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THE SELECT COMMITTEE

ON

THE COFFEE MARKET EXPANSION
(AMENDMENT) BILL, 1954.

EVIDENCE

(28th July 1954)

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MINUTES OF EVIDENCE TAKEN BEFORE THE SELECT COMMITTEE ON THE COFFEE MARKET
EXPANSION (AMENDMENT) BILL, 1954.

Wednesday, the 28th July, 1954.

PRESENT

Shri R. Venkataraman—*Chairman.*

MEMBERS

Shri C. R. Narasimhan
Shri Laisram Jogeswar Singh
Shri Chandra Shankar Bhatt
Shri Amar Singh Sabji Damar
Shri Goswamiraja Sahdeo Bharati
Shri Wasudeo Shridhar Kirolikar
Shri Raghavendraro Srinivasrao
Shri H. Siddananjappa
Shri N. Rachiah
Shri K. Sakthivadivel Gounder
Shri N. Somana
Shri Hem Raj
Shri Nayan Tara Das
Shri Bhagwat Jha 'Azad'
Shri Gajendra Prasad Sinha
Shri Baij Nath Kureel
Shri Vishwanath Prasad
Shrimati Ganga Devi
Seth Achal Singh
Shri Har Prasad Singh
Shri Badshah Gupta
Shri K. G. Wodeyar
Shri R. N. Singh
Shri K. A. Damodara Menon
Shri M. D. Ramasami
Dr. D. Ramchander
Shri Y. Gadilingana Gowd
Shri D. P. Karmarkar
Shri T. T. Krishnamachari.
Shri S. P. Sen Varma, *Draftsman, Ministry of Law.*
Shri S. Krishnaswamy, *Deputy Secretary, Ministry of Commerce and Industry.*
Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary.*
Shri A. L. Rai, *Under Secretary.*

Witnesses Examined

I. THE INDIAN COFFEE BOARD, BANGALORE.

Spokesmen:

Shri S. N. Ramanna
 Shri N. B. Athrey
 Shri U. Subraya Mallia
 Shri M. A. Dharmaraja Iyer
 Shri T. Raghavachari.

II. THE UNITED PLANTERS' ASSOCIATION OF SOUTHERN INDIA, COONOR.

Spokesmen:

Mr. R. Radcliffe
 Mr. C. I. Machia.

(The Committee met at 2-30 p.m.)

Chairman (Shri R. Venkataraman): At the last meeting the Committee decided to select the bodies which may give evidence before the Select Committee. We have received representations from the Indian Coffee Board and the United Planters' Association of Southern India. We have also received representations from the Wynad Planters' Association and the Mysore Planters' Association. Two letters were also received one from the Government of Mysore and the other from the Mysore Chamber of Commerce. The representation of the United Planters Association of Southern India comprises of the representations of the Mysore Planters' Association as well as the Wynad Planters' Association. So I decided to ask the Indian Coffee Board and the United Planters' Association of Southern India to send their representatives.

The letters of the Mysore Government and the Mysore Chamber of Commerce will be taken up when the relevant clauses come up.

We shall now examine the Indian Coffee Board.

WITNESSES EXAMINED

Name of the Association.—The Indian Coffee Board.

Spokesman:—

- (1) Shri S. N. Ramanna, Vice-Chairman of the Indian Coffee Board;
- (2) Shri N. B. Athrey, Chairman of the Propaganda Committee.

(3) Shri U. Subraya Mallia,

(4) Shri M. A. Dharmaraja Iyer.

(5) Shri T. Raghavachari, Consumers' Representative.

Witnesses were called in and they took their seats.

Chairman: You may ask your spokesman to explain your memorandum. Copies of your memorandum have been circulated to hon. Members. If there is any particular aspect of your memorandum which you may wish to emphasise, the Committee will be glad to hear you.

Before you proceed to give your evidence, I have to inform you that the evidence which you now tender before the Committee will be treated as public and is likely to be published. If, however, you wish any portion of your evidence to be treated as confidential you may indicate that at the time you are dealing with that subject.

Until the Report of the Select Committee is submitted to the House it is confidential and I would request you not to reveal the nature or the contents of the evidence to the public or to the press.

Shri Ramanna: Sir, I would, to begin with, like to give a brief account of the formation and development of the Indian Coffee Board.

Between 1930 and 1940 there was a depression in the coffee industry. The prices realised by the growers

were far less than the cost of production and it was uneconomic to continue production. The result was that most of the planters had to abandon their estates. In 1935-36 the planters joined together to form an organisation to see that coffee was pushed in the Indian market. At that time we were producing round about 15,000 tons. Out of these 15,000 tons, somewhere about 8,000 tons were used to be exported and the Indian consumption was round about 6,000 to 7,000 tons. A voluntary organisation of the growers was formed and the planters used to pool their profits, and the amount so pooled by the planters was used to subsidise hotels and other restaurants in the South and North India. We carried on like that for two or three years. Finding that the arrangement was working successfully, we approached the Government to give legal recognition to the organisation.

In 1940 Government took up this matter very seriously and we had a Conference in Madras where the scheme was discussed, and in 1942 the Coffee Market and Expansion Act was passed. That is the origin of the Coffee Board.

When the Coffee Board was formed our acreage was 1,80,000. Today the acreage has increased to 2,40,000. From 15,000 tons we have stepped up the production to an average of 25,000 tons and I am glad to inform this Committee that the crop we harvested last year touched 29,000 tons or a little short of it.

Just before the Coffee Market Expansion Act came into operation our labour strength was less than a lakh; today we are employing one lakh and seventy-seven thousand labourers on our estates. That is the progress we have so far made regarding acreage, production and employment of labour. Right through, the scheme has worked very satisfactorily. The present Bill has been introduced for the further development of the industry.

We are very glad that Government is taking a keen interest in the further

development of the industry. The present is the opportune moment, as the export market holds out possibilities of expansion. There was a frost a couple of years back in Brazil. Brazil, as the Committee would be aware, generally produces about 60 to 70 per cent. of the world's supply. Due to a frost the world market prices have shot up and the export market is expanding. This is therefore the opportune moment to expand the coffee industry in India. We have also got vast scope for expansion. Between 1930 and 1940 we had neglected our estates and there is available in South India nearly a lakh or two lakhs of acres of land which could be converted to coffee estates. That is the position now.

As regards the Bill the major change that is sought to be made is in the constitution of the Board. According to the existing constitution we have 30 members on it. Fourteen out of these are growers, three being nominated and 11 being elected by the various associations. Thus it will be found that out of 30 members 11 growers are elected and 19 are nominated by the various Governments. There is absolutely no reason why this small minority of 11 elected seats should now be converted into nominated seats. The proposal now is to have the representatives nominated, instead of giving a chance to the associations of electing their representatives. We would in this connection like to bring to the notice of this Committee that the Coffee Board is quite different from the other commodity boards. In tea and other boards the produce is not commandeered by the boards. But in coffee every bean of Coffee that is produced by growers, whether big or small, has to be delivered to the Coffee Board and it is the Coffee Board that markets the produce. As the whole produce is to be delivered by the growers, naturally, justice demands that the growers should be consulted and must have some voice in regard to the method of marketing, etc. We feel that the nominated members will not be the true representatives of the coffee growers and would like to stress that the seats that have been

[Shri S. N. Ramanna]

allotted to the coffee growers instead of being filled by nomination by the State Governments should be filled by the elected or nominated by the representatives of the respective associations. In Coffee we have got associations of long standing and these associations are regionwise. There is no difficulty regarding representation. Almost in all the places in the South India we have a number of associations which are organised. If you take Mysore and Coorg these associations are of more than fifty to sixty years' standing. We are confident that these associations would naturally elect members to represent them on the Board in whom they have confidence that they would safeguard their interests.

We would like to stress that Government may be pleased to retain the previous method of elected seats and not have nominated seats, especially for growers.

Then we come to the question of trade representatives. Till now we have got four trade representatives on the Board. These four trade representatives are nominated by the Centre. The proposal for future is also to nominate the four trade representatives. We would like that out of the four trade representatives, one seat may be allotted to the curers, because in the coffee industry the curers play a vital part in its marketing. Previous to the Coffee Market Expansion Act the curers used to be our selling agents, and they are in touch both with the export and internal market. For the last thirteen years we are lucky in having one curer out of the four seats. But we would like that a provision may be made that one out of these four seats may be reserved for a curer. We have got curers all over South India, in Mangalore, Calicut, Mysore, Coorg and other places. One out of them may be taken as a representative for the curers. That is so far as membership is concerned.

Coming to the second point, regarding the Chairman of the Board, I would

like to state that all along we have had eminent government officers of the Centre as our Chairman, and also sometimes, when the government officers were not able to come over there, we had the First Member of Council of Mysore, as for instance Shri Madhava Rao and Shri Anantharaman, as our Chairman. The present Chairman is also the Minister of Agriculture of Mysore State.

Shri T. T. Krishnamachari: The Minister of Industries.

Shri S. N. Ramanna: Now Industries. I am sorry I made that mistake.

Though the power of election was vested in the Coffee Board, you can see from the persons who have occupied the Chair for the last thirteen years, that the members have elected the best among us. At present we do not see any reason why the Chairman should be nominated and why we should have a salaried full-time Chairman. We do not find any necessity for a salaried full-time Chairman. We would like these deliberative bodies to be kept apart and separate from the executive bodies. We do not like the executive functions to be given to the Chairman. That is recognised in all places. If you take a municipal corporation, there we have an elected President or an elected Chairman from among the members. The chief executive officer would be the Commissioner, and he does not interfere in the deliberations. Only the Board and the Chairman are concerned with the vital, broad policies; the details are to be executed by the executive staff. If the Government feel that the present staff is not enough they may appoint more. At present we have got the Chief Coffee Marketing Officer who is the chief executive of the Coffee Board. He is the head of the executive. He is appointed by the Central Government and he is responsible to the Central Government. And he is bound to carry out the directions of the Centre. If the Government feel that one officer is not sufficient, in view of the fact that Government intend to take up some plans

regarding the development of the industry, and would be overworked, we would suggest that any number of officers that may be necessary could be appointed. But we would like the Chairman to be elected from among the members of the Board. And he should only be concerned with the deliberative portion of it and not be saddled with the executive functions.

The other important point which we would like to press is regarding the fixation of prices. That is a most vital thing which is worrying all the growers. As I mentioned to you, the whole produce of the grower, every bean he produces, is to be delivered to the Coffee Board and it is the Board that markets the coffee. According to the existing Act it is the Central Government that fixes the prices in consultation with the Board. The Board has not got full power of fixing the prices. It is only a sort of advisory or recommendatory body, and the power of fixing the price is vested in the Central Government. As such, when the Central Government have got full powers, we do not see any reason why the Government should not consult the Board regarding the price. The vital thing here is that the Board is well conversant with all the facts; they know the stock position; they know the trend of the markets. Therefore they are the best advisers in this matter to the Government. Government may fix any price in consultation with the Board. We would very much like the clause "in consultation with the Board" to be retained. If all the seats are nominated and if the Chairman is also a salaried officer of the Government, having regard to the fact that the growers give all their produce, though any price fixed by Government might be reasonable, the planters will feel a sort of grouse and it will lead to a sort of unpleasantness. When the planters deliver their entire stock and it is entirely in the grip of the Coffee Board, in regard to price fixation we would rather suggest that the Government should consult the Coffee Board before they arrive at any figure. That is a most vital thing the

growers. I may stress that this is an organisation which is more like a co-operative marketing organisation, and the co-operation of all the growers is absolutely necessary for its success. We had this co-operation for the last thirteen years ever since it was started as a voluntary organisation, by voluntary subscriptions and subsequently became a Board under the Coffee Market Expansion Act. It has worked to the best satisfaction of the growers and the general public. And we are sure that if the same procedure of consultation with the Board is retained the growers will feel confidence in the Board and we will have full co-operation.

The next point we would like to stress is regarding propaganda expenditure to be incurred out of pool funds. In the Coffee Board at present we have got two funds. One is known as the general fund and the other as the pool fund. The general fund is the cess we levy on coffee. It is a voluntary thing. At present we are levying a cess of one rupee per cwt. on all coffee produced, to be utilised for the administration of the Board and for research and propaganda purposes. When the Board was started originally the three purposes, including the propaganda and pushing our coffee in the Indian market. It was with that object that the cess was imposed and it was with that object that the Board was started. It was a voluntary agreement on the part of all growers to pay this one rupee cess. And till now this one rupee cess is utilised for all the three purposes, including the propaganda expenditure. But now it is proposed to shift the expenditure on propaganda on to the pool fund. The pool fund is the realisation of the sale proceeds of coffee, after deducting the marketing expenditure. All the realisation of coffee is funded; it is known as pool fund, and it is to be distributed among all the planters. There is no reason why this propaganda expenditure should be met out of the pool fund. When we have got a specific cess of one rupee, which is to be enhanced to six rupees according to the present Bill, the expenditure in

[Shri S. N. Ramanna]

connection with propaganda research and also administration, all the three, ought to be met out of the cess. The other defect is that the pool fund is the growers' money and there is no limitation imposed on expenditure in the Bill with the result that we do not know as to what money would be spent for propaganda purposes. That money ought to go to the planters. This propaganda expenditure at present is only about a lakh or two, a small amount, which we are able to meet out of our one rupee cess at present. It might develop. This could be easily met out of the general funds which we are collecting.

The other point is regarding the byelaws to be framed and the rule-making powers. At present the Board can, after obtaining the sanction of the Government, make them. The Board would be in a better position to do so. But now the byelaw is to be framed by the Centre. Of course that is a minor point and we leave it to the Select Committee to consider whether it would not be advantageous for the Government to consult the Board while framing any fresh byelaws. These are the major points on which we would like to lay stress. The other points are all minor ones. We are very particular about the constitution of the Board, fixation of prices in consultation with the Board, and the marketing to be done in consultation with the Board. After all, the Board consists of responsible persons who come from various Governments, and plantation constituencies. Their advice would be very helpful in framing the marketing policies and fixation of prices and it would not be inconvenient if they were consulted.

Chairman: If any of the other members of the delegation want to supplement, they may do so now, so that questions may be put afterwards.

Shri Subbaraya Mallia: My hon. friend Shri Ramanna has more or less covered all the points except the early history of the creation of the Coffee Cess Committee that subse-

quently developed into the Coffee Board. In 1929, there was a world slump in coffee and the export demand shrank to almost nothing. The plantation interests approached the Central Government to impose a cess of eight annas per cwt, and supplementing this with voluntary subscriptions and gifts of coffee, by 1935, to a very large extent, the Coffee Cess Committee which was then created, was successful in creating a taste for coffee in areas which were new to coffee. After 1939, when the Second World War broke out, we thought that the Coffee Cess Committee should be developed into the Coffee Marketing Expansion Board and the new Board was constituted.

Shri Raghavachari: On behalf of the consumers, I would like to make a few observations. The hon. Minister may be thinking that I may give a misleading picture because I have been elected as a member of the delegation. I thank the Board for giving me the privilege of stating my own views.

With reference to the price of coffee in order to give the maximum benefit to the consumer, I would like some provision to be made in the Bill to collect the excess. I will make myself clear. There are two ways of selling coffee. As it is, the co-operatives and propaganda units are given coffee at the pool's basic prices. The major portion of the coffee is sold through pool auctions i.e., the ordinary trade takes part in the auction and very often, the producers get more than the pool's basic prices from export they get very much more. For aught I know, this year Government have agreed to permit the export of 8000 tons. If all the 8000 tons are exported, I am sure the producers will get Rs. 31 per point in the place of Rs. 2-4-0 per point which the Government have guaranteed. With a view to benefit the consumer, the excess realised by the producers by way of pool auctions should be set apart as a separate fund and that must be utilised for reducing the price of coffee

for the consumer. The reason why I am saying this is this. At a time, during the war when there was a slump in the foreign market, the producers got the basic price. That is to say, the Indian consumer paid for the losses which the producer incurred by loss of export of coffee. The producer must have a fair return; there is no objection to that. At the same time, he cannot expect to collect all the excess which he gets by way of export. This amount will go a long way in reducing the price of coffee for the consumer. The excess which the producer collects by way of export and in pool auctions must be set apart in a separate reserve which will be utilised to subsidize the price to the consumer at a time when the producer gets more.

