. As the hon. Member, Mr. Mukherjee had suggested, there is a need for extensive consultations; and I take that suggestion very well. Certainly, we will try and act on it, as far as the consultation process is concerned, so that we can find some answers as far as these are concerned.

Now, I come to this question of how we address this issue, as far as the long-term problems of our own tea industry are concerned. Out of these 46 odd tea gardens which are lying closed, we have recently conducted a study of 36 of them and tried to go into the causes of why they have been closed. I had in my opening statement indicated why some of them have really been closed. Among some of the solutions which I have indicated. I would just like to re-emphasise what we are looking for. For instance, there is now a Re.1 per kilogram surcharge on

all types of tea which are sold. This amount itself is about Rs. 250 crores which we get over a four-year period. And this is, as I have indicated, going to be utilised with regard to modernisation, upgradation and increasing the production of orthodox tea, generic promotion of tea research and development. This is an amount which is being earmarked for this. We had also set up the Price Stabilisation Fund of Rs. 500 crores for these plantations. We have framed our scheme and our rules. We have submitted them and they are lying with the CAG currently for approval. But the initial reaction of tea growers, particularly having small tea gardens, has been that they want a slight improvement in the scheme, because their initial response to become members of the Price Stabilisation Fund has not been very enthusiastic. We have had initially about 300 of the small tea gardens becoming members. We are looking into their suggestions and we are willing to be flexible and improve upon them so that this Price Stabilisation Fund can come to the assistance of the tea gardens during the periods when the going is not so good as far as those tea gardens are concerned. The hon. Member wanted to know as to how much we have rally spent out of Rs. 350 crores provided in the Tenth Plan. In the first year, we spent Rs.65 crores; in the second year, Rs.65 crores are being spent and they will be spent by the end of the current financial year. Additionally, about Rs.16 crores is what we have given to them as loans. Recently, we had a meeting with the Finance Minister, and the representatives of the industry, both from Bengal as also from the South were present, and we have come out with a solution with regard to restructuring of some of the plants. Now, these plants which are lying closed, the study which we had conducted that the ones which are viable amongst them and can be revived, some restructuring would be required, cleaning of their balance-sheets would be required and bank financing to them to restart would be required. Now, that is the process where the Government also is in active consultation with the banks and the financial institutions and the IBA, if this revival package itself could be worked out for them. The Finance Minister has also agreed, and this suggestion has been passed on to the Indian Bank Association and to the Reserve Bank, and the Government is willing to take up to 5 per cent interest subsidy with regard to their loans which are owed to tea gardens, in order to make them financially more viable.

Even with regard to rations, last year, I remember, in December, I was going through the proceedings, when a similar discussion was held around the same period, a suggestion was made with regard to some foodgrain assistance, if it could be given. We have tried to work that out. But, what the Department of Food and Consumer Affairs today agrees is that foodgrains which is meant for the BPL category because plants which are closed and workmen who are without jobs could be treated under the BPL category and they are willing to give foodgrains for them under the BPL category and also under the category of *Antodaya Anna Yojana*, so that subsidised cheaper food would be available for those plants, as far as these issues are concerned.

With regard to the issue which was mentioned whether the rupee-rouble trade could be made applicable, I have not checked it up earlier, I must confess it. I would just try to find out as to what the position is. The entire balance amount has not been exhausted as yet. But, the payment schedule has been declining, and there is no separate amount which has been earmarked, as far as tea is concerned.

One question which the hon. Member has raised with regard to the increasing imports. Hon. Shri Joshi also raised this question and the hon. Member said whether it is in the context of our WTO commitment that we are currently suffering, as far as tea trade is concerned. It does not appear to be so. The bound rate with the WTO, as far as tea is concerned, is 150 per cent. Our current applied rate, as far as tea is concerned, is 100 per cent. Therefore, at 100 per cent and prices almost being internationally linked, it would never be economical for anybody, either from Sri Lanka or China, to bring in tea into the country. With regard to Sri Lanka, since we have a Free Trade Agreement with Sri Lanka, at the time when the FTA was entered into, an apprehension was raised, particularly in the context of tea by many people, but we have checked up the figures, we have worked the FTA out, we are in the fourth year, as far as the FTA is concerned, now the quantum of tea which is coming into India is quite negligible. In fact, in the current year itself, so far, only 4.23 million kilograms of tea has come in, and 95 per cent of this tea, this is in our overall context of our production being about 180 million kilograms is quite negligible. Out of this 4.23 million kilograms, 95 per cent is for value addition and re-export. Therefore, there is no case, as it is often made out to be that tea, in India, is being affected because our

bound rates, our applied rates are very high. We have a lot of flexibility still left. The import is not really creating a problem, as far as international market is concerned. The problem lies elsewhere, as some of the hon. Members have analysed. The problem lies in large amount of over supply, as far as the market is concerned, domestic demand has not increased. This year, it is showing a slight improvement, international competition has increased and our pricing was becoming non-competitive, particularly because of the large amount of additions, as far as the cost of production is concerned. These are the problems which we are trying to address. We are trying to make these tea gardens, particularly amongst those also which are lying closed into more competitive, we are trying to induct capital into them from our resources, both of the Central Government and the State Governments. The States are trying to render some assistance...