With regard to price fixation, I wish to differ slightly from Shri Ramanna and say that the Government should have overriding powers in the matter of price fixation. Of course, as the provision at present stands, I do not think the Government have got any intention of vetoing the suggestion of the Board or treating them with contempt. But, in the original Act, as it stood, Government could not interfere. Recently, the Government had to interfere. I should say, though the hon. Minister may not divulge it, I had to present a memorandum to the Government when the price of coffee sky-rocketed. With the regard to the Marketing Committee, there is a rule which says that the Marketing Committee should be constituted by a majority of the growers. The consumer or even the trade representatives have no voice. I cannot be elected to the Marketing Committee. Therefore, to safeguard against any reactionary tendency, I think the Government should have overriding powers. It may be plausibly argued that the Government have overriding powers under section 42 of the Act, that is, powers to override any reactionary proposals of the Board. But, the Board should be consulted when the growers interests are concerned. I do not think that the present provisions

in any way grants that power or that the Board would not be consulted or they will not be taken into confidence at all

There is another matter in which I agree: with regard to the debiting of the cost. Originally the debit was to the general fund. On principle, the expenses on the promotion of the sale of coffee should be debited to the pool fund. There is no more idle propaganda. The propaganda units are selling coffee powder and raw coffee seeds. This has contributed to the consumption of coffee in the home market. Legitimately it should be debited to the pool fund. Of course, there is another aspect. Whether it comes from the pool fund or the general fund, the consumer is benefitted. The counter argument that may be put forward is that the propaganda units are getting coffee at the pool's basic price and not at the auction price and therefore, the benefit goes to the consumer and therefore, it should be debited to the general fund.

I wish to emphasise one matter and that is with reference to the election of the Chairman. The Bill before us is the revised Bill. Originally, the proposal of the Central Government was to appoint a Chairman from among the Members of the Board. It was never understood that he would be a paid Chairman. We had no objection to that. As a matter of fact, I wanted the appointment of the Chairman for the reason that the Coffee Board consists of a number of growers, and there may be an apprehension of domination by the growers.

Chairman: May I just correct one thing? Clause 6 of the Bill of 1952 which you are referring to say that the Chairman is to be appointed by the Central Government.

Shri Raghavachari: From among the members of the Board.

Chairman. Those words are not there.

Shri Raghavachari: That is what we understood from the hon. Ministers speech at the informal meeting on

[Shri Raghavachari]

December 31, 1952, if I remember a-right, in the premises of the Indian Coffee Board. I may be wrong. That is my recollection. Even otherwise, in a democratic set up, it is only natural that both the functions should not be combined. You can take away all the powers as they have done in the case of the District Municipalities Act. The Commissioner need not carry out the resolution of the Council which are contrary to the Act or the principles laid down in the Act. Still, you have got a non-official Chairman. Whether he has any powers or not, it is a non-official body. To thrust an appointed Chairman and that too an executive officer is something repugnant to the principle. I feel very strongly on this question. It may be conceded that one from among the members of the Board may be nominated as Chairman by the Government. It may be embarrassing to an executive officer to preside over meetings where we may have to criticise his actions and he may have to carry out the policy of the Board. He owes allegiance to the Government also. That is a position which is rather contradictory with which I will not be able to reconcile myself.

Chairman: What about representation of the consumers?

Shri Raghavachari: It has been brought to two. I wish it were restored to three.

Shri Dharmaraja Ayyar: The amendment to section 11 of Act VII of 1942 says:

"In section 11 of the principal Act, for the words 'at the rate of one rupee per hundred-weight or at such lower rate as the Central Government may on the recommendation of the Board, by notification in the Official Gazette provide', the words 'at such rate not exceeding six rupees per hundred weight as may be fixed by the Central Government by Notification in the Official Gazette' shall be substituted."

The proposal in the present Bill is that the words 'on the recommendations of the Board' shall be omitted. In the original Act, the words 'on the recommendation of the Board' are there. I do not think there will be any harm if the recommendation of the Board is retained. The Board may be consulted before any increase is given effect to.

Shri U. S. Mallia: I have only two points to make.

As regards price fixation, I feel that the Government should have the final say about it. It should not left exclusively to the Board.

As for traders' representation, the nomination of the Government so far has worked well, and it should continue.

About the paid Chairman and other things, the trade is not concerned with them. We have no objection to your appointing a Government member or anybody. Then, about the election of planters' representatives, and other things, it is a matter between the planters and the Government. We have nothing to say about it.

Chairman: In paragraph 7 of your memorandum, you have stated that with every change in the Government, there will be a change in the Board. You know that the membership of the Board is for a period of three years, and a change in the Government does not bring about a change in the membership of the Board. May I know what you mean by that paragraph?

Shri Ramanna: The nomination of the members depends upon the person who nominates them.

Chairman: Let me make my point clear. All the members are going to be nominated under the new Bill, and the term of office of every member is going to be prescribed as three years. How do you say that a change in the Government will bring about a change in the membership? It is only when the three year's period ends and fresh nominations take

place that new members will be appointed.

Shri Ramanna: This Board which is nominated will carry on for three years. Suppose the new Constitution is to be put through, I do not know whether I would be offending the House if I were to explain in detail. We have a particular set-up in the Government today, the Congress set up. Tomorrow the Socialists come in, the day after tomorrow the Communists. It changes. God forbid that. We would very much like the present set-up to continue, but what I feel is suppose there is a change, at that time the whole personnel will change. That means automatically when the next body is to be constituted, the whole set up will change. We feel that politics should not come into these commodity committees. We feel that these should stand on a different basis. If you were to allow the persons to be elected through these associations, we will not have that danger. That is what we feel. There will also be continuity in the Board regarding the policies to be framed, and all that.

Chairman: You agree there will be no change in the personnel within the term of three years?

Shri Ramanna: No, no. Unless the Members misbehave and are asked to go out, there will be no change.

Chairman: You have seen the memorandum with regard to the rules to be framed in the Annexure to the Bill—memorandum regarding delegated legislation. A suggestion is made there that the principles regulating nomination will be mentioned in the rules, and you are aware that the Minister in his speech has stated that a panel of names should be called from the various representative organisations. Now, what objection can you have if you are allowed to nominate or send pannel and members are chosen from that panel?

Shri Ramanna: That is a sort of half-way measure, a compromise. It is not full democracy. We feel this Board should be a democratic Board

automatically. In the pannel system there is a defect. Suppose you ask a particular association to give the names of four members out of whom you would like to select one, all the four are not likely to be the best in that association. The Association considers A as the best, B as the second, C as the third and D as the fourth. You might pick up C or D. That is, the association will be deprived of sending the best man to the Board. That is a big handicap there. Government may pick up the fourth man, but the association would very much like that the first man should be taken as a member of the Board. The association will lose that chance. That is a defect in the panel system.

And the second defect is that it naturally leads to some patronage which we do not like. We would like the member to be independent, impartial, to express their views unbiassed.

Chairman: Are you sure that the present method of nomination through the associations ensures that independence and impartiality? For instance, I will mention this point. In 1953, the United Planters' Association nominated Mr. Humphreys, Mr. Iver Bull and Mr. Howard. Does it mean that the United Planters' Association does not consider any Indian fit to represent them on the Board?

Shri Ramanna: It consist of both Indians and Europeans and the members felt that these three people would be better fitted to represent them, and therefore they have sent them. That is their view. Even the Indians have voted for them.

Chairman: It all depends on who controls these associations, is it not?

Shri Ramanna: It is not a question of controlling. It is a question of popularity of the individual in the association and the confidence he commands in the association.

Chairman: The next point which you referred to is about the full-time officer. You now know the Board

[Chairman.]

has got enormous functions to perform—propaganda, marketing, fixing of price etc. It has got lot of functions. Don't you think it would be of advantage to have a full-time officer rather than a person who merely presides over meetings?

Shri Ramanna: Previously the propaganda section was not developed. If the Government feel that the present Chief Coffee Marketing Officer is overworked and he cannot devote his time for both propaganda and marketing, the marketing side can be given to the Chief Marketing Officer, and a Director of Propaganda could be appointed. There is no reason why the Chairman should a salaried full time officer.

Chairman: Many of these things have to be done in consultation with the Board, and in order to do that, you must have one person through whom the Board can act. Last time you remember when the Government wanted to discuss about the price in September to December, 1953, the Chairman was away and the Board could not make up its mind and the Chairman, Mr. Iver Bull, himself said it would be far better to have a full time Chairman than a Chairman for meetings.

Shri Ramanna: I do not know whether Mr. Iver Bull expressed that view or not. I am not aware of that fact. But, even though the Chairman is out, the Marketing Committee is the committee that fixes the price, and it is the Chief Coffee Marketing Officer who is the Chairman of the Marketing Committee, and he can very well convene a meeting of the Marketing Committee within 24 hours and take a decision and fix the price. Nothing prevented him and the Committee from fixing up the price, and there is no necessity for the Chairman to be always present.

Chairman: It has been stated by the Minister in his speech in the House that Mr. Iver Bull himself—the Chair-

man of the Board—had said: "There is much to be said in favour of having a full-time Chairman."

The next question is this. You made a point about money for sales promotion coming from the pool fund. You said it should not come from the pool fund, but from the General fund. Generally, in all industries the promotion of sales is a part of the expenditure on the manufacturer and producer, is it not?

Shri Ramanna: The cess was collected with a specific object, viz., to meet the expenditure of administration and propaganda. Research came in only subsequently. The Indian Coffee Board had no research scheme at all. It is only in 1946 when the Government of Mysore was kind enough to place the Bilahannur research station in the hand of the Coffee Board that the research organisation was started. So, the primary object of levying a cess of one rupee was to meet the expenditure on the administration and that was meant mainly for propaganda, and we wanted this Coffee Board because the consumption in India was only 7,000 tons and our production was 17,000 tons and the export market was blocked. We wanted to see that the Indian consumption was raised to 15 to 17 thousand tons. That was the primary object with which the Coffee Board was started, and that is the reason why originally the cess was levied. In all commodity committees all this expenditure is met out of the cess levied for that purpose and not from the realisation by scale of the produce.

Chairman: I have not made myself clear. In the case of every commodity that a man wants to sell, the promotion of sales, the increasing of his sales is a part of the producer's expenditure. If the sales increase, he is benefited and he makes more profit. This is a general proposition. Forget the Coffee Board for the time being.

Shri Ramanna: That is extending the analogy too far.

Shri Karmarkar: It has not been extended yet. What do you say about the proposition?

Shri Ramanna: The research department is meant to help the producer to produce more. Instead of producing 3 cwts. the department wants him to produce 6 cwts. So that also helps the producer. If your argument is to hold good, even the research department's expenditure should come out of the Pool fund.

Shri T. T. Krishnamachari: The position is this. The Chairman very rightly told you that the benefit out of any increase in the realisation by sales goes to the grower, and does not go to the consumer. Here, the money for the cess fund comes out of the consumer. It is added to the consumer price. It is not fair, he says, that where the benefits go to the grower, the grower must pay it out of the profits that accumulate in the Pool fund? You cannot by any stretch of imagination say that the increase in the plantation area benefits directly the consumer, and therefore it must come out of the Pool fund which is divided up amongst the producers as part of propaganda expenditure so that he takes the burden and not the consumer. The Chairman's idea is that it is a logical step. It is not a very vital step, because as you say, the demand for expenditure is not very large, and if it happens that the pool fund does not have enough money, Government have to find some method by which propaganda is to be carried on. Very possibly the Government might be in a position to permit you to use it out of the cess fund. Since we are discussing the matter on principle—the Select Committee has to decide on principles—the point is that propaganda expenditure must be borne by the producer or manufacturer, and not by the consumer. You may ultimately add the price to the consumer. You may do it in various ways. But, so long as the fixation of prices is of the floor and not of the ceiling, and the ceiling is sky high, naturally, you must pay for propaganda from out of

the excess profits that you make, and not take it from the cess which is a burden on the consumer straight way.

Shri Ramanna: The pool fund, as I explained, is the money that we set apart to be paid to the planters deducting the marketing charges. That is the specific object of the pool fund. Take, for example, tea. You have not got an organisation of this type for marketing. In tea, you are levying a cess; that cess you are using for propaganda for tea. Who is it that paid the bill on propaganda for tea? It is from the cess fund. You did not lay your hands on the producers' money; you did not ask these tea planters...

Shri T. T. Krishnamachari: If there is a fund, I may probably ask.

Shri Ramanna: Here we are locked up with 20,000 tons and the Board is the selling agent.

Shri T. T. Krishnamachari: As regards tea, we produce over 600 million lbs. We consume in this country only 160 million lbs. and we export the balance. Therefore, when we utilise the cess, we do not mind collecting it from the foreign consumer. Here the local consumer bears the burden unilaterally. It is not as it is in the case of tea; there is a difference, and so the analogy does not hold good.

Shri Ramanna: I will give another reason.

Shri T. T. Krishnamachari: We need not labour on the point.

Shri Ramanna: Today we have got 25,000 tons which we produce, pooled together under the Coffee Board and marketed. Tomorrow the policy changes regarding marketing. Suppose the Board says, 'we do not want this organised marketing, let us have a free market', where is your fund for propaganda? Are you prepared to stop your propaganda? Now, it is all right because you are selling the 25,000 tons. But tomorrow, if there is a free market, where is the fund

[Shri Ramanna]

for propaganda to come from? Are you going to stop propaganda. That is why I suggest, let us lay our hands on the cess. If Re. 1 is not sufficient, let us have Rs. 5 or Rs. 6, as the case may be. The policy should be a long range one. We do not feel that the marketing organisation is going to be an everlasting organisation. Tomorrow the members might take a different view that free marketing would be better than controlled marketing. In that case, the whole propaganda will have to stop. That is the whole trouble. So on principle we object to that.

Shri Gadlingana Gowd: Can you tell us what is the acreage brought under cultivation after 1942, what is the increase in the production of coffee and the increase in the number of labour employed in the industry?

Shri Ramanna: Prior to that we had 1,80,000 acres. Today we have round about 2,40,000 acres under coffee. Our production was round about 15,000 tons; now we have completed production of 25,000 tons. Last year we had 29,000 tons and we are sure with the sympathetic attitude of the Government and the efficient organisation of the Board, we can reach the mark of between 30 and 40 thousand tons, in the existing plantations by the improved methods of cultivation. Regarding labour, we were employing 90,000 and odd people, but today our labour strength is 1,77,000. That is the improvement we have achieved in the last 13 years.

Shri Gadlingana Gowd: What is the rate of coffee per cwt. in our country and in other countries?

Shri Ramanna: Today in the open auctions—I am referring to only one variety, because there are so many varieties—if you take Plantation A coffee, the market price ranges round about Rs. 210 and we are distributing to cooperative societies and propaganda houses at the rate of Rs. 165

plus the excise duty of Rs. 21 and Board charges. That works out to a total of Rs. 195. But as regards the export market price, some months back it touched Rs. 450 net after deducting Rs. 62-8 and export duty. Now it has come down a little and the export price in Mangalore ranges round about Rs. 400 net. If you take the price prevailing on the Continent, the consumer on the Continent is paying round about Rs. 560 per cwt. of coffee as against Rs. 210—and odd in auction and Rs. 190 for cooperative societies and propaganda houses.

Shri Gadlingana Gowd: What is the cost of production?

Shri Ramanna: It varies from year to year; it varies according to other factors such as the articles which the planter has to get, labour charges and so on. We had the Government of India cost accountants. They set up a method of costing and the same method of costing was adopted by the Board every year. Formerly we were paying labour 8 annas; now we are paying Re. 1. So that 8 annas extra is added, and we are carrying on on the same principles. Our cost of production comes to Rs. 2-7-1 per point at present. But the Government of India had deputed the cost accountant and his figure comes to about Rs. 2-2 per point. There we have got some disagreement with the cost accounting. The Board has pointed out that he has not taken into consideration certain items which he should have, and the Board finally suggested that the price would be round about Rs. 2-4 per point. That would work up to Rs. 180.

Shri Gadlingana Gowd: Is coffee surplus in our country?

Shri Ramanna: Yes. Now we are exporting 5,000 tons and we have asked for another 3,000 tons export.

Shri T. T. Krishnamachar: 6,000 tons.

Shri Ramanna: First we asked for 5,000 tons. Subsequently we asked for 3,000 tons.

Shri T. T. Krishnamachari: 6,000 tons have gone out.

Shri Gadilingana Gowd: Have we got a surplus of coffee in our country, and if so, what is the quantity?

Shri Ramanna: About 5,000 tons.

Shri Gadilingana Gowd: I remember to have seen some conflicting Press statements by the Coffee Board and the hon. Minister. Can you tell the reasons therefor?

Shri Ramanna: In connection with what?

Shri Gadilingana Gowd: In connection with fixation of price.

Mr. Chairman: I do not think it is necessary to go into these things, because we are now concerned with the changes in the Bill.

Shri Gadilingana Gowd: It is about the price level. I do not understand how it is not relevant. I read it in the papers. Therefore, I wanted to know.

Mr. Chairman: If it has any bearing on the clauses in the Bill, then we can discuss it. We shall discuss all the things which are valuable for our purpose; at the same time, we shall not burden the record with other matters which are not relevant.

Shri Gadilingana Gowd: If you feel it is not relevant, I cannot help.

Mr. Chairman: I do not think it is necessary. You may proceed to the next question.

Shri Gadilingana Gowd: According to you, the Government have ample powers even under the present law. So how does it make a difference to the growers if the Chairman or Vice-Chairman are nominated by Government?

Shri Ramanna: No doubt under section 42 of the existing Act, all acts of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify,

as it thinks fit, any action taken by the Board. So under this clause, the Government has got full powers, and this has no bearing on the elected Chairman or a nominated Chairman or a salaried Chairman. The reason why we want an elected Chairman is the reason why the Speaker is elected for Parliament. Why not have a Minister to preside over Parliament? When the Speaker presides the members feel they are at home, they could freely discuss the subjects and there is no question of being hampered in discussion; they will have free discussion. We would like to have a person in whom we have got confidence and who cannot snub us down. There we have got independence.

Shri Bhagwat Jha Azad: It is not a proper simile.

Mr. Chairman: There is no necessity to continue that argument.

Shri Gadilingana Gowd: You have no objection if Government appoint a full time executive officer on the Board if the Board is permitted to have an elected Chairman?

Shri Ramanna: Oh, yes. They could have the Chief Marketing Officer as full time officer, if the present officer cannot carry on both propaganda and marketing. And also the Bill contemplates development of coffee. Have a Development Commissioner. Have three officers of equal status and high rank. We have no objection; we would welcome it.

Shri Siddananjappa: How long have you been associated with the Coffee Board?

Shri Ramanna: Once I served for four years and now I am in the Board for the last four years.

Shri Siddananjappa: You are a planter yourself?

Shri Ramanna: Yes.

Shri Siddananjappa: Which association you represent?

Shri Ramanna: I represent the Mysore Indian Planters' Association.

Shri Siddananjappa: Is there a separate association for small holders and one for big estate holders?

Shri Ramanna: Yes. In Mysore, we have got two associations—the Mysore Planters' Association and the Mysore Indian Planters' Association. In the Association I represent, small planters are members. We admit planters, even though their acreage is very small. We have no limit for acreage. We have got planters in our Associations who have 5 acres, 10 acres, 15 acres and so on. We have got a good number of such people in our Association.

Shri Siddananjappa: Is there any ban for small estate holders?

Shri Ramanna: There is no ban.

Shri Siddananjappa: Is there any basis for the allegation that the interests of small estate holders are neglected and overlooked by the Board?

Shri Ramanna: I cannot understand how the interests of the small holders are neglected by the Board because in the Board the price paid to the small holder, whether he holds 1 acre or ten acres is the same as the price paid to the big holder with 500 or 1,000 acres. The price is equal. The small holder is actually in a better position because on delivery of his coffee, we pay him full value of the coffee. We have got our costing done every year. That is mostly done for the purpose of paying the small holders. That is what we call outright payments for the small holders, according to our cost of production. If the cost of production worked out is Rs. 200 per cwt., the small producer will be paid Rs. 200 on delivery immediately in cash. The bigger producer has to wait for nearly 10 months or 12 months to get his Rs. 200 per cwt. The bigger planters will be paid in instalments once in two months or once in three months as and when the coffee is sold in the

market. So the bigger holders are at a disadvantage as compared to the small holders. Finally when all this stock has been sold, and we find that instead of Rs. 200 the total realisation is Rs. 210 per cwt. the Rs. 10 extra is paid both to the small holder and the big holder as a bonus. So, finally the small holder gets the same price as the big holder. The advantage is that he has got his money as cash and he is not at a disadvantage. He stands to gain in this organisation.

Shri Siddananjappa: The Board consists of elected and non-elected elements; is it not so? Which element predominates?

Shri Ramanna: There is no question of predominance.

Shri Siddananjappa: Which is in a majority?

Shri Ramanna: The Board consists of 43 members and 14 represent growers. Out of these, 11 are elected by different associations.

Shri Siddananjappa: You are confining yourself to the growers. I am speaking of the Board as the Board as a whole. Is it the elected members who are in a majority or is it the nominated members?

Shri Ramanna: The nominated members are in a majority.

Shri Siddananjappa: As it exists today, is there enough scope for the Government to initiate proposals?

Shri Ramanna: They have a representative of the Indian Council of Agricultural Research and a representative of the Ministry of Supplies. These two are powerful members on the Board. Whatever the Government of India wants, these two members can put forward and see that it is discussed and passed. Even if it is not passed, under section 42, the Government have got over-riding powers. I am sure that the two members are responsible persons and if they want to put forward anything, the other

members would not object to it. As things stand at present, I think government have got full powers to initiate anything they want.

Shri Siddananjappa: Do you think that there is lack of coordination between the Central and State Governments on the one hand and the industry on the other?

Shri Ramanna: So far we have had nothing of that type. On minor points we might differ but that is our home affair.

Shri Siddananjappa: There is a price control on coffee; is it not?

Shri Ramanna: The control was lifted in the year 1948.

Shri Siddananjappa: One of your colleagues mentioned that after giving the grower a reasonable price including a reasonable margin of profit, what he gets in excess should be collected in a pool and made use of to subsidise the consumer. What have you to say about it?

Shri Ramanna: That is a new proposition. I cannot commit my association on this because it is a big subject which requires detailed thought and consultation with my constituency.

Shri Siddananjappa: Does any such scheme apply to any other commodity?

Shri Ramanna: We have not got such a thing for any other commodity. That amounts to a Dividend Equalisation Fund which we have got in limited companies.

Shri Siddananjappa: If that principle is applied to coffee growers, how do you think their interests will be affected?

Shri Ramanna: We are keeping the cost of production as the minimum price for the grower. He should be given something more as an incentive for him to expand. This extra price which we get by export is a fluke. We might get a couple of

rupees extra; that would be an incentive for the grower to expand. If you take away that incentive and give him the bare minimum—that is, his two meals—I do not think the industry will expand. If the government are very serious that the industry should develop and we should expand our production, I think there should be some sort of an incentive for the grower. I do not say that the whole of the export price should go to the grower. It is being distributed; the government are having a share in it, the consumer has a share in it and the producer has also a share. My friend did not mention the share which the consumer has got. Though the government said that Rs. 2-4 is the price at which the consumer should get it, we are giving the societies and the propaganda units at the rate of Rs. 2-1; that is, we are giving them at Rs. 15 less than the cost price. Nowhere have I seen a commodity being given to the consumers at a price below the cost price. We have not grudged it so far. We said, this is a fluke that we are getting a higher price from the foreigners. The government is taking Rs. 62-8; we are getting it back in some form or other. The consumer gets it at Rs. 15 less. This little extra which we get would go a long way as an incentive for production. Or else production will be set back.

Shri Siddananjappa: Do you think that there is any need for propaganda still?

Shri Ramanna: In the present Bill the marketing side is rather omitted. More stress is laid on development. As a planter, I feel that the existing plantations can very easily carry on and come up to a level of 30 to 40 thousand tons. We have already reached 29,000 tons and with our improved strains which our research stations have evolved—most of us are planting the improved strains—our production would jump up in a very few years. But the consumption in India stands only at 17,000 tons. As it is, we have got

[Shri Ramanna]

some 10,000 tons extra and if tomorrow supposing the export market falls and you produce 30,000 tons, there will be a surplus of 13,000 tons which will be hanging on. What are you going to do with this extra quantity? Development and more production should go hand in hand with the marketing organisation. Therefore we must have more propaganda to see that whatever we produce is safely marketed at economic levels.

Shri Siddananjappa: Supposing the main object of continuing the Board is to develop the industry. Do you think that co-operation of the planters is necessary?

Shri Ramanna: Absolutely; unless there is confidence, nobody is going to sink heavy capital. This is a concern where heavy capital is required. If you take the number into consideration we have got a large majority of small holders. But it is the big holders that produce more per acre and it requires very heavy capital. If there is confidence and stability in the industry, I think it will attract more capital and the acreage will expand. Employment of labour will also jump up and there will be more production and we could have better exports.

Shri Siddananjappa: Is the system of nomination of members to represent the growers likely to hamper the rate of production?

Shri Ramanna: I am sure it does.

Shri C. Bhatt: Apart from traditions and conventions, what objection have you got if the Chairman is a salaried one?

Shri Ramanna: What we feel is that these deliberative bodies should be kept apart from the executive bodies. That is the main reason why we do not need a salaried Chairman.

Shri C. Bhatt: Would it have any effect on the members?

Shri Ramanna: Certainly; because he is to be appointed by the Centre,

the Board members have no hold on him. The Board members will be under his dictation.

Shri C. Bhatt: We are selling coffee inside India as well as outside. I am putting it to you whether you can think of fixing a ceiling price only for the consumption of coffee in India.

Shri Ramanna: We tried that some time ago in our auctions. But, unfortunately, whatever we put as the ceiling price became the minimum price and so we said it was a failure. It is unworkable. But, I can assure you that because we have got heavy surplus in hand, with the present system of marketing we can keep well within bounds and we can give the consumer at such reasonable prices as anyone could expect. We are getting good money out of exports.

Shri C. Bhatt: Supposing we carry through this constitution as it is before us; what will be the effect on the planters?

Shri Ramanna: He loses confidence in the Board. He would be disgruntled and you won't have his cooperation?

Shri N. Somana: Have you any objection to the number of nominees on the Board?

Shri Ramanna: We do not like to quarrel regarding the number of nominees for Coorg, Mysore and Mardras so long as the associations get their representation. The Associations are organised bodies and their representatives will be able to put forth their views, whether the number is five or three. Personally, I would not quarrel with that.

Shri N. Somana: Your reference is only with regard to the nominees of Government in the Bill; otherwise, you don't have any objection.

Shri Ramanna: It is only that. As I suggested out of the four seats one may be set apart for a curer.

Shri N. Somana: Supposing the Associations give a panel and the Government nominates?

Shri Ramanna: There is the handicap I suggested. You ask my Association to send a panel of four people. The Association selects on merits. The Association would very much like that the first man should be the representative. Unfortunately, it might so happen that government may pick out the fourth man. We won't have the best.

Shri Somana: Why do you think that government may not make the best choice?

Shri Ramanna: According to their view, the fourth man is the best choice, but according to the Association, the first on the list is the best man. When you are prepared to take a panel from the Association, I do not see any reason why there should be any objection to your asking an association whom you recognise and whom you would like to be represented to send up the name of the man whom they would like to represent them.

Shri Somana: Have you any objection to the Chairman being nominated from among the members of the Board?

Shri Ramanna: If it is from among the Members of the Board we have no objection; but I am not in favour of a salaried wholetime Chairman to be nominated. What I mean is we would prefer to have a Chairman, not salaried, not wholetime, but as we have got now. At present the Chairman is elected by the members themselves. Instead of that Government may nominate one from among them. So long as we have got a Vice-Chairman to be elected by the Board the elected Vice-Chairman would act as a liaison between the nominated Chairman and the non-official members of the Board. He would be a link, and although the Chairman would be nominated, it would not prejudice.

Shri Somana: If the Government thinks that it must have some sort of control over the Board through the Chairman, would you suggest any other alternative?

Shri Ramanna: Perhaps your idea is that one among the State Ministers should take their place as Chairman in rotation. If that is the case, we have no objection to that. For example the Mysore Minister or the Madras Minister can take their turns. Even if the power of election is given to us, we are going to elect him only. In fact, we would very much welcome if the Minister of Commerce and Industries were to be our Chairman.

Shri T. T. Krishnamachari: But I would not like to be there.

Shri Somana: What is your real objection to the deletion of the words "after consulting the Board"?

Shri Ramanna: If we have an opportunity of expressing our opinion, it gives room for thought to Government. Suppose the Board suggests Rs. 200 to be the price. It gives food for thought to Government to consider whether it should be Rs. 200 or Rs. 190. It would be of help to them—it would not be of hindrance to them. It gives us an opportunity of placing our case before the person who is to seal our fate.

According to the amendment suggested. Government shall fix the price. The words "in consultation with the Board" is sought to be deleted. There is no reason why those words should be deleted.

Shri C. R. Narasimhan: Don't you think that a low internal price for coffee is by itself a good guarantee for an assured market?

Shri Ramanna: It all depends on the cost of production. The producer can afford to give at a lower price than the cost of production only for a year or two, unless you want to break his back. What we feel is that the consumer should be able to pay the cost of production.

Shri C. R. Narasimhan: You objected to the panel system. But from paragraph 6 of your memorandum I

[Shri C. R. Narasimhan]

find that you recommend a panel of names for curers' representation. How do you reconcile yourself to that?

Shri Ramanna: All these years it has been done by nomination; one of the curers is being nominated by the Government.

Shri C. R. Narasimhan: So it is an improvement from the point of view of representation.

Shri Ramanna: All these thirteen years out of the four traders we have had a curer. What we would suggest is that one seat may be set apart out of the four for the curers representative.

Shri C. R. Narasimhan: Will a panel system not work hardship in their case, as you seem to think in the case of planters?

Shri Ramanna: The curers are not pressing for it.

Shri T. T. Krishnamachari: Nomination is poison to the growers; it is meat to curers.

Shri Ramanna: But they are not pressing for it.

Shri C. R. Narasimhan: Have there been strong clashes in the past between the elected and nominated elements in the Board, or have you been working as a team?

Shri Ramanna: There is no conflict between the elected and nominated representatives.

Shri C. R. Narasimhan: In the past, in the history of the Board, have you been working as a happy family?

Shri Ramanna: We have no conflicts.

Shri C. R. Narasimhan: Do you think of keeping the nomination away from the popular Ministry to protect the plantation industry?

In other words, are you afraid that popular ministries nominating representatives from prominent agricultural and other interests like planters, will lead to political influence being

brought to bear on the planters and thereby the plantation industry will suffer?

Shri Ramanna: It will suffer, Sir. We would like to keep politics and economics apart.

Shri C. R. Narasimhan: You consider that consultation will serve as a good insurance against perpetration of wrong—that is why you want consultation?

Shri Ramanna: It is not a question of wrongs. We would like the person who passes final orders to take into consideration our views in the matter.

Shri C. R. Narasimhan: Have you any suggestions to make to protect the small growers' interests?