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** Mr. Minister, you are making a contradictory statement. Just now, you said that our domestic demand has not increased. But, in your statement, you have mentioned...

**SHRI ARUN JAITLEY:** It has not increased. Now, I have just said that there is some improvement in the domestic demand. (*Interruptions*) It has not increased because if you see the figures, it indicates that this year, there seems to be an improvement, as far as the domestic demand is concerned. It is, in fact, going to bring down the stocks substantially, the old stocks which are also lying, as far as we are concerned.

Some Member had raised the issue in the context of Tamil Nadu where the Civil Supplies Department is being used for the marketing of this product. I have seen some of these projects and their implementation when I have gone there. It is a very laudable project. Therefore, it goes a long way as far as increasing the demand and distribution chain of tea in India is concerned. And that is where eventual solution lies. I am very grateful to the hon. Members who have made all these suggestions. I particularly take the suggestion from Mr. Pranab Mukherjee that we have wider consultations because even in the cost cutting process if we are to be internationally competitive, whatever reforms are required can come only by way of consensus from all the stakeholders as far as this area is concerned.

SHRI NILOTPAL BASU (West Bengal): Mr. Minister, just one very specific question. The State Governments are also taking a lot of interest and they are also having studies. You are also doing it at the level of the State Governments. Now, can this process of consultations which you accept, be formalised into some kind of a joint task force or a core group integrating the State Governments, the Central Governments and the industry? I do agree with Dr. Jalan that sustained attention has to be paid. You see in plantation—I have also at times been associated with the Consultative Committee and the Standing Committee—it comes cyclically. Therefore, once the prices tend to go up, attention tends to get defocused. I think a permanent mechanism may be helpful. This is number one. The other point is this. I think, Pranabda made a very important point that particularly in Bengal we are having mushrooming growth of non-regulated gardens which is also killing the domestic industry. How are you going to address that issue?

SHRI A. VIJAYARAGHAVAN: It was told that this package would be implemented within 15 days. It was told in October. It has been reported in the Hindu of 23rd October. ...*(Interruptions)*... Today also it is being stated that this package is going to be implemented. ...*(Interruptions)*... You have to give a time limit when you are going to implement it? ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Along with that, Mr. Minister, you are talking about dead gardens only which are 36 or something like that in number. You have not mentioned anything about those gardens which are going to die. ...*(Interruptions)*... No financial help is there for them.

SHRI ARUN JAITLEY: With regard to Interim Subsidies, the Price Stabilisation Fund, the Modernisation Fund of one rupee per kg. etc. all this is applicable across the board. It is not applicable only to these 46 which are lying closed. And out of which at 36 the study has been done itself. Regarding the news report of 23rd October, which the hon. Member refers to, we had consultations with the industry, the Finance Minister and I was also there. We decided that the Central Government would give assistance in a particular format. We have passed on the request formally to the IBA. We are in consultation with all the stakeholders. ...*(Interruptions)*... We are in consultation with the IBA.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): No more interruptions. ...(*Interruptions*)... You cannot go on putting the same question. ...(*Interruptions*)...

SHRI ARUN JAITLEY: We are trying to sort out the problem so that assistance itself is ...(*Interruptions*)... Mr. Basu has also drawn to the attention to the peculiar problem, and this is not a problem which is only in West Bengal. I have just collected the figures. Mr. Mukherjee mentioned the figures concerning West Bengal. It extends to Assam and it extends to tea gardens in the South. Certainly, I am going to look into the entire issue. As far as consultation is concerned, I cannot at the moment comment on what the mechanism of consultation can be. But consultations have always taken place. We will certainly hold consultations with all the stakeholders. We will decide formal mechanism after having consultation with them. Thank you.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): The House is adjourned for lunch till 2.30 p.m.

The House then adjourned for lunch at fourteen minutes past one of the clock.

The House re-assembled after lunch at thirty three minutes past two of the clock,

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) in the Chair.

### **PRIVATE MEMBERS' BILLS**

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Introduction of Bills. Dr. Dasari Narayana Rao—absent; Shri P. Prabhakar Reddy—absent; Shri K.B. Krishna Murthy—absent; Shri Suresh Pachouri.

#### **National Drinking Water Scheme Bill, 2003**

SHRI SURESH PACHCURI (Madhya Pradesh): Sir, I beg to move for leave to introduce a Bill to provide for formulation of National Scheme by the Central Government to make available drinking water in every urban area and village throughout the country with special attention towards desert and drought-prone areas and for matters connected therewith.

*The question was put and the motion was adopted.*