Shri Ramanna: He is quite happy at present: there is no complaint from the small growers.

Shri C. R. Narasimhan: There may not be complaints, but there may be fears and apprehensions on their part. Have you any suggestions to allay such fears of the small planters by making any amendments in the Bill—or, you have not thought about it?

Shri Ramanna: That we could consider when the development scheme is put forward,—we could consider how far we could help him.

have not made any suggestion to allay have not made any suggestion to allay the fears of the small growers. The very fact that you have not put forward any suggestion for such an amendment is an indication of the neglect of the small grower, or want of interest in him. Is that in itself not a bad precept?

Shri Ramanna: He is not feeling neglected, as the present Board consists of small growers' representatives also. Their interests are amply safeguarded by the members who are on the Board.

Shri Hemraj: You told us that there are eleven elected representatives on the Board. How many out of them represent the small growers?

Shri Ramanna: Three.

Shri Hemraj: What methods do you suggest for the representation of the small growers, and what amendments would you suggest in the present Bill to serve this purpose?

Shri Ramanna: My Association consists of a majority of a small growers. Wynad and Nilgiri estates are mostly of small growers and they are electing their representatives.

Shri Hemraj: Don't you think that for purposes of development, the representation of the small growers is very essential?

Shri Ramanna: If he is not represented here, we could have him.

Shri Hemraj: Your memorandum shows that the number of small growers is much more than the big planters. Don't you think that for the purposes of development it is very necessary that their representation should be much more than it is at present?

Shri Ramanna: The interest of the small holder and the big holder is one and the same and we are not at loggerheads. If you take mills and handlooms there is a competition between them. The manufacture of one is by the million whereas the other, namely, the handloom, cannot manufacture at that speed. So there is competition. But in agriculture there is no competition between the one acre man and the hundred acres man.

Shri G. P. Sinha: You said that planters will not have a free hand if there is a nominated Chairman. What do you mean by that? Do you mean that the Board is only meant for planters?

Shri Ramanna: It is not meant for planters only, and that is why out of 28 only 12 seats are given to growers.

Shri G. P. Sinha: Then what do you mean by "free hand"?

Shri Ramanna: I mean they cannot be independent. A nominated candidate owes allegiance to the person who

has nominated him. That is our view. They cannot express independent views.

Shri G. P. Sinha: Suppose Government nominates one of the members from the Board as the Chairman. Why do you object to a whole-time salaried man?

Shri Ramanna: There is no necessity for a whole-time salaried man. If he is to be appointed directly by the Government, he will not be free. If he is one of us we would be more familiar with him. In our deliberations we would be quite free with him and we would be safe. As Shri Somana suggested, if one of the Ministers of Madras and Mysore were to take the seat in rotation, I think that would be the best.

Shri G. P. Sinha: You mean there would be an additional burden on the Board if it were a full-time salaried officer, and that is the only ground on which you object?

Shri Ramanna: It is not only a question of finance. After all it might cost us fifty thousand or a lakh of rupees. But what we feel is that deliberative bodies should not be saddled with a salaried Chairman with executive functions. The executive functions should be kept apart.

Shri G. P. Sinha: Don't you feel that a Chairman nominated by Government will be able to safeguard the interests of labour, consumers and others in a better way?

Shri Ramanna: We agree to a nominated Chairman if they could nominate one from among the members.

Chairman: Shri Sinha, we have got their point of view very clear. It is not a question of convincing them one way or the other.

Shri G. P. Sinha: I am not trying to convince him. I am asking him whether a Chairman nominated by Government will not take more care of labour, consumers and small planters than the planters who actually predominate the Board.

Shri Ramanna: The planters do not predominate the Board. They are only 12 as against 28. There are such a large number of people who can out-vote them.

Shri G. P. Sinha: Among the planters the small planter gets only three out of eleven. If there is a nominated Chairman he will take more care of the consumers, labour and the small grower. As a matter of fact he would try to balance their interests properly.

Chairman: Shri Ramanna, the point of the hon. Member is that a whole-time salaried Chairman nominated by Government would be more equitable in his treatment of all the members and adjust the claims between the trader, the consumer, labour and everybody than a person who is elected by you. Do you agree or not?

Shri Ramanna: I say we do not press the objection about nomination if one of the members of the Board is nominated. But if it is a whole-time executive officer to be appointed, we do not agree.

Chairman: And you have stated your reasons for that.

Shri N. B. Athrey: If I may add a word, our objection is to the Chairman being an executive officer.

Shri W. S. Kirolkar: Your suggestion is that Government contemplate a committee of enquiry and we should await the report of that committee?

Shri Ramanna: That is one of the suggestions, because we are prejudging the issue. A Plantations Committee has been appointed specifically to go through all the matters connected with the plantation industry, from start to finish regarding its development, marketing side and everything.

Shri W. S. Kirolkar: As far as the proposed amendments are concerned, nomination of Chairman and members has nothing to do with the enquiry.

Shri Ramanna: These are vital changes. But we leave it to the Select Committee. Our idea was that we would be prejudging the issue, because if this Bill were to be passed and if the Plantations Committee did not agree on any particular thing, their position would be very awkward. That is the reason why we said let us not prejudge the issue, because after all waiting for a few more months would not harm the industry.

Shri W. S. Kirolkar: The number of small estates is large. What is the representation they have?

Shri Ramanna: Most of them are members of the Association, and they elect a person in whom they have confidence.

Shri W. S. Kirolkar: Do they have an election, the small estates?

Shri Ramanna: They are all members. In my Association the majority are small holders.

Shri L. Jogeshwar Singh: Do you think the present Bill gives adequate safeguards to the interests of plantation labour?

Shri Ramanna: We have got three representatives for labour.

Shri L. Jogeshwar Singh: Do you categorical reply from you.

Shri Ramanna: I think it is more than enough.

Shri L. Jogeshwar Singh: Do you agree that one person to represent the State of Coorg should be nominated by the Chief Commissioner, one person to represent the Government of Mysore, one person to represent the Government of Madras, and one person to represent the Government of Travancore-Cochin should be nominated by their respective State Governments and not by their Rajpramukhs or Governors?

Chairman: It is by the State Government.

Shri L. Jogeshwar Singh: In Coorg the nomination was not made by the

Government but by the Chief Commissioner. Why this treatment for Part C States?

Chairman: That is all right. Have you any other question?

Shri L. Jogeshwar Singh: No.

Shri Bhagwat Jha 'Azad': I would like to put a question to the consumers' representative. Do you think that in the Board as it is constituted at present, where you have no representative and where there is a domination of 14 representatives of the growers, the consumers' interests will be better looked after than they would be under the revised provisions in the Bill?

Chairman: Are the consumers' interests better protected under the existing Board or under what is envisaged in the Bill? That in short, is the question.

Shri T. Raghavachari: My experience has been that grower and trade interests go together in the present Board. Even under nomination they will be in a majority. I wish the Board to be so constituted that they won't collude together and the interests of the consumers may be protected.

Shri Bhagwat Jha 'Azad': So you mean that the Board should be reconstituted and the consumers should have representation.

Then I will put one question to Shri Ramanna. The main ground for his objection to Government's nomination was that he was pleading for democracy in which planters should have the right to elect their men. From the figures that have been supplied it is seen that there are thirty thousand registered estates out of which twenty-seven thousand are estates below five acres and ten acres and only 590 are estates above 100 acres. Is there any representative on this Board who has got an estate of five acres or ten acres and whom the majority have elected on the Board?

Shri Ramanna: Regarding the five-acre, two-acre and three-acre man, it is not purely coffee. Most of these small holdings.....

Chairman: First you say whether there are any.

Shri Ramanna: We have not got a five-acre or ten-acre man on the Board.

Shri Bhagwat Jha 'Azad': So among the thirty thousand registered estates the twenty-seven thousand estates of five and ten acres have no representative on the Board?

Shri Ramanna: They have their representative. They elect their representative. They are members of the Association.

Shri Bhagwat Jha 'Azad': So you mean that the interests of those small holders are also being served by these big holders who have got hundred acres and above?

Shri Ramanna: Yes, because they elect the bigger holders.

Shri Bhagwat Jha 'Azad': You mean that the interests of these people can be better served by these bigger holders than by a nominee of the Government which represents the people?

Shri Ramanna: Yes.

Shri Bhagwat Jha 'Azad': So that is your conception of democracy!

Chairman: Is the voting by acreage?

Shri Ramanna: No, one vote for each individual.

Shri Bhagwat Jha 'Azad': Shri Ramanna is pressing on the Government to utilise the experience and the expert knowledge of the members of the Board. How is it that when the price guaranteed to the growers was only Rs. 180 per cwt. and it went up to Rs. 328, the price to the consumer could not be reduced and Government had to haggle for it? How is it that this expert knowledge was not available?

Shri Ramanna: That is due to some trouble we had. If you permit me, Sir, because you objected previously...

Chairman: You may say only in so far as it is necessary to explain why you could not.

Shri Bhagwat Jha 'Azad': I do not want to know about any trouble with the Minister or others. I am putting a simple question. How is it that this expert knowledge of the Board, which Shri Ramanna is urging on the Government to utilise, would not work in favour of the consumers in reducing the price, whereas this knowledge could increase the price from Rs. 180 to Rs. 328?

Shri Ramanna: The assumption is wrong.

Shri Bhagwat Jha 'Azad': And there is a similar question. How is it that the Board could not find any alternate way to this auction business for supply to the consumers?

Shri Ramanna: It was only in one auction it went up to Rs. 300. Immediately the price was put down by Rs. 50 and again by Rs. 25. It was brought down to Rs. 200 and odd.

Shri Bhagwat Jha 'Azad': For how long have you been a member of the Board?

Shri Ramanna: For four years.

Shri Bhagwat Jha 'Azad': May I know when the price was reduced?

Shri Ramanna: This was in September 1952.

Shri Bhagwat Jha 'Azad': So, with the Board constituted as early as about 1942, the grower's price which was guaranteed at Rs. 180 could go up to Rs. 328 whereas the price for the consumer, with the expert knowledge of the Board, could be reduced by Rs. 50 and then by Rs. 25 as late as 1952! How is it?

Shri Ramanna: The high price prevailed only in the month of September. Previously, that was not the price at all.

Shri Bhagwat Jha 'Azad': You are talking of the peak price. I am not talking of any absolute price.

Shri Ramanna: The peak price was only in one auction. In the second auction, the price was put down by Rs. 45/-.

Shri T. T. Krishnamachari: I think it is better you refer to the books before answering. Rs. 360 is the peak price. Before that, it was 299.

Shri Ramanna: May I just explain, Sir?

Shri T. T. Krishnamachari: I merely wanted to help you. The rise was a progressive one.

Shri Ramanna: That is only for the interim period when the question of export came up. I thank you for your assistance. In the month of November, and December, the price had been brought down by Rs. 50/-.

Shri Bhagwat Jha 'Azad': The Members of the Coffee Board were able to increase the price for the growers up to double the guaranteed price. How is it that the consumption of coffee abruptly fell in 1952-53? Is it not due to the high price that was charged from the consumer?

Shri Ramanna: No.

Shri Bhagwat Jha 'Azad': What was the reason for the abrupt fall?

Shri Ramanna: In 1952, it was all right. In 1953, it came down to 15,000 tons because there was no stability in the market.

Chairman: The question is whether the fall in 1953 in the consumption is not due to the high price of coffee charged in the period preceding it?

Shri Ramanna: It is not due to high prices. When the prices were on the high side, the off take was 17,000 tons. When the prices were put down the offtake was only 15,000 tons.

Shri Bhagwat Jha 'Azad': So, the theory of supply and demand is operating in the reverse direction in regard to coffee: higher the price, the greater the consumption and so on.

Shri Ramanna: That also holds good to a certain extent. There is a satiating point. 15,000 tons is a normal consumption.

Shri Bhagwat Jha 'Azad': If it is not high price, what is the cause of the low consumption?

Shri Ramanna: In the previous auction, there was stock with the merchants and they unloaded those stocks. Annual consumption is only 15,000 tons. The stocks were purchased previously. So, in that particular year, it was only 15,000 tons.

Shri Damodara Menon: I shall first take up Shri Bhagwat Jha 'Azad's question. In 1952, you admit that there was a sharp rise in the price of coffee. There is a fear that this sharp rise in the price of coffee is due to the policies pursued by the Board which is more or less dominated by the producer interests. Can you give any satisfactory explanation for this? This is one of the reasons why it is felt that the composition of the Board should undergo a change.

Shri Ramanna: We are very sorry for the sudden spurt in the price in that particular year. But, we do not like to comment on that and on the responsibility for that. Because, views differ in the matter. That is an unfortunate circumstance which went out of our control. I do not know whether it would be right to mention all that.

Chairman: If the Member wants, you can give the explanation.

Shri Ramanna: The whole trouble started in the month of March. The Government ordered us to export. The Board, looking into the stock position, did not want to export. They were afraid of the prices shooting up. This controversy between the Government

and the Board, whether to export 3,000 tons or not to export, pulled on for six months. The speculators in the trade, being under the impression that the Government would insist on the export and consequently, the stock position would be depleted and the Board would be helpless, entered the market and put up the prices. This happened for 5 or 6 months. Subsequently, the Board sent the Chief Coffee Marketing Officer and also the Chairman of the Board to Delhi to explain.....

Shri T. T. Krishnamachari: That is not correct.

Shri Ramanna: I think the Chairman of the Board came over to Delhi and explained the position.

Shri T. T. Krishnamachari: The Chairman explained it at Bangalore when I went there. It was a case of Mohammed going to the mountain.

Shri U. S. Mallia: I think that was after the event.

Shri T. T. Krishnamachari: I did not set my face on Mr. Ivor Bull before 31st December, 1952 when I met him in Bangalore.

Shri U. S. Mallia: This export question was in May, 1952.

Shri Ramanna: My impression is that the Chairman of the Board and yourself were required to go to Delhi and explain our stock position and request the Government not to press export.

Shri Kuttalalingam Pillai: That was in April or May, 1952.

Shri Ramanna: We sent the Chief Marketing Officer and the Chairman to Delhi to explain that in our present stock position, there would be a reaction in the market if the Government insisted on this export. Subsequently, it was reduced. There was a time lag of 5 or 6 months and in that time the mischief had been done by the speculators who thought that they would make

[Shri Ramanna]

a big profit and so entered the market and pushed up the price at every auction by Rs. 30 or 40. We are thankful to the present Minister who on his tour to Madras informed our Chief Marketing Officer that the price should be put down. Immediately, the Chief Marketing Officer convened a meeting of the Marketing Committee. Till then we were confirming the auction bids at the highest price. We suggested that the Chief Marketing Officer may disregard the highest bids and put it down by Rs. 50/- at the start. Even though the highest bid was Rs. 300/- the Marketing Officer accepted lower bids and brought the price to the level of Rs. 240 or Rs. 250/-. In the succeeding month, the same procedure was adopted and it was brought down to Rs. 225/-. Subsequently, the whole power was taken over by the Government. In the month of December, we had advertised 1,000 tons for auction. Then, it was reduced to 500 tons. In January, we were not given any order to put coffee for auction, but only were asked to increase the allotments to co-operative societies and propaganda houses. There was local small auction. The pool auctions were not held. It was only in February when a number of reminders were sent and our position was explained, and when we said that the market was starving for coffee, and that again the prices would go out of our hands, that permission to sell coffee was given to us. From that time onwards, marketing is entirely controlled or rather guided by the Government. The release price was put down and it was reduced by Rs. 15/-. For the last one year, marketing is done under the guidance of the Government. That unfortunate circumstance which the hon. Member just mentioned was only due to the time lag of six months when the Government and the Coffee Board were in correspondence. We had to send a deputation consisting of the Chairman and the Chief Coffee Marketing Officer to Delhi to explain the position and see that the export quota was cancelled. If you refer to

the previous reports, it will be seen that the Coffee Board was always in favour of keeping a buffer stock. Prior to 1952, Government were insisting on exports because Government were hard pressed for dollars and sterling. Always we used to get D.O.s after D.O.s asking us to export because they wanted dollars and sterling. It is only in 1952 when the crash came that they were caught in trouble. It is not the intention of the growers to make a few chips more. It is a very unfortunate circumstance for which all of us felt sorry.

Shri Damodara Menon: When a question was asked about labour representation here, you said that if three members were nominated by the Government, it would be adequate. Have you any objection to raising it to four? You have given growers four representatives. Would you consider it excessive representation if it is raised to four?

Shri Ramanna: You must also consider the stake that they have got. The stake is of the growers. It is the growers' money. The growers produce everything. They have got the greatest stake. Your increasing their representation would not help anybody.

Shri Bhagwat Jha 'Azad': What about labour's blood?

Shri Ramanna: They have got three. Instead, we would suggest this. The labour problem of each State differs. The labour problems in Coorg, Mysore and Madras are quite different from one another. Instead of the Centre directly nominating labour representatives, as previously, the State Governments may be given power to nominate the labour representatives. That would be better.

Chairman: To recommend?

Shri Ramanna: Yes. That is better.

Shri Damodara Menon: Representation to the growers of Mysore and Coorg is provided in the Amending Bill. Would you suggest that at least one

representative may be allowed to the growers of Travancore-Cochin?

Shri Ramanna: We had given one representative to Travancore-Cochin, previously. Unfortunately, their production is very limited.

Shri Damodara Menon: But, you have no objection

Shri Ramanna: No objection. It was deleted on the score that their production was negligible. They have 1,000 acres and the production is about 100 or 200 tons.

Shri M. D. Ramasami: Don't you agree that the Government was justified in asking that a portion of the pool fund should be set apart for rehabilitation especially when the industry is getting exorbitant prices?

Shri Ramanna: The proposal in the new Bill is that the cess of one rupee may be increased to Rs. 6/-. That is meant for rehabilitation and to help needy planters or for development schemes. In all development schemes under the Five Year Plan, you will find that grants are given by the Government and the commodity is not taxed. If you want anything to be expanded, under the Five Year Plan, you are giving crores and crores of rupees. Out of the duty, the Government have realised this year Rs. 1,80,00,000. Out of that fund, some money may be set apart for development schemes.

Shri M. D. Ramasami: The General funds do not provide for rehabilitation.

Shri Ramanna: It is for helping the needy planters and to keep their estates better and produce more

Shri M. D. Ramasami: What provision does the Board make for enabling small growers to grow more? Is this not a responsibility of the Board towards the small growers?

Shri Ramanna: My feeling is, there is a good chance for the small grower to produce more and better crop and most of these small growers do

get a better crop than the big growers because they pay more attention. If a big planter having 500 or 200 acres grows only 2 cwts. per acre, the small growers with probably ten acres grows 5 to 10 cwts. per acre. There are a number of planters of that type, and the only handicap for such a man is he cannot invest money. For that, the co-operative organisation has to be developed and the scheme under land mortgage banks has to come in to his aid. It is no good giving him an outright grant of Rs. 500 or Rs. 1,000. It is only a "bakshish", and he might use it probably for some marriage or something like that. It is only a waste.

Shri M. D. Ramasami: What is your view regarding representation to consumers, and can you suggest any method by which such representation can be given.

Shri Ramanna: I cannot think of picking up a consumer, because all of us are consumers. The Government representatives represent the general public. They look to the welfare of the general public. I do not see any reason why a separate seat should be set apart for consumers. I do not know what special qualification he has got, unless he takes two dozen cups of coffee when we all take only half a dozen cups a day, and thus becomes a big consumer. Regarding the method of electing him, it would be a great problem.

Chairman: Just a minute. The general public are the consumers, and the elected representatives of these people, representatives of co-operative societies and organizations like that. They could very well represent the average consumer's interests. Why do you say it is not possible? The Government representatives look to the interests of the Government, their revenues etc. The producers' representatives look to the interests of the producers, their pool distribution and all that. Now, who is to take charge of the man who drinks coffee?

Shri Ramanna: It is rather difficult. I am just wondering how to do it.

Chairman: It is done. Why could it not be done by a representative of the District Board, or a legislature, by a person from one of these elective bodies?

Shri Ramanna: We have no objection.

Chairman: Because you gave me the impression by your answer that you were totally against the consumers being represented.

Shri Ramanna: No, no. Previously—I do not remember the date—we had suggested that one or two Members of Parliament may be appointed Members of the Board.

Shri M. D. Ramasami: Is there a consumers' association in any part of India, and if so, which association does Shri Raghavachari represent?

Shri Raghavachari: There is no consumers' association anywhere in South India, but I represent a premier co-operative institution of the Madras State.

Shri Rachiah: Just now you admitted that small growers could cultivate better than big holders. Do you agree that extent of holdings should be limited and the surplus should be confiscated and given to other growers?

Shri Ramanna: That is a very big political question for us to discuss here.

Shri Rachiah: You said just now that the Board is interested in safeguarding the interests of all parties, —growers, consumers, labour etc. I want to know whether the Board has attempted to give housing accommodation and educational facilities to the children of the labourers, and adult education to the labourers themselves.

Shri Ramanna: We have got the Plantation Act and we are bound to

provide all the facilities that you mention.

Shri Rachiah: In the case of indigenous consumption, you take a normal margin of profit, and in case of export you get an exorbitant margin. In that case, would you give any bonus to the labourers?

Shri Ramanna: It all depends upon the profits the concern makes.

Shri T. T. Krishnamachari: There are two associations which elect representatives from Mysore. One is called the Mysore Planters' Association, and the other is called the Mysore Indian Planters' Association. What is the difference between the two?

Shri Ramanna: In the Mysore Indian Planters' Association, the small holders are all admitted.

Shri T. T. Krishnamachari: Do you admit Europeans and Indians?

Shri Ramanna: We have no objection to an European being a member.

Shri T. T. Krishnamachari: What is the Mysore Planters' Association?

Shri Ramanna: That is both Indian and European, and the minimum acreage is 50 acres.

Shri T. T. Krishnamachari: Why do you name your association as the Mysore Indian Planters' Association? Why don't you call it the Mysore Small Planters' Association? Why the racial nomenclature?

Shri Ramanna: We had that racial difference previously, and the same thing is continuing. It is high time we changed the name, and we are contemplating that. We want to abolish that name.

Shri T. T. Krishnamachari: That is, you want to abolish "Indian".

Shri Ramanna: Yes. We want it to be region-wise.

Shri T. T. Krishnamachari: Can you tell me how many times in your experience has the Mysore Planters'

Association sent an Indian representative to the Board?

Shri Ramanna: I do not think they have done so.

Shri T. T. Krishnamachari: How many Members have you got in your association?

Shri Ramanna: There are 492 or 493.

Shri T. T. Krishnamachari: How many times do you meet?

Shri Ramanna: Twice a year.

Shri T. T. Krishnamachari: Which is your headquarters?

Shri Ramanna: Chikmagalur.

Shri T. T. Krishnamachari: How many people attend the annual meeting?

Shri Ramanna: Hundred to two hundred.

Shri T. T. Krishnamachari: When was your last meeting held?

Shri Ramanna: In September.

Shri T. T. Krishnamachari: How many people attended that meeting?

Shri Ramanna: Roughly about 150.

Shri T. T. Krishnamachari: How many members are there in your executive committee?

Shri Ramanna: It consists of about 12 members.

Shri T. T. Krishnamachari: Who elects or nominates these members?

Shri Ramanna: They are elected by the general body.

Shri T. T. Krishnamachari: Who elects the representative to the Board?

Shri Ramanna: The general body.

Shri T. T. Krishnamachari: At a meeting of the general body?

Shri Ramanna: Yes.

Shri T. T. Krishnamachari: Were you always returned unopposed, or did anybody contest your election?

Shri Ramanna: I only came in twice uncontested.

Shri T. T. Krishnamachari: On both occasions?

Shri Ramanna: Yes.

Shri T. T. Krishnamachari: On previous occasions, did somebody else come in uncontested?

Shri Ramanna: It is always uncontested.

Shri T. T. Krishnamachari: Complete unanimity of opinion. There is no second preference at all in your association?

Shri Ramanna: They would not like to have the second man.

Shri T. T. Krishnamachari: I suppose the second man is second best.

Shri Ramanna: It is their view. I cannot say anything about it.

Shri T. T. Krishnamachari: Do you know something about your sister organization—the Mysore Planters' Association? How many members have they got?

Shri Ramanna: I do not know the number of members. The acreage is about 32 to 35 thousands.

Shri T. T. Krishnamachari: Where is their headquarter?

Shri Ramanna: Their meetings are held in Chikmagalur.

Shri T. T. Krishnamachari: Are you not also invited to their functions?

Shri Ramanna: Whenever there is an occasion, I am also invited.

Shri T. T. Krishnamachari: You must know how many people attend their meetings.

Shri Ramanna: Sixty to seventy, sometimes.

Shri T. T. Krishnamachari: As Vice-President and representative of the Board, you are speaking for the entire Board?

Shri Ramanna: Yes.

Shri T. T. Krishnamachari: Let us take the United Planters' Association. How are their representatives chosen?

Shri Ramanna: I do not know. I am not a member of that association.

Shri T. T. Krishnamachari: Never attended their meetings?

Shri Ramanna: I went only once.

Shri T. T. Krishnamachari: I put it to you that the United Planters' Association is a closed body into which nobody who is not wanted would be allowed to enter. Would you confirm or deny it?

Shri Ramanna: I have no idea.

Shri T. T. Krishnamachari: Then, how do you speak on their behalf. I can understand your speaking for your association. I am putting it to you that the United Planters' Association is a closed body representing non-national interests and they do not really represent Indian interests so far as plantations are concerned. Have you any answer?

Shri Ramanna: So far as I know, both Indians and Europeans are Members of that Association.

Shri T. T. Krishnamachari: How many times have they elected an Indian?

Shri Ramanna: I have no idea.

Shri T. T. Krishnamachari: During any time you were a member of the Board, did they send any Indian?

Shri Athrey: I am the Chairman of the Coffee Section of the United Planters' Association. I do not think there is that racial animosity.

Shri T. T. Krishnamachari: It is an expression of opinion. I am not merely asking for an expression of opinion, but facts. How many times have UPASI sent to the Coffee Board an Indian representative?

Shri Athrey: I have been representing only for one term.

Shri T. T. Krishnamachari: When?

Shri Athrey: Six years ago.

Shri T. T. Krishnamachari: Why did you change over to the Nilgiri-Wynad Planters' Association?

Shri Athrey: Subsequently, representation was given to the Nilgiri-Wynad Association, and I came on to that.

Shri T. T. Krishnamachari: It was given subsequently? You represented the UPASI for many years?

Shri Athrey: One term, i.e. three years.

Shri T. T. Krishnamachari: Then, you must be able to tell me how many people attend their annual meetings.

Shri Athrey: Quite a big number.

Shri T. T. Krishnamachari: But tell me the number.

Shri Athrey: Two to three hundred.

Shri T. T. Krishnamachari: And how many of them are Indians?

Shri Athrey: The majority of membership is European.

Shri T. T. Krishnamachari: How do they select the members?

Shri Athrey: They have got three sections: coffee and minor products, tea, and rubber. They have got a committee, and that committee selects, and it is put to the general body. Only when they approve, their names are sent to the Board.

Shri T. T. Krishnamachari: When you left, did they think of a suitable Indian to take your place as one of the three?

Shri Athrey: It was not so much the Indian-European there.

Shri T. T. Krishnamachari: Complete absence of colour complex?

Shri Athrey: Latterly there is none.

Shri T. T. Krishnamachari: Since 1947?

Shri Athrey: Not 1947, even earlier.

Shri T. T. Krishnamachari: They gave you freedom before the British left?

Shri Athrey: Yes.

Shri T. T. Krishnamachari: Now, I come back to Shri Ramanna.

You are telling that auction prices in 1952 went up because of Governmental action.

Shri Ramanna: Because of export difficulty.

Shri T. T. Krishnamachari: Export did not take place?

Shri Ramanna: There was a time-lag of six months in correspondence.

Shri T. T. Krishnamachari: I am giving you these figures, for Plantation A. In 1952 the average pool price in April was Rs. 207, in May Rs. 238, in June Rs. 252, in July Rs. 269, in August Rs. 299, in September Rs. 316, in October Rs. 304, and in November Rs. 257. Now, what did the Board do during this time, between April and November? Did it meet at any time?

Shri Ramanna: We had our Marketing Committee meeting. The Board also met once.

Shri T. T. Krishnamachari: Who presided during May to November?

Shri Ramanna: I do not exactly remember.

Shri T. T. Krishnamachari: I put it to you that the Chairman was not in India then. Somebody must have presided.

Shri Ramanna: I do not know whether I presided.

Shri T. T. Krishnamachari: The Chairman was not bodily present in India. If the Chairman is not there, usually who presides. Can you not recollect?

Shri Ramanna: I cannot say about that meeting, whether I presided or not.

Shri T. T. Krishnamachari: Somebody must have presided. Did you ever take notice of these high prices? (I am told usually Mr. Bull presides). What were they doing in regard to the high prices?

Shri Ramanna: There was a correspondence which started in March. They issued order for export in the month of March.

Shri T. T. Krishnamachari: Prices shot up from May and high prices were maintained till the end of the year. I am asking whether the Board did anything about the high prices? Was a meeting of the Board summoned in September, 1952 when prices went up to Rs. 316?

Shri Ramanna: The Marketing Committee was summoned.

Shri T. T. Krishnamachari: The Board meeting was not summoned?

Shri Ramanna: Generally all these questions are decided in the Marketing Committee. The Board does not meet except when it is a question of urgent importance. But the Marketing Committee took immediate action.

Shri T. T. Krishnamachari: I put it to you that Mr. Bull was away. You were in charge of the Board. You were the Vice-Chairman. What did you do about it?

Shri Ramanna: Immediately the Marketing Committee's meeting was convened and we authorised the Chief Marketing Officer not to accept the highest bids? That was sometime in October-November.

Shri T. T. Krishnamachari: By that time it had come down. I put it to you that you did nothing about it, because the Chairman of the Board was not present in India.

Shri Ramanna: I cannot agree with you, because the Marketing Committee.....

Shri T. T. Krishnamachari: If you do not agree, say what the Board did.

Shri Ramanna: The Board did not meet, but on behalf of the Board...

Shri T. T. Krishnamachari: In effect, the Board was *functus officio*, because the Chairman was not there. To all intents and purposes, the Board was dead.

Shri Ramanna: There was no necessity for the Board to meet because...

Shri T. T. Krishnamachari: Why should not they? Here is a grave situation. The year before the price was Rs. 219, the year before it was Rs. 199, the year before it was Rs. 193 and the year before, Rs. 194. The price shot up to Rs. 316. Is it not an important occasion for the Board? If it was not an important and urgent occasion, I cannot understand as to what is important for the Board.

Shri Ramanna: That is why we deputed the Chairman and the Coffee Marketing Officer.....

Shri T. T. Krishnamachari: You deputed him in April, 1952. The high prices were in September, 1952. What did you do in September, 1952?

Shri Ramanna: We issued a number of warnings to the merchants and traders not to put up the prices.

Shri T. T. Krishnamachari: Who issued the warning? The Board did not meet. The Board must be a powerful and deliberative body. But it did not occur to you as Vice-Chairman to summon a meeting. The responsibility was on you. Mr. Bull was away.

Shri Ramanna: I am sorry, because the Marketing Committee had taken action.

Shri T. T. Krishnamachari: You merely thought that it was nobody's business. I put it to you that a Board of that nature is of no use either to the grower or to the consumer or to the country. Have you any answer to that? You cannot have a blackboard.

Shri Ramanna: That is what I explained to you...

Shri T. T. Krishnamachari: You had talked about democratic functioning and all that. If you do not want to function—as the Board did not function during the months May to November, 1952, well, it has no right to exist. You have got to tell us that that is the type of Board that you want, a Board that is inactive, that does not function.

Shri Ramanna: I cannot answer that.

Shri T. T. Krishnamachari: You said something about your Board's view that the Bill should be postponed. You talked of the whole thing being postponed until the Plantation Inquiry Committee had reported. Has the Board seen the terms of reference of the Plantation Inquiry Committee?

Shri Ramanna: My impression is...

Shri T. T. Krishnamachari: Have you read it? Impressions are wrong.

Shri Ramanna: I have not read it.

Shri T. T. Krishnamachari: Did any member of the Board read it?

Shri Ramanna: I do not know.

Shri T. T. Krishnamachari: Who drafted your memorandum to the Select Committee?

Shri Ramanna: We had a Committee.

Shri T. T. Krishnamachari: Who were in the Committee?

Shri Ramanna: I was in the Committee.

Shri T. T. Krishnamachari: Did you or any other member read the terms of reference of the Plantation Inquiry Committee?

Shri Ramanna: I do not know.

Shri T. T. Krishnamachari: So somebody said so. Is it not?

Shri Ramanna: We had met in Bangalore and asked a number of questions regarding all these details and the members informed us that we should write to our organisation to inquire about the details...

Shri T. T. Krishnamachari: These details do not completely tally with the work of the Coffee Board? Does it?

Chairman: They had other things to inquire into besides this.

Shri Ramanna: We thought they would be concerned with marketing, propaganda and all that.

Shri T. T. Krishnamachari: You remember my meeting you on 31st December 1952. You remember if I said anything about the prices?

Shri Ramanna: I do not exactly remember.

Shri T. T. Krishnamachari: You remember that I asked you something about bringing down the prices.

Shri Ramanna: Yes.

Shri T. T. Krishnamachari: You remember that you promised to bring down the prices in three months.

Shri Ramanna: But the Board....

Shri T. T. Krishnamachari: No, no.

Shri Ramanna: Yes. Unfortunately, the function of the Board regarding marketing was taken away from the Board. From December onwards we did not get any order from the Centre whether to hold auction or not. In December, we had released 1000 tons. After correspondence, coffee was not released and the consumer would suffer. The Government permitted us to auction only 500 tons. In January they did not give us permission.

Shri T. T. Krishnamachari: The point is that the Board promised to send me their proposal. But they did not do it.

Shri Ramanna: We were sure of bringing down the prices by putting

coffee into the market. Unfortunately, in January we did not get any order.

Shri T. T. Krishnamachari: Please refer to your memorandum. It says: "The Committee accept the proposal to have a Chairman to be appointed by the Central Government....". Now you say you had a wrong impression about it. What made you see light and object to a Chairman being appointed by Government? I ask you to look at the words which are: "The Committee accept the proposal to have a Chairman to be appointed by the Central Government". Now, you say that you changed your mind because of various factors. What have you to say to that?

Shri Ramanna: At that time we did not know that it would be a salaried full time Chairman, because for the last 13 years...

Shri T. T. Krishnamachari: I remember some of you asked some questions and I almost made a speech on that occasion. Did you ask a question whether it is a salaried Chairman? When Government appoints a man—mark the word 'appoint'—does it not mean that he is salaried?

Shri Ramanna: We did not consider it in that light.

Shri T. T. Krishnamachari: Please be direct in speaking. I am asking for elucidation of that point. Apparently in this case, you refused to consider the word 'appoint'.

Shri Ramanna: We did not lay stress on it.

Shri T. T. Krishnamachari: Why did you change your mind? Please tell the Select Committee about the circumstances; there must be some circumstances.

Shri Ramanna: We thought it would be an ordinary Chairman from among the members.

Shri T. T. Krishnamachari: You exercised your liberty of changing your mind—I put it to you that way.

Shri Ramanna: I do not think so.

Shri T. T. Krishnamachari: Why did you change your mind?

Shri Ramanna: Now also I am in favour of a nominated Chairman...

Shri T. T. Krishnamachari: I said a Chairman to be appointed by Government. You accept that word. That would mean, I pay him salary, I give him allowance, I pay contribution to his provident fund. He is a government official entitled to pension and so on.

Shri Ramanna: I am sorry we did not lay stress on that.

Shri T. T. Krishnamachari: So many things happen, Shri Ramanna. You and I know it better.

Now, you try to educate the public in regard to the work of the Board and spend money.

Shri Ramanna: Yes. Not for educating the public, but for agitating before the public. We usually spend something from our Association.

Shri T. T. Krishnamachari: You spend money for agitation.

Shri Ramanna: We spend money for putting your views before the public? per authorities.

Shri T. T. Krishnamachari: Would you mind telling me what the Mysore Indian Planters' Association spend for putting your views before the public?

Shri Ramanna: Some printing charges for these pamphlets and all that.

Shri T. T. Krishnamachari: No entertainment?

Shri Ramanna: There is no question of entertainment. Some Members of Parliament visited our place and it is a matter of courtesy when Members of Parliament—our representatives—come to our place, that we should spend some.....

Shri T. T. Krishnamachari: Do you know if other associations spend more money?

Shri Ramanna: I do not know. Our Bill came to about Rs. 200 or Rs. 300. That included everything. Some of the members had no idea about the plantations; so we took them round in our own cars and we paid the charges for petrol and other things.

Shri T. T. Krishnamachari: You are not aware what other Associations spend on expenditure of this type. Do you know that the Chairman went round various places addressing public meetings?

Shri Ramanna: Not as a Chairman. But Mr. Bull had gone to Chikmagalur, I do not know which other places.

Shri T. T. Krishnamachari: The Board was not conscious of the fact that he was going round addressing meetings and doing propaganda.

Shri Ramanna: He is the Chairman of Coffee Lands and Industries. Chikmagalur is the headquarters of those plantations and he used to visit it once in a quarter, and during his visit he attended a meeting.

Shri T. T. Krishnamachari: You are a planter yourself?

Shri Ramanna: A small holder. The word 'small' is capable of different denominations.

Shri T. T. Krishnamachari: What is your acreage?

Shri Ramanna: The yielding area is 200 acres.

Shri T. T. Krishnamachari: You hold it as an individual or as a company.

Shri Ramanna: An individual.

Shri T. T. Krishnamachari: Have you a reserve fund?

Shri Ramanna: Not heavy reserves.

Shri T. T. Krishnamachari: How much money have you made in the last ten years? I am asking for information. You can refuse to answer it. It is left to you.

Shri Ramanna: I have not amassed a fortune, but it is some what comfortable.

Shri T. T. Krishnamachari: Do you know of a company which had a capital of £ 60,000 in 1943, i. e. Rs. 8 lakhs, which split into two and has now got as capital Rs. 1 crore and 20 lakhs with only an addition of Rs. 19 lakhs by way of new capital?

Shri Ramanna: I have no idea. I am not a shareholder of the company you are referring to. If I were a shareholder, I would be inquisitive to know all those things

Shri T. T. Krishnamachari: Is it possible in the coffee business to make about 10 times the original capital and also pay dividends in the course of ten years?

Shri Ramanna: I do not think.

Shri T. T. Krishnamachari: Then I think they must have been extraordinarily clever.

Shri Ramanna: So far as my experience goes, we are leading a moderate life.

Shri T. T. Krishnamachari: Doesn't matter.

Then I come to the words 'in consultation with the Board' which are taken away. I will tell you that the intention of the Government is not that the Board should not function. Government's intention is that the Board should be completely seized of all matters relating to coffee. Our intention is that the Coffee Board must be a Coffee Board and not a Government Board. It does happen that sometimes we have a statutory obligation, and we find that when the Government has

to take action, Government cannot take action. But supposing I put in a provision and say—adding a new paragraph—that before taking any action, under this Act touching the functions of the Board, the Central Government shall ordinarily consult the Board, provided that no action taken by the Central Government shall be challenged on the ground that the action was taken by the Government without such consent. It is only a draft.

Shri Ramanna: Let it be there.

Shri T. T. Krishnamachari: I do not think it is very well worded. But you think something on these lines would do?

Shri Ramanna: Yes, Sir.

Shri T. T. Krishnamachari: Would it do a great deal of harm to the industry if the Board does not exist? We can have a co-operative organisation. Why should the dealers come into it; why should the consumers come in? The growers and labour can hammer out things. The excise will be collected by the Central Excise Department from the curing places.

Shri Ramanna: These are days of organisation. In the Coffee Board we have got a perfect co-operative marketing organisation.

Shri T. T. Krishnamachari: I am giving you the statutory position. Whatever may be the ultimate Board even if I nominate, I cannot get four Ramannas or four Mallias. There is a possibility that it will be dominated by the growers and I know they are very powerful. My successor may be a little less stable than myself. Why should we take up the obligation to preserve the consumers' interest and become unpopular? You do what you like. We shall collect the cess. If there is export, price goes up to Rs. 180/-; if there is no export it comes down to Rs. 160/- or Rs. 170/-. Exports are a useful mechanism to control prices.

Shri Ramanna: I feel we would be doing the greatest injury to the industry.

Shri T. T. Krishnamachari: You won't like it?

Shri Ramanna: Yes, I won't like it.

Shri T. T. Krishnamachari: What was the price of 'Plantation A' coffee in 1940?

Shri Ramanna: It was roundabout Rs. 40/-.

Shri T. T. Krishnamachari: What was the price in 1948?

Shri Ramanna: Rs. 120/-.

Shri T. T. Krishnamachari: In 1950, it was Rs. 210/-?

Shri Ramanna: Yes.

Shri T. T. Krishnamachari: In 10 years the price has risen roughly five times. Do you consider this rise in price, five times, high or low or sufficient or insufficient?

Shri Ramanna: The first point is you cannot take 1939 as the basic year as in the case of every other commodity.

Shri T. T. Krishnamachari: You cannot say that the comparison is wrong. What was the price in 1935?

Shri Ramanna: Between 1930 to 1935 there was a slump. Foreign markets were selling at a price much below the prices in the Indian market. The prices were raised progressively and the Indian consumer was asked to subsidise the export at the rate of Rs. 15/- to Rs. 20/- and that went on till 1945.

Shri T. T. Krishnamachari: Don't you think that you owe some duty to the consumers to supply them at some reasonable price?

Shri Ramanna: Yes; if he is killed we are off.

Shri T. T. Krishnamachari: You have been raising your price from Rs. 40/-.

Shri Ramanna: It was not wanton. Unfortunately, various other factors that contributed to the increase were there.

Shri T. T. Krishnamachari: Is there any check on you when you increase the price?

Shri Ramanna: Every year we do cost accounting.

Shri T. T. Krishnamachari: You do cost accounting; there was Cook's assessment.

Shri Ramanna: First Cook came and then, the second time, Anana came. They made their assessments.

Shri T. T. Krishnamachari: You take the same estates all the time?

Shri Ramanna: We have got 35 estates situated in all parts of the South India.

Shri T. T. Krishnamachari: You take the same estates all the time?

Shri U. S. Millia: Because the Cost Accountant insisted on an audited account which most of the proprietary planters have not got. That is the difficulty.

Shri T. T. Krishnamachari: The fact really is that the Board was permitted to raise the price to five times that obtained in 1940 or any year previous to it.

Shri Ramanna: It is not a voluntary increase.

Shri T. T. Krishnamachari: Whether it was voluntary or motivated or something else, what I am suggesting is that there was an increase and it was determined by the Coffee Board.

Shri Ramanna: Yes.

Chairman: On behalf of the Committee I thank you and the members of your deputation for the valuable evidence that you have given.

Shri U. S. Mallia: May I also thank you, Sir, on behalf of ourselves.

(Witnesses then withdraw).

II.

Select Committee then proceeded to examine the following witnesses:

Name of the Association:—The United Planters' Association of Southern India, Coonoor.

Spokesmen:—

(1) Mr. R. Radcliffe.

(2) Mr. C. I. Machia.

(Witnesses were called in and they took their seats).

Chairman: Before you give your evidence, I have to inform you that the evidence which you now give before the Committee will be treated as public and is liable to be published. If there is any portion which you want to treat as confidential, you may mention it in the beginning or as you go along.

The second point is until the Report is presented to Parliament the evidence is confidential and I would, therefore, request you not to give any summary of the evidence which you are giving before this Committee either to the Press or to the public.

The usual procedure is that you may amplify any portion of the written memorandum which you have submitted to the Committee. Some of the members will then put questions which either of you can answer as you like.

Mr. Machia: We would like to amplify in particular the question of representation on the Board.

Shri T. T. Krishnamachari: I think on that we will ask questions.

Mr. Machia: I think the memorandum covers all matters fully.

Shri T. T. Krishnamachari: Mr. Radcliffe, are you a member of the Coffee Board?

Mr. Radcliffe: Yes, Sir.

Shri T. T. Krishnamachari: I suppose in a very large measure you are in agreement with the proposals made by the Board in their memorandum submitted to us?

Mr. Radcliffe: Yes, Sir.

Shri T. T. Krishnamachari: That also represents the UPASI's proposals; is it?

Mr. Radcliffe: Yes.

Shri T. T. Krishnamachari: I suppose the UPASI sends a representative to the Tea Board. What is your objection to nomination as such?

Mr. Radcliffe: I understand there is a nominated member on the Tea Board. I do not know much about it.

Shri T. T. Krishnamachari: The UPASI has been asked to send names. Three members of the UPASI are on the Tea Board and probably one is representing the Associated Planters. Anyway there are three. What is your objection to government doing it likewise here also?

Mr. Radcliffe: As far as UPASI is concerned, there are no seats allotted to it.

Shri T. T. Krishnamachari: I would refer you to the rule regulating the nomination of members on the Tea Board. The rule reads:

"The Appropriate Government will call for a panel of names from the representative associations of growers, labour, consumers and so on."

That is how the Tea Board members have been selected. Would you very strongly object to that method of selection?

Mr. Radcliffe: What we felt over this matter of representation was that it would be more satisfactory for all interests concerned, if the industry itself was able to put forward its representatives. The difficulty with a panel of names is that there must necessarily be the first choice, second choice and third choice. There is no guarantee that Government will select the first in the panel. We do feel that since in this particular instance the whole of the produce of the

[Mr. Radcliffe]

grower is taken over by the Board, it is but fair that number one choice of the grower should be on the Board which is going to control the whole of the marketing and the running of the industry.

Shri T. T. Krishnamachari: You have for instance the Coorg Planters' Association, the Mysore Planters' Association, the Mysore Indian Planters' Association, the Nilgiri-Wynad Planters' Association, the Malabar-Wynad Coffee growers' Association, the Sheveroy Coffee Growers' Association, etc. which seem to cover the entire territory. Where does the UPASI come in? Why should it be given representation exclusive of these regional bodies? I accept your principle. I shall give seats for the various associations. How does UPASI come in, I am not in a position to understand.

Mr. Radcliffe: What we feel is that UPASI is the body which Government consults in labour legislation particularly.

Shri T. T. Krishnamachari: I have been here for the past two and a half years. I had no occasion to consult the UPASI.

Mr. Radcliffe: That is true; Coffee Board representation has been through District Boards' Association.

Shri T. T. Krishnamachari: Supposing I agree to your principle—we shall have representation through regional associations—we leave out UPASI?

Mr. Radcliffe: Well, Sir, we only feel that the UPASI is the coordinating body of all the associations and it would be suitable...

Shri T. T. Krishnamachari: I should have conclusive proof to show that UPASI is the one and the only body which is properly representative of the Coffee Growers' Associations, and these bodies do not adequately re-

present the interests of the coffee growers. I am sorry that in your memorandum you have not thrown any light on UPASI's predominant position.

Mr. Radcliffe: May I explain further? As you know coffee is distributed over a wide area in the South from the Sheveroy to North Mysore, probably a distance of three hundred miles. The UPASI is the only central organisation we have got of all the associations to get together and discuss common problems on an industry-wide basis and not on a parochial basis.

Shri T. T. Krishnamachari: You can do that at your annual gatherings and still influence all these associations. Why should you have any representation on the Board? You mean to say that you perform the functions of a monitor on the Board to keep these people in order.

Mr. Radcliffe: As I told you, Sir, UPASI is a coordinating body.

Shri T. T. Krishnamachari: Supposing Government decides and this Select Committee agrees with it, that we shall give representation to the various bodies. I do not know how the present arrangement is in keeping with a democratic set up. We are told very often that the land from which you come is a land of democracy; you should therefore be a better authority in matters connected with that subject. Could you please tell me how the representation claimed by the UPASI is in keeping with the principles of democracy? We have got various regional organisations, good, bad, indifferent, based on colour, caste, regions, all kinds of things. Where does the UPASI come into the picture? I take it you dominate everywhere, in the Coorg Planters' Association, the Mysore Planters' Association etc. My question really is how do you justify the need for giving representation to UPASI?

Mr. Radcliffe: I can only say, Sir, that it was the most convenient method of coordinating.

Shri T. T. Krishnamachari: You mean to say that from the point of view of convenience of Government you would suggest that UPASI should be the coordinating body.

I am afraid, Mr. Radcliffe, you have not carried any conviction to me. I do not know about the other members of the Committee.

Mr. Radcliffe: The States have their own legislatures, but everybody does collect in Delhi for the purpose of a common forum for discussion. In the same way in the districts we have our own district associations which have peculiar district problems.

Shri T. T. Krishnamachari: Leaving that point aside, what is your main objection to a Chairman who is appointed by Government? In the Tea Board you have a Chairman appointed by Government.

Mr. Radcliffe: The Tea Board is not analogous with the Coffee Board entirely.

Shri T. T. Krishnamachari: I am sure tea is different from coffee, except that both of them have a little caffeine common to them.

Mr. Radcliffe: The main difference is that entire produce of the tea producers is not taken over by the Tea Board as it is done in the case of coffee.

Shri T. T. Krishnamachari: Your point seems to be that we should allow you to sell it as you like. I am prepared to grant you that. I shall make suggestions to the Select Committee so that the Coffee Board will not take over the stock, but fix the price at which you yourself can sell. The pool, Mr. Radcliffe, happens to be a matter of convenience to the grower, not to the Government. We shall not have a pool; I shall collect our excise

duty at the curing places; we shall regulate prices by regulating exports; we shall license dealers who are going to sell coffee; you can close your pool.

Chairman: Will that proposal be acceptable to your Association?

Shri T. T. Krishnamachari: You accept a paid Chairman for the Board, we shall allow you to sell your stocks.

Mr. Radcliffe: We would not mind if it was not a Government Chairman, who is a salaried executive of the Board taking over the powers and functions of the Chief Coffee Marketing Officer.

Shri T. T. Krishnamachari: What is wrong with it?

Mr. Radcliffe: Each body is normally entitled to elect its own Chairman—that is the normal procedure in all bodies.

Shri T. T. Krishnamachari: Not in the case of a body which deals with the economic life of lakhs of people. Government feel that there is a certain amount of responsibility that they have undertaken in this matter and I will tell you what that responsibility is.

I do not know, Mr. Radcliffe, whether you have been a Member of the Board for a long time.

Mr. Radcliffe: Quite a long time.

Shri T. T. Krishnamachari: Have you been between April and November, 1952? Did you as a Member of the Board look into the average prices at coffee auctions during those days?

Mr. Radcliffe: Yes, Sir.

Shri T. T. Krishnamachari: Did you think there was anything particularly special about the coffee prices then?

Mr. Radcliffe: It rose to new heights.

Shri T. T. Krishnamachari: What did you as an individual Member of the Board do about it? Did you write to the Board about it? Did the Coffee Board meet even once during that period?

Mr. Radcliffe: I think we did meet: I think many factors contributed to the increase in coffee prices.

Shri T. T. Krishnamachari: Did the Coffee Board ever meet between May and December, 1952; that was the time of peak prices?

Mr. Radcliffe: I do not recollect. I have not got the record of the Board meetings; perhaps you have.

Shri T. T. Krishnamachari: The prices rose to Rs. 316. Did it cause you any sleepless nights?

Mr. Radcliffe: It did cause concern to us.

Shri T. T. Krishnamachari: What did you do about it?

Mr. Radcliffe: I was not a member of the Marketing Committee, Sir.

Shri T. T. Krishnamachari: The Marketing Committee is a creature of the Board.

Mr. Radcliffe: When the Marketing Committee considered this they took certain steps to bring down the prices.

Shri T. T. Krishnamachari: Your colleague is a member of the Marketing Committee.

Mr. Machia: No, Sir. I was not a member of the Board at that time.

Shri T. T. Krishnamachari: Who represented your Association at that time?

Mr. Machia: I think Mr. Humphreys, Mr. Homewood and Mr. Bull.

Shri T. T. Krishnamachari: Did any Member of your Association take any interest in the matter?

Mr. Machia: During that particular period I am unable to say.

Shri T. T. Krishnamachari: I put it to you they did not.

Mr. Machia: Mr. Bull was not in India. He came back on the 7th of December.

Shri T. T. Krishnamachari: He came back on the 30th of October.

Mr. Machia: He was not in India on the 30th of October.

Shri T. T. Krishnamachari: But what did you do between October and December?

Mr. Machia: I am unable to say, Sir. I was not a member of the Coffee Board at that time.

Shri T. T. Krishnamachari: You know Mr. Bull.

Mr. Machia: Yes, Sir, very well.

Shri T. T. Krishnamachari: Have you any association with him?

Mr. Machia: I am working in the Consolidated Coffee Estate.

Shri T. T. Krishnamachari: Which is Mr. Bull's concern?

Mr. Machia: Mr. Bull is the Managing Director of the company.

Shri T. T. Krishnamachari: I think the Managing Director can say that it is his concern.

Mr. Machia: I do not think so.

Shri T. T. Krishnamachari: I shall come to Mr. Bull and the Consolidated Coffee Estate later. I am glad that there is a representative of the Consolidated Coffee Estate here.

Mr. Radcliffe: I put it to you that the Members of the Board did nothing at all.

Mr. Radcliffe: I cannot agree with you there. The Marketing Committee met; certain measures were taken which are on record in the minutes of the Marketing Committee. Steps were taken.

Shri T. T. Krishnamachari: What was the result?

Mr. Radcliffe: The result was that prices definitely came down. They came down fairly steeply from August which was the month of its peak.

Shri T. T. Krishnamachari: You are not right, Mr. Radcliffe.

The average price in August was Rs. 299; in September, Rs. 316; in October, Rs. 304 and in November and December, Rs. 257. If the prices came down it did not come down because of you. It came down because of Government, because Government said they would take very strong action.

Mr. Radcliffe: I remember that, but the records of the proceedings of the Coffee Board will go to show that the Board did make some efforts.

Shri T. T. Krishnamachari: I say that if the Board cannot discharge its responsibility we have to have somebody who will guide the Board. Do you think it is not necessary?

Mr. Radcliffe: I am not speaking on behalf of the Board, I am speaking on behalf of the UPASI.

Shri T. T. Krishnamachari: UPASI sends three representatives to the Board which is a predominant part of the growers' representation. UPASI was also sending the Chairman of the Board at that time.

Mr. Radcliffe: I say the powers that are given in the present Act allow Government to veto any decision of the Board and regulate the price.

Shri T. T. Krishnamachari: Your objection is psychological—you do not like a paid Chairman, is it?

Mr. Radcliffe: It is not psychological, it is practical. I feel that in the case of a Board constituted to look after its own affairs, it is only fair that it should be given its own Chairman.

Shri T. T. Krishnamachari: All feelings are psychological, Mr. Radcliffe;

you can only sense them, you cannot feel them.

Mr. Radcliffe: This is an elementary right which you allow to municipal and other elected bodies. We are not an irresponsible body.

Shri T. T. Krishnamachari: We do not allow it to the Tea Board.

Mr. Radcliffe: The ultimate power should rest with Government—I agree entirely. I am not in any way suggesting it should not. But I do say that the present Act itself gives ample powers to Government.

Shri T. T. Krishnamachari: So, you would like the *status quo* to continue?

Mr. Radcliffe: Yes, Sir. There are certain suggestions which we have made.

Shri T. T. Krishnamachari: You would certainly feel happy when prices shoot up: and you can do what you like about it.

Mr. Radcliffe: I do not think prices will shoot up.

Shri T. T. Krishnamachari: Your idea is that Government should be constantly corresponding and there should be constant use of the powers under Section 42 to keep down the prices. You will prefer it?

Mr. Radcliffe: No, Sir. I would say that if all Government representatives attended the Board's meetings and a decision was come to

Shri T. T. Krishnamachari: Let me tell you, Mr. Radcliffe, that it is not possible for Government to send a man senior enough to attend the meetings of the Board, because Government have other work. That is why we propose appointing a Chairman. In the Act as it stands you have taken away the representation of Government altogether. There is no representation of Government excepting that on occasions we can send somebody to be present at meetings. Can't you see? You would have noticed that. Of course, Government

[Shri T. T. Krishnamachari]

have the powers under section 42. But they do not want to take up that responsibility, because they cannot spare a senior officer. Bangalore is far away. That is why we want that there should be somebody who will represent to the Board the Government's views.

Mr. Radcliffe: The Chairman is not responsible to the Board under the amending Bill.

Shri T. T. Krishnamachari: He cannot ask the Government to use section 42 every time.

The other question I would like to ask is this. One matter which seems to agitate you is in regard to consultation of the Board. Our idea is really not that we should not consult the Board. We want to make the Board more or less autonomous, subject to the Chairman being a Government representative. We think that the Board should perform all the functions and Government should come in only if there is any necessity to veto. So the Board would ordinarily do everything. We took away this phrase "after consultation with the Board" for this reason. There was an emergency in September, 1952 and Government could not act, because the Board meeting could not be convened. It is merely as a contingency.

Suppose the wording is changed on these lines. This is the gist of it. Suppose we put in a new clause like this:

"Before taking any action under this Act touching on the functions of the Board, the Central Government shall ordinarily consult the Board:

Provided that no action taken by the Central Government shall be challenged on the ground that the action was taken by the Government without such consultation."

With a safeguard like that we are quite prepared to put in a provision which will say that ordinarily in these

matters the Board should be consulted. Do you think it would be adequate?

Mr. Radcliffe: If it is your intention to consult the Board, may I ask why there is any objection to have the words "in consultation with the Board"?

Shri T.T. Krishnamachari: Mr. Radcliffe, after all I am speaking your language. I am rather poor at it. I am explaining to you that it does happen, as it happened in September 1952, that an emergency arises. The Board meeting is rather difficult to convene. You have to admit that in an emergency consultation with the Board is not possible. Now I say that ordinarily the whole thing must be done with the Board's concurrence and consultation, unless Government purposes to over-rule under section 42. But if any emergency occurs in which they have to take action, they have to put the word "ordinarily". I am prepared to go as far as that if that would convince you and the UPASI that Government's intention is to allow the Board to act as a Board and not hold the reins tight and direct it all the time.

Mr. Radcliffe: Well, Sir, you say that you would allow the Board to act as a Board and everything will be done in consultation with the Board. That is exactly what we are asking for, "in consultation with the Board."

Shri T. T. Krishnamachari: I told you my difficulty.

Mr. Radcliffe: I see your difficulty. But I would rather like to ask this one question. Why is Government not able under the present arrangement to consult the Board at the time of any emergency? The Chairman through sickness or leave or otherwise may be absent, but why is it not possible to have a Board meeting?

Shri T. T. Krishnamachari: It is difficult to run a Board from Delhi.

Mr. Radcliffe: If such a matter as these prices caused such great concern, the Board could have been called.

Shri T. T. Krishnamachari: On this point you cannot convince me. I am suggesting as a compromise a provision of this nature. Will UPASI find it acceptable?

Mr. Radcliffe: We have suggested the words "in consultation with the Board".

Shri T. T. Krishnamachari: You would like to have your pound of flesh.

Mr. Radcliffe: Not our pound of flesh, Sir, but our just rights. We are not asking for too much.

Shri T. T. Krishnamachari: Thank you, Mr. Radcliffe. I would like to put a few questions to Mr. Machia. What is your designation, Mr. Machia?

Mr. Machia: I am the Secretary of the Company.

Shri T. T. Krishnamachari: What is the name of the Company?

Mr. Machia: Consolidated Coffee Estates.

Shri T. T. Krishnamachari: How long have you been the Secretary?

Mr. Machia: I took over as Secretary on the 1st April of this year.

Shri T. T. Krishnamachari: Before that what were you?

Mr. Machia: Before that I was Additional Secretary. Before I went there I was Chief Coffee Marketing Officer of the Coffee Board.

Shri T. T. Krishnamachari: So you know the coffee business. How long were you there on the Board?

Mr. Machia: I was for three years Chief Coffee Marketing Officer. I retired from Government service and went over to this company. I asked for retirement before my time.

Shri T. T. Krishnamachari: I suppose Service under the Consolidated Coffee Estates is more advantageous.

Mr. Machia: In many ways. And I was going back to my own country.

Shri T. T. Krishnamachari: Can you tell us something about the Consolidated Coffee Estates. Is it not the biggest coffee concern in India?

Mr. Machia: It is the biggest.

Shri T. T. Krishnamachari: What is its capital? What was its capital in 1943? I will refresh your memory; it was £60,000.

Mr. Machia: I cannot remember.

Shri T. T. Krishnamachari: If you do not know it, please say "I do not know it". I put it to you that in 1943 it was £60,000, before it split up into two and became an Indian company.

Mr. Machia: I do not know about its splitting into two. It is an Indian Company now.

Shri T. T. Krishnamachari: It is an Indian company because it is registered under the Indian law. But it is not an Indian-controlled company.

Mr. Machia: It is an Indian controlled company. 85 per cent of the shareholding is in Indian hands.

Shri T. T. Krishnamachari: Who are the managing agents?

Mr. Machia: There is no managing agency. There is a managing director.

Shri T. T. Krishnamachari: What percentage is he getting as commission?

Chairman: If you know, you may say. And if you do not want to answer you may say that you are not willing.

Mr. Machia: I was only thinking of my position as Secretary.

Shri T. T. Krishnamachari: You need not answer. I suggest to you that it had a capital of £60,000 in 1943,

[Shri T. T. Krishnamachari]
equivalent to about Rs. 8 lakhs. What is the capital of the two companies today?

Mr. Machia: I do not understand the reference to two companies. The Consolidated Coffee Estates is one company.

Shri T. T. Krishnamachari: The other is the Mysore Coffee Lands and Industries.

Mr. Machia: That is a company registered in Mysore, the Coffee Lands and Industries.

Shri T. T. Krishnamachari: Both came out of the original company that was the nucleus.

Mr. Machia: That is a different company altogether.

Shri T. T. Krishnamachari: Can you tell me the capital of your company today?

Mr. Machia: I could not remember straightway.

Shri T. T. Krishnamachari: Does it come to a crore of rupees?

Mr. Machia: I think it is about Rs. 47 lakhs.

Shri T. T. Krishnamachari: What about the reserves?

Mr. Machia: The reserves are about Rs. 40 lakhs, I believe.

Shri T. T. Krishnamachari: I put it to you that it is very nearly a crore of rupees. Have you any information as to how much money was brought into the Company when it became an Indian company, new money?

Mr. Machia: I am unable to give it.

Shri T. T. Krishnamachari: Would you confirm that it is Rs. 120 lakhs now?

Mr. Machia: I do not understand it.

Shri T. T. Krishnamachari: Since reserves are more than Rs. 40 lakhs

and some part of reserves were converted—Rs. 15 lakhs and odd—into bonus shares, their capital is 47 lakhs and I suppose that 10 per cent. managing commission came on the gross turnover.

Mr. Machia: That is not correct at all.

Shri T. T. Krishnamachari: If it is not correct, you are bound to say what is correct.

Mr. Machia: He took a very limited commission. He was entitled to 3 per cent. of the gross profits. He never drew it.

Chairman: If you want any portion of this evidence to be treated confidential we will do it. If you can give the information it will be helpful to the Members of the Committee.

Shri T. T. Krishnamachari: You can say 'I cannot'.

Mr. Machia: I am giving the information. He was entitled to a 3 per cent. commission on the gross profits. He did not draw more than Rs. 24,000 a year. That is the correct position about the managing commission.

Shri T. T. Krishnamachari: Why did he not take it? What was the motive?

Mr. Machia: I do not know about his motives. But the fact remains that he did not take more than Rs. 24,000 a year.

Shri T. T. Krishnamachari: Mr. Machia, what was the dividend that your company was paying?

Mr. Machia: 15 per cent, last year.

Shri T. T. Krishnamachari: Previously?

Mr. Machia: 18 per cent.

Shri T. T. Krishnamachari: Previous to that?

Mr. Machia: 20 per cent.

Shri T. T. Krishnamachari: Previous to that?

Mr. Machia: I believe it was very much lower.

Shri T. T. Krishnamachari: Before that it was 17 per cent., and before that 6½ per cent.

Mr. Radcliffe: Sir, perhaps I could give the information. I am a shareholder.

Shri T. T. Krishnamachari: You must be a very diligent shareholder, Mr. Radcliffe!

Mr. Radcliffe: I am, Sir, and I have to be. Since you are asking questions about Consolidated Coffee Estates I might be able to help you. For the nine years, including last year the average dividend paid, is 13½ per cent.

Shri T. T. Krishnamachari: I really want the last four years'.

Mr. Radcliffe: Well, Sir, I have not got that.

Shri T. T. Krishnamachari: I can give you. In 1950 it was 17, in 1951 it was 20, in 1952 it was 18. In 1953 what was it?

Mr. Machia: 15 per cent.

Mr. Radcliffe: And a lot of it came from pepper. A very considerable proportion of the profits, something like 25 per cent., was due to sale of pepper. And from the dividend should be deducted an amount of the value of 25 per cent.

Shri T. T. Krishnamachari: All that I am driving at, Mr. Radcliffe, is merely to indicate that there is money being made in phenomenal forms out of coffee, and I am also suggesting that the Coffee Board's policy has helped Consolidated Coffee Estates to make all that money. Mr. Ivor Bull was the Chairman and the Board's policy was run in such a manner that bigger estates could make that money.

Mr. Radcliffe: I do not think that is a fair statement.

Shri T. T. Krishnamachari: I will accept the contradiction.

Mr. Radcliffe: I would just like to tell the size of Consolidated Coffee Estates. It has, I think, 7,000 acres. And 7,000 acres naturally will produce an appreciable profit, something rather different from 300 or 400. I would like to emphasize it.

Shri T. T. Krishnamachari: One more question, Mr. Machia. You were for three years Chief Coffee Marketing Officer?

Mr. Machia: Yes.

Shri T. T. Krishnamachari: What was the price fixed for plantation coffee in those three years?

Mr. Machia: I am unable to remember the prices.

Shri T. T. Krishnamachari: What were the prices during the years when you were there?

Mr. Machia: I came there in May, 1948 and I left in May, 1951.

Shri T. T. Krishnamachari: You did not know if there was any big increase in price?

Mr. Machia: You will find that I did my very best to keep prices down. There are records there.

Shri T. T. Krishnamachari: And the Board appreciated it?

Mr. Machia: They had no other course. Because, the Chief Coffee Marketing Officer has powers to control the prices.

Shri T. T. Krishnamachari: I do not know! The present Chief Coffee Marketing Officer does not seem to have it, and he is not very popular with the Board.

Mr. Machia: The Act gives the power to the Chief Coffee Marketing Officer for controlling the prices.

Shri T. T. Krishnamachari: That is all right. Thank you.

Shri Gadilingana Gowd: May I know the number of large growers and the acreage covered by large growers?

Mr. Machia: Above 100 acres, there are 590 growers, holding a total acreage of 1,19,566 acres.

Shri Gadilingana Gowd: What do you mean by industries entirely in Indian hands?

Mr. Machia: The total acreage is 240,000 acres. The European holding is just about 10 per cent.: 26,000 acres.

Shri N. Somana: It was stated by the representative of the Coffee Board that this year, the production has gone up to 29,000 tons. Do you think there is more scope for development of this industry?

Mr. Machia: There is scope for development in two ways. One is increase in yield of the existing acreage. The other is re-cultivating the lands which were abandoned a number of years ago and the third is, opening up virgin jungles. I think there is great scope for development.

Shri Somana: What is the internal consumption in India, roughly?

Mr. Machia: At present, it is in the neighbourhood of 18,500 tons.

Shri Somana: Do you think there is scope for increase?

Mr. Machia: I am sure there is room for increase.

Shri Somana: How do you think that the consumption would increase.

Mr. Machia: In the same manner as the Board increased the consumption from an average of 8000 tons to 18,000 tons over a period of 12 years, by opening India Coffee Houses and introducing the beverage to people who have not drunk it before.

Shri Somana: Do you think that sufficient propaganda is now being done for coffee drinking in the North?

Mr. Machia: I think there is great scope for increased propaganda in the North.

Shri Somana: Do you mean to say that there must be more propaganda for coffee drinking?

Mr. Machia: Yes. That should be done. It is well known that production is going up every year. It is necessary that the marketing side is developed at the same time as the increase in the crops.

Shri N. Somana: There is a suggestion that this amount for propaganda work should be taken from the pool fund. Do you agree to that?

Mr. Machia: The pool fund belongs to the growers who have surrendered their coffee to the Board. Propaganda has always been done not only in the case of the Coffee Board, but also in the case of other commodities, from the cess that is collected. The cess has all along been used for research and for propaganda to increase the consumption of coffee.

Chairman: These are questions which can be put to the Board. We have also asked the Board. These are representatives of the UPASI. They may not be useful in this connection.

Shri Somana: The witness was the Chief Marketing officer for three years. So, I thought these questions were relevant.

It is said or feared that this Board is not keeping the interests of the small growers. Is there any basis for that?

Mr. Machia: I am afraid there is a good deal of confusion on this matter. The Board does its best for the small grower. There is no doubt about that. The small grower has the greatest confidence in the Board for this reason that when the small grower delivers his coffee to the Board, he is getting full value for his coffee straightaway. At the end of the season, if there is any extra money due to him, the small grower receives the additional payment and the payment is identical with the payment to the large grower. That

has acted very beneficially to the small grower because he receives his payment straightaway. He does not have to make distress sales and he does not go into the hands of the money lenders as he did in the past.

Shri N. Somana: Apart from the sentimental grounds, have you any serious objections if the Chairman is appointed by the Government?

Mr. Machia: I do not think that the grounds can be said to be sentimental.

Shri N. Somana: What are your grounds of objection?

Mr. Machia: We feel that having the Chief Executive officer of the Board as also the Chairman of the Board is retrograde, because, it means that he can condition the discussions in the Board along the lines which he wants to take. We do feel that the Chief Executive should not be the Chairman of the Board at the same time.

Shri N. Somana: Don't you think that the Board as constituted is mainly represented by the growers?

Mr. Machia: That, again, is a very controversial statement. Out of 30 members on the Board, 14 are growers. Out of the 14 growers, three are nominated by the Mysore Government. Eleven are true representatives of the Planting Associations, that is, growers.

Shri N. Somana: Do you think that the consumers' interests are sufficiently represented? I want your opinion as a Member of the UPASI, not as an ex-officer of the Coffee Board.

Mr. Machia: The existing Act, as far as I remember, has no provision for the consumers representative. As far as I know, Shri Raghavachari was appointed by the Central Government to represent the consumers on the Board, I believe, in one of the trade interests.

Shri T. T. Krishnamachari: On behalf of the Co-operatives. As a consumers' representative, he was given a seat among the trade members.

Shri C. R. Narasimhan: Can you tell us as to how much capital has been invested in the coffee industry by the members of the UPASI? Is it difficult to answer?

Chairman: It is an Association of people. It would be difficult.

Shri C. R. Narasimhan: As gentlemen in the trade, could you tell us how much money has been invested in this industry roughly?

Mr. Machia: We do not know.

Chairman: That is difficult to say.

Shri Damodara Menon: I would like to have one clarification from Mr. Radcliffe. You stated in answer to the Minister, as a point of difference between the Coffee Board and other Commodity Boards like the Tea Board, that you have to surrender all the produce to the Board whereas in the case of other Boards, it is not done. I want to know whether this arrangement works generally to the advantage of the producer or not.

Mr. Radcliffe: It is a large question. I would like to refer to the old Act of 1942 where the Board was constituted to come to the assistance of the industry. This assistance has been ably brought out in the report of the Ministry of Commerce in 1953 and also in the figures shown in the UPASI memo.

Chairman: The question which the hon. Member asked is, is it or is it not to the advantage of the industry to have this sort of control whereby you will transfer all the produce to the pool?

Mr. Radcliffe: Yes. If the control is worked in the right way, it is definitely beneficial to the industry, and that means the nation as a whole, everybody connected with the industry.

Shri Damodara Menon: Is it your view that because such a surrender is made, the growers must have adequate representation in the Board? In the previous Board, the growers were having their representation. In the present Board, it is by nomination. Is it your fear that if representation is made by nomination, your interests will not be properly safeguarded?

Mr. Radcliffe: Yes, Sir. There is every likelihood that a wrong person may be chosen. We do feel that as the producer surrenders the whole produce, unless he is allowed to have his accredited representatives, he will not have confidence in the body that controls. Without that confidence, co-operation would be lacking and there will be no expansion in the industry. We do feel that the accredited representatives of the growers must be on the Board to control their affairs and that is only right in the modern set up of democratic institutions.

Shri Damodara Menon: The hon. Minister read out something like an assurance that you will be consulted. Will you be satisfied with such an assurance?

Mr. Radcliffe: I am indeed very happy to hear that assurance. But, I would ask him, would he, instead of putting such a clause in the face of the Bill, put it after the three sections which we ask? I suggest that it does not make any great difference. It would meet the wishes of the whole industry. To that extent we would consider it a very gracious move on the part of the Ministry if he would agree.

Shri T. T. Krishnamachari: Has the Board gone on increasing the percentage of the produce which has to be surrendered? Was it not originally 60 per cent.?

Mr. Machia: When the Board started, only as much coffee as was required for export was taken over

by the Board in the pool. In course of time, the Board found that it was better to take over the entire produce and market it in the country and export any surplus that may be available. So far as I remember, since about 1948, or may be a bit earlier, there has been no internal sale.

Shri T. T. Krishnamachari: Originally the quota was 60 per cent. Then, it became 90 per cent. and then full 100 per cent. It does not stand to reason that it is entirely not to the advantage of the grower.

Mr. Machia: It is of advantage to the grower.

Shri T. T. Krishnamachari: Is it not unfair that that particular act of voluntary self-abnegation should be shown as something of a great sacrifice when it happens to be to your own good?

Mr. Machia: I do not think we have ever claimed that there has been any self-abnegation in surrendering the coffee.

Shri T. T. Krishnamachari: Of course, you are not a member of the Coffee Board.

Mr. Machia: I happen to be a member of the Coffee Board now.

Shri T. T. Krishnamachari: The Coffee Board, in paragraph 5 of their memorandum say that the growers are compelled to surrender every bean to the Board.

Mr. Machia: It only says the section under the Act compels them to surrender. It is a mere statement of fact.

Shri T. T. Krishnamachari: The growers can sell themselves and the Board will only function for the purpose of research, export, propaganda and so on.

Mr. Machia: You are suggesting that the Board goes back to the old position of taking only as much coffee as is required for export.

Shri T. T. Krishnamachari: If they feel like it.

Mr. Machia: There is one objection to it, and that is this. The high price that you now get for export benefits all the growers, big and small.

Shri T. T. Krishnamachari: You cannot have it both ways. You must decide on their having the cake or eating it. If you want the cake, you have the present Board. If you want the benefit of the exports, the increased price that you get, the auction price that you get by means of well-regulated auctions, over and above the cost, whatever might be agreed upon, then you have to conform yourself to certain discipline. If you do not want it, the Government will allow such exports as they think fit and then mop off the difference by means of export duty and leave some money in the hands of the Board so that they may use it for purposes of development or rehabilitation. You can do what you like. Government will levy excise duty at the curing yards. It is easy to do that, and we will have the Board as a sort of skeleton body for performing limited functions. You can have your own private associations. The UPASI may control the whole show. What is your idea?

Mr. Machia: I do not think so.

Shri T. T. Krishnamachari: Then, I do not even need to have the Board. I can have five or six people to advise me. The Chief Coffee Marketing Officer can run it cheaper.

Mr. Machia: If you have made up your mind.....

Shri T. T. Krishnamachari: I am putting it to you as an alternative. There is complete democracy, even democracy to commit suicide. Don't you think as an experienced person that ought to satisfy the growers? They will have complete freedom to do what they like. The growers can-

not ask me to take up a responsibility and say I shall not exercise my power. They tell me how to exercise my power.

Mr. Machia: It would not be complete freedom.

Shri T. T. Krishnamachari: Why not? You can do what you like. The law of supply and demand will determine the prices you get.

Mr. Machia: It would not be a free market because the prices of the exported coffee will also be determined by Government.

Shri T. T. Krishnamachari: That is Government's responsibility. No Government can surrender that to the Coffee Board.

Mr. Machia: That I agree. Even now, it is under Government's orders.

Shri T. T. Krishnamachari: I put it as an alternative. The UPASI is right. I accept your position. This is a free democratic country, democracy for all.

Mr. Machia: It will benefit the bigger growers.

Shri T. T. Krishnamachari: I will look after the small growers. Let me see if the big grower makes money. I would like to see. Do you think you can make the money?

Chairman: The point you have to answer is: would your association like it or not. You say you like it or not, and give the reasons.

Mr. Radcliffe: May I reply? You raised a very big question indeed about the whole of control and marketing which I feel cannot be decided just over the table in two minutes. The whole history of the Board has shown that the industry has benefited by it. There has been a very large increase in the acreage, which means a very large increase in employment, which is something to be prized. We feel that if the grower is allowed to make fair profits, he

[Mr. Radcliffe]

would expand his industry and there would be scope for much employment in our Malnad country.

Shri T. T. Krishnamachari: They are all extraneous reasons.

Mr. Radcliffe: I have lived for a long time in the Malnad country. We have got something here which is really worthwhile which we can develop. The Board has been of immense benefit to the small grower, and every small grower on that side will tell you so. If it is going to be a free market, quite obviously the more intelligent and better organized big grower would be more able to get the benefits. We feel there are great difficulties in marketing, and we have certain suggestions to make on this. If you consider that the money of the big grower is too much, the proper way to mop it up is through taxation. Let us increase our industry, let us expand it to the

maximum extent possible. Let us help the small grower who is badly in need of help. I am a very active member of the research organization of the Board. I have tried very hard in the past six years to do something for the industry, and we have got something going now which, we feel, will help the small grower. We have increased our research staff. If we are going to scrap our marketing prospects as they are today, we do feel the small grower will be left high and dry.

Chairman: So, your being asked to surrender all your production to the pool is a help to the industry?

Mr. Radcliffe: Definitely, that is so.

Chairman: Thank you, gentlemen, for giving us such valuable evidence.

(Witnesses then withdrew)

The Committee then adjourned at 6-25 p.m.)

LOK SABHA

THE SELECT COMMITTEE

ON

THE COFFEE MARKET EXPANSION
(AMENDMENT) BILL, 1954.

EVIDENCE

(28th July 1954)

